

**AMENDED**



**CITY COUNCIL MEETING**

**AGENDA**

**TUESDAY, DECEMBER 14, 2021 – 7:00 P.M.**

**Please Note: Per California Executive Order N-29-20, the City Council will meet via Telephone/Video Conference only.**

*Members of the Public may join and participate in the Council meeting at <https://webinar.ringcentral.com/j/1442364192>*

**TO PARTICIPATE VIA THE LINK ABOVE** - Members of the public will need to have a working microphone on their device and **must have the latest version of Ringcentral available at this link <http://www.ringcentral.com/download.html>**. To request to speak please use the “Raise hand” feature located at the bottom of the screen.

**TO PARTICIPATE VIA TELEPHONE** - Members of the public may also participate via telephone by calling 1-650-242-4929 (Meeting ID: 144 236 4192). Press \* 9 on your telephone to indicate a desire to speak.

Public testimony will be taken at the direction of the Mayor and members of the public may only comment during times allotted for public comments. Once called to speak, speakers will be asked to state their name and place of residence. Providing this information is optional.

**TO SUBMIT WRITTEN COMMENTS**, prior to the meeting, on matters listed on the agenda email [PublicComment@losaltosca.gov](mailto:PublicComment@losaltosca.gov) with the subject line in the following format:  
PUBLIC COMMENT AGENDA ITEM ## - MEETING DATE.

Emails sent to the above email address are sent to/received immediately by the City Council.

Correspondence submitted in hard copy/paper must be received by 2:00 p.m. on the day of the meeting to ensure it can be distributed prior to the meeting. Correspondence received prior to the meeting will be included in the public record.

**[Please follow this link for more information on submitting written comments.](#)**

**CALL MEETING TO ORDER**

**ESTABLISH QUORUM**

**PLEDGE OF ALLEGIANCE TO THE FLAG**

**REPORT ON CLOSED SESSION**

**CHANGES TO THE ORDER OF THE AGENDA**

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**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA** - Members of the audience may bring to the Council's attention any item that is not on the agenda. Speakers are generally given two or three minutes, at the discretion of the Mayor. Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "the Brown Act") items must first be noticed on the agenda before any discussion or action.

**CONSENT CALENDAR** - These items will be considered by one motion unless any member of the Council or audience wishes to remove an item for discussion. Any item removed from the Consent Calendar for discussion will be handled at the discretion of the Mayor.

1. **City Council Minutes:** Approve the Minutes of the November 30, 2021 and December 7, 2021 Regular City Council Meetings (A. Chelemengos)
2. **Housing Services Agreement:** Approve and authorize the City Manager to execute a Three Year Agreement with Alta Housing (Formerly Palo Alto Housing) for Housing Services in a Not to Exceed Amount of \$195,000. (J. Biggs)
3. **2022 City Council Meeting Schedule:** Adopt 2022 City Council meeting schedule and receive 2022 Commission meeting schedules (A. Chelemengos)
4. **Contract Award: Structural Reach Replacement, Project WW-01002 to Bellecci & Associates, Inc.:** Authorize the City Manager to execute an agreement on behalf of the City with Bellecci & Associates, Inc. in the not-to-exceed amount of \$176,574 and up to a 10% design and construction support contingency amount of \$17,657 for a total of up to \$194,231 to provide design and consulting services for the Structural Reach Replacement Project WW-01002 - Categorically Exempt pursuant to CEQA Section 15301 (b) (A. Trese)
5. **Professional Services Agreement** - Access Control System for Police Department: Authorize the City Manager to execute an agreement with The Flying Locksmiths of Sacramento in an amount not to exceed \$114,132 for installation of Openpath Access Control System (ACS) for the Police Department. (A. Tseng)
6. **Halsey House Funding Appropriation:** Authorize appropriation of \$250,000 from the Park In-Lieu Fund to Project CF-01004 for mothballing of the Halsey House - Categorically Exempt pursuant to CEQA Section 15331 Class 31 (A. Fairman)
7. **Purchasing Policy Update:** Review and adopt the revised purchasing policy and adopt Resolution No. 2021-60 Establishing Certain Monetary Limits For Purposes Of Purchasing (J. Furtado)
8. **Funding of the City's Other Post-Employment Benefits (OPEB):** Adopt Resolution 2021-61 authorizing and directing the transfer of \$1.5 million to CALPERS to invest in the City's California Employers' Retirement Benefit Trust (CERBT) (J. Furtado)
9. **CALPERS Unfunded Accrued Liability Paydown:** Adopt Resolution No. 2021-62 approving the transfer of \$5 million to CALPERS to pay down the City's unfunded accrued liability. (J. Furtado)
10. **2022 City Council Assignments:** Accept the Mayor's appointments to local and regional boards and Council Committees for 2022 (A. Chelemengos)

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- 10A Side Letter Agreement:** Adopt Resolution 2021-63: A Side Letter Agreement between City of Los Altos & Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”); Side Letter Agreement of the Memorandum of Understanding (MOU) (I. Silipin) **Item added 12.10.2021**

**PUBLIC HEARINGS - None**

**DISCUSSION ITEMS**

- 11. Objective Standards for Single Family Residences:** Consider and find the project exempt from review under CEQA per CEQA Guidelines Sections 15061(b)(3) and 15308 and adopt Resolution No 2021-57 A Resolution of the City Council of the City of Los Altos establishing Objective Standards for Single Family Residences to implement Senate Bill 9 (J. Liu, E. Ramakrishnan).
- 12. Agenda Item Removed 12.10.2021**
- 13. American Rescue Plan Act Expenditures:** Discuss potential uses of the American Rescue Plan Act dollars; identify projects or programs for which American Rescue Plan Act dollars can be used, if any, and provide direction to staff as necessary. (J. Maginot)
- 14. Tentative Council Calendar:** Conduct Quarterly Review of Tentative Council Calendar and provide direction to staff. (A. Chelemengos)

**INFORMATIONAL ITEMS ONLY**

None

**COUNCIL/STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS**

**ADJOURNMENT**

(Council Norms: It will be the custom to have a recess at approximately 9:00 p.m. Prior to the recess, the Mayor shall announce whether any items will be carried over to the next meeting. The established hour after which no new items will be started is 11:00 p.m. Remaining items, however, may be considered by consensus of the Council.)

SPECIAL NOTICES TO THE PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk 72 hours prior to the meeting at (650) 947-2610.

Agendas Staff Reports and some associated documents for City Council items may be viewed on the Internet at <http://www.losaltosca.gov/citycouncil/online/index.html>.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, and that are distributed to a majority of the legislative body, will be available for public inspection at the Office of the City Clerk’s Office, City of Los Altos, located at One North San Antonio Road, Los Altos, California at the same time that the public records are distributed or made available to the legislative body. If you wish to provide written materials, please provide the City Clerk with **10 copies** of any document that you would like to submit to the City Council for the public record.



## **PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

The following is public comment received by the City Clerk's Office. Members of the public may bring to the Council's attention any item that is not on the agenda. Please be advised that, according to State law, the City Council is unable to discuss or take action on issues presented during the Public Comment Period.

Individual contact information has been redacted for privacy.

December 3, 2011

Dear City Council Members, City Manager, and Staff:

In accordance with your norms, I am asking for the council majority that voted for the Memorandum of Understanding [MOU] for the Downtown Theater Working Group [TWG] on November 30<sup>th</sup> to reconsider your three VOTES for the following reasons:

- (1) Taxpayers deserve to know the actual financial condition of our city before you make a big deal decision this. Why the rush? It should not matter whether this occurs this year or next year.
- (2) Once a project is started it is almost impossible to stop. That is why the TWG deliberately wants to rush this project thru council. My worst nightmare is that the TWG will not be able to find the donations needed and will then come back to the city for a huge handout you will find hard to turn down. Why not give the TWG a reasonable amount of time like 3-6 months to come back with a solid business plan that identifies the top 10 donors and amounts instead?
- (3) The TWG claims of added retail revenue of \$ 1 million is invalid or in the words of some absurd. I would be happy to show you why if you ask.
- (4) Data obtained from the Youth Theatre Group indicates that only about 75 kids participate annually and some may be repeat actors. This is significantly less that the number of seniors that use our senior centers. How can you justify a new downtown theatre for 75 or fewer kids when we do not provide anything like this for seniors? I am waiting on a past due PRA that should confirm this.
- (5) Some of you believe that the Measure "C" defeat shows that more voters trust councils to make land use decisions than themselves. "C" was defeated by a margin of 4,206 [52.75%] NO votes and 3,843 YES

[47.25%]. I would argue that the real lesson is that the lease restriction was easy to attack by false claims it would interfere with everyday council business that confused voters – not that they want council to make big land use decisions. In my opinion, GIFTING a city parking plaza is not every day business but is a big deal. Why not ask all of 100% of your constituents to vote to insure their buy in instead?

- (6) You did not ask any of your many commissions to deliberate and provide advice. This is the first time that I remember seeing this happening. Why did you not ask commissioners for advice?
- (7) A TWG member states that council member Weinberg coached them what to say and indirectly what to ask for and other TWG members stated he really wanted this to happen. While this may be legal it certainly seems unethical not to disclose in detail in a council meeting what was actually said before his vote is deemed valid. Some voters may have a perception that your decision is tainted. How will you avoid the stench this creates?
- (8) The TWG claims we have a parking management problem and not a parking space problem that can be easily fixed by restriping our parking lots to narrow the space between cars to make up for the parking spaces taken up by the new theatre. Wouldn't it be wise to revisit this assumption?
- (9) Council member Weinberg has pre-judged this project which if he were a commissioner would require that he abstain from voting. The public deserves to know why the commission handbook bans pre-judging outcomes and yet at least one of you are allowed to do so.
- (10) The pandemic has changed everything and things may not be the same afterward. For example, I am not likely to visit any indoor public venues except for very special rare occasions that warrant the risk. I think this change

- in behavior could last for a generation just like the depression did to my parents or the financial crisis did for the rest of us. Therefore, would it not be wise to take another look at whether a downtown theatre is viable?
- (11) It seems unfair to gift city land to one non-profit group but not consider other uses for this land. For example, why not convert the parking plaza into a park instead. Would it not be wiser to let all comers present their ideas before making a decision as big as this?
  - (12) Worse yet, this MOU does not give full ownership of the downtown theatre to our city which I find an insult to taxpayers and an unfair gift to the TWG.
  - (13) And, most importantly, we know that small theaters like this cannot exist without free rent and 50% donations and ongoing city subsidies. I think taxpayers deserve to know what we are ultimately going to have to pay for a new and possibly much larger downtown theatre.
  - (14) What happens to the Bus Barn and the land it occupies if a downtown theatre is constructed on city owned land. I think taxpayers need to know before you commit to an MOU.
  - (15) Any final MOU should include provisions for either party or both to terminate this agreement. Equally important, the MOU should require that the TWG meet annual or bi-annual funding goals to avoid automatic termination.

In summary, please reconsider your decision by waiting until we have more certainty about finances and pandemic outcomes and a business plan we can trust that spells out the actual size and cost for the theatre and a valid list of big donors? After all, what is the rush if the TWG needs 5 years to raise the donations?

In closing, I ask each of you to reconsider your votes for a downtown theatre that could easily become a huge white elephant once the true facts see the light of day as they will.

Frank Martin





**MINUTES OF THE REGULAR MEETING OF  
THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
7:00 P.M., TUESDAY, NOVEMBER 30, 2021**

Held Via Video/Teleconference Per California Executive Order N-29-20.

**MEETING CALLED TO ORDER**

At 7:00 p.m., Mayor Fligor called the meeting to order.

**ESTABLISH QUORUM**

**Present:** Mayor Fligor, Vice Mayor Enander, Council Members Lee Eng, Meadows, and Weinberg

**Absent:** None

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Ella Fei, of Girl Scout Troop 60615, led the Council in the Pledge of Allegiance.

**REPORT ON CLOSED SESSION**

1. Public Employment: City Attorney Performance Review  
Pursuant to Government Code Section 54957 (b)

Mayor Fligor reported that the Council held a Closed Session earlier in the evening to conduct a performance review of the City Attorney. She stated that there was nothing to report and thanked the City Attorney for her service.

**SPECIAL PRESENTATION**

- Recognition of Outgoing Los Altos Commissioners and Committee Members

Mayor Fligor recognized and thanked the following individuals for their past service to Los Altos in the capacity of City Commissioners Autumn Looijen, Scott Spielman, Tanya Lindermeier, James Martin, Amina Yee, David Horine, Ginny Strock, Paula Rini, Nancy Ellickson, Doris Hawks Torbeck, Ashlynn Tusneem, Connie Hong, Tom Harpaz, Jessica Young Dhana Pawar and Katherine Mandle.

**CHANGES TO THE ORDER OF THE AGENDA**

There were no changes made.

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None

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## CONSENT CALENDAR

1. **City Council Minutes:** Approve the Minutes of the November 2, 2021, Regular Meeting
2. **Quarterly Investment Portfolio Report:** Receive the Investment Portfolio Report through September 30, 2021
3. **Contract Amendment:** Approve and authorize the City Manager to execute Amendment #1 to the existing Professional Services Agreement between the City of Los Altos and Bellecci & Associates for inspection services for the Annual Street Resurfacing and City Alley Resurfacing Project. The agreement will amend the not-to-exceed amount from \$64,688 to \$82,516
4. **Ordinance No. 2021-477 - Restriction on the Los Altos Community Center Site:** Adopt Ordinance No 2021-477 an ordinance of the City Council of the City of Los Altos adding a new Chapter, 11.13, entitled “Restriction on the Los Altos Community Center Site” to Title 11, Miscellaneous Property Regulations, of the Los Altos Municipal Code that will prohibit: (1) the sale or transfer of title of the Los Altos Community Center Site without voter approval
5. **Resolution No. 2021-58 -Suicide Prevention Policy** – Adopt Resolution No. 2021- 58 establishing a Suicide Prevention Policy

Vice Mayor Enander moved to approve the Consent Calendar. The motion was seconded by Council Member Lee Eng.

Consent Calendar Items 1,2, 3, and 5 passed 5-0 with the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander, and Mayor Fligor  
NOES: None  
ABSENT: None  
ABSTAIN: None

Consent Calendar Item 4 passed 3-2 with the following roll call vote:

AYES: Council Members Lee Eng, Vice Mayor Enander, and Mayor Fligor  
NOES: Council Members Meadow and Weinberg  
ABSENT: None  
ABSTAIN: None

## PUBLIC HEARINGS

6. **Park in-Lieu Fee Update:** Adopt Resolution No. 2021-56 of the City Council of the City of Los Altos modifying Park in-Lieu Fee on the FY 2021/22 Fee Schedule for the City of Los Altos. Continued from the meeting of November 9, 2021.

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Mayor Fligor announced that Council had received a request from staff to continue this matter. She explained that she would open the public hearing and look for a motion to continue.

At 7:16 p.m. the public hearing was opened.

Council Member Weinberg moved that matter be continued. The motion was seconded by Council Member Meadows.

City Attorney Houston clarified that a new public Notice would be posted and distributed once the matter is scheduled and that public comments would be taken at that time.

The motion passed 5-0 with the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander, and Mayor Fligor.  
NOES: None  
ABSENT: None  
ABSTAIN: None

**7. Reconsideration of D20-0008 - Packard Foundation - 374 Second Street:**

Reconsideration of Design Review Approval (D20-0008) for parking lot modifications and installation of carport structure at 374 Second Street and affirm the October 26, 2021, Council approval to allow the modification of the existing parking lot and construction of the carport structure.

Mayor Fligor outlined the procedure for the matter.

Planner Golden spoke to the staff report and offered to answer questions.

Council Member Weinberg referenced the Municipal Code and stated that he had initiated a reconsideration of the matter based on the absence of the information that of 18 protected trees on the site 15 are proposed to be removed and not replaced and because of that, he stated he felt that Council did not have sufficient facts to warrant an affirmative finding relative to the landscaping.

Craig Neyman, representing the applicant, spoke to an amendment that the applicant proposes with regard to the project landscaping and answered questions from the Council.

Dale Leda, BKF Engineers also answered questions from the council relative to the project.

The City Attorney and Senior Planner Golden answered questions from the Council.

Mr. Neyman further commented.

The following individuals commented: Teresa Morris, Roberta Phillips Scott Spielman, Jeanine Valadez, Joe Beninato and Gary Hedden.

Council discussion commenced.

Council Member Weinberg moved that the City Council reconsider the previous approval and now approve the application, with the modifications proposed by the applicant in a map

presented at this (November 30, 2021) Council meeting, subject to staff's review and approval of the landscape plan's feasibility and viability and is in compliance with City Codes and allowing for the removal of Trees 31, 32, 33, 34, and that there be no less than 11 trees against the alley and 1 additional tree be placed in the area depicted in the lower left corner of the map. The motion was seconded by Vice Mayor Enander

Council Member Lee Eng expressed concern with the lateness of proposed amendment received from the applicant, the lack of indication of size of the proposed replacement trees and stated she had other unanswered questions relative to the proposed amended landscape plan and requested the motion indicate replacement tree sizes.

The motion passed 4-0-1 with the following roll call vote:

AYES: Council Members Meadows, Weinberg, Vice Mayor Enander, and Mayor Fligor.  
NOES: None  
ABSENT: None  
ABSTAIN: Council Member Lee Eng

At 8:54 p.m. Mayor Fligor called for a brief recess. At 9:03 p.m., Mayor Fligor reconvened the meeting and announced that agenda Item # 11 would be continued to the next Council meeting.

**8. Resolution No. 2021-57 Objective Standards for Single Family Residences:** Hold Public Hearing and Adopt Resolution of the City Council of the City of Los Altos establishing Objective Standards for Single Family Residences to implement Senate Bill 9

Community Development Director Biggs, Planner Liu and City Attorney Ramakrishnan provided a report and answered questions from the Council

The following individuals commented: Joe Beninato, Roberta Phillips, Brian Jones, Salim Damerdji, Jon Baer, Jeannine Valadez, and Teresa Morris.

Council discussion commenced. Council provided comments and directions for various edits throughout the document and to look into unanswered items identified.

Mayor Fligor moved that the Council direct staff to make the various amendments, as discussed and agreed upon, to the document and bring it back to the December 14, 2021, Council meeting for review and consideration for adoption. The motion was seconded by Vice Mayor Enander and the motion passed 5-0 with the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander, and Mayor Fligor.  
NOES: None  
ABSENT: None  
ABSTAIN: None

At 10:54 p.m., Mayor Fligor called for a brief recess. The meeting was reconvened at 11:01 p.m. At that time Mayor Fligor announced that due to the hour, Agenda Item # 13 would be continued to the December 14, 2021, meeting.

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**DISCUSSION ITEMS**

**9. City of Los Altos Parklet Program Guide:** Approve the City of Los Altos Parklet Program allowing restaurants to continue outdoor dining.

Economic Development Coordinator Carnesecca presented the proposed guide and answered questions from the Council.

The following individuals commented: Freddie Wheeler, Roberta Phillips, Curtis Cole, Jon Baer, Kim Mosley, Joe Beninato, Vicki, Bill Sheppard, Scott Hunter, Jeanine Valadez, Pete Dailey, and Scott Spielman.

Following Council discussion, Council Member Weinberg moved that the Council approve a permanent Parklet Program after the emergency order is lifted. The motion was seconded by Council Member Meadows.

Vice Mayor Enander moved that the Council adopt the Parklet Program as a pilot program for 1 year following the lifting of the Emergency order. The motion was seconded by Council Member Lee Eng.

The vote for the motions were called with the later motion being voted on first.

The motion made by Vice Mayor Enander seconded by Council Member Lee Eng failed with the following 3-2 roll call vote:

AYES: Council Member Lee Eng and Vice Mayor Enander  
NOES: Council Members Meadows and Weinberg, and Mayor Fligor  
ABSENT: None  
ABSTAIN: None

The first motion made by Council Member Weinberg, seconded by Council Member Meadows passed 3-2 with the following roll call vote:

AYES: Council Members Meadows and Weinberg, and Mayor Fligor  
NOES: Council Member Lee Eng and Vice Mayor Enander  
ABSENT: None  
ABSTAIN: None

Council Member Lee Eng moved that the Parklet Program be reviewed and evaluated by Council 1 year after its implementation following the lifting of the Emergency Order. The motion was seconded by Mayor Fligor and the motion passed unanimously with the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander, and Mayor Fligor.  
NOES: None  
ABSENT: None

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ABSTAIN: None

**10. Memorandum of Understanding - Los Altos Stage Co.** Consider and approve execution of a Memorandum of Understanding (MOU) wherein the City of Los Altos agrees to hold certain Downtown Parking Plaza(s) for a period of up to five-years to allow for exploration of a downtown theater. (J. Houston)

Mayor Fligor introduced the matter. City Attorney Houston provided information and answered questions from the Council.

The following individuals commented: Pete Dailey, Curtis Cole, Jon Baer, Roberta Phillips (with time ceded from Janet Corrigan) Scott Spielman (with time ceded from Al Rooney), Joe Beninato and Bill Sheppard.

Following discussion in which Council requested minor edits and slight additions, Mayor Fligor moved that the Council approve the proposed Memorandum of Understanding, as amended. The motion was seconded by Council Member Weinberg and the motion passed 3-2 with the following roll call vote:

AYES: Council Members Meadows, Weinberg, and Mayor Fligor.  
NOES: Council Member Lee Eng and Vice Mayor Enander  
ABSENT: None  
ABSTAIN: None

**12. Formation of Council Subcommittee for a New Police Facility:** Consider formation of a City Council Police Facility Subcommittee, and if formed, appoint no more than two Council Members, and provide direction to the Subcommittee on its role and scope.

Council Member Weinberg introduced the matter as the Council Member who initiated this item. Harry Guy provided public comment on the matter.

Council Member Weinberg moved that the Council form a Council Subcommittee comprised of Council Members Weinberg and Meadows to investigate aspects of building a new police facility and to bring its findings to the Council. The motion was seconded by Council Member Lee Eng and the motion passed 5-0 with the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander, and Mayor Fligor.  
NOES: None  
ABSENT: None  
ABSTAIN: None

#### **INFORMATIONAL ITEMS ONLY**

- None

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**COUNCIL/STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS**

No reports and no future agenda items added.

**ADJOURNMENT**

At 1:07 a.m., Wednesday, December 1, 2021, Mayor Fligor adjourned the meeting.

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Neysa Fligor, MAYOR

ATTEST:

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Andrea M. Chelemengos MMC, CITY CLERK

DRAFT



**MINUTES OF THE MEETING OF  
THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
TUESDAY, DECEMBER 7, 2021  
Held Via Video/Teleconference**

**MEETING CALLED TO ORDER**

At 7:01p.m., Mayor Fligor called the meeting to order.

**ESTABLISH QUORUM**

Present: Mayor Fligor, Vice Mayor Enander, Council Members Lee Eng, Meadows, and Weinberg  
Absent: None

**PLEDGE OF ALLEGIANCE**

Anya, Natalie, Emily Anoosh and Mia, from a local Girl Scout Troop, led the Pledge.

**CONSENT CALENDAR**

1. **Emergency Declaration Resolution:** Adopt Resolution No. 2021-59 Extending the declaration of a local emergency due to the COVID-19 Pandemic (J. Maginot)

Mayor Fligor invited public comments on the Consent Calendar. There were none.

Vice Mayor Enander moved to approve the consent Calendar. The motion was seconded by Council Member Weinberg and the motion passed 5-0 with the following roll call vote:

AYES: Mayor Fligor, Vice Mayor Enander, Council Members Lee Eng, Meadows, and Weinberg  
NOES: None  
ABSENT: None  
ABSTAIN: None

**SPECIAL ITEMS**

Mayor Fligor invited member of the public to comment on the Special Agenda Items.

Santa Clara County Supervisor Joe Simitian commented as well as Cari Templeton on behalf of Senator Josh Becker.

**2. Council Reorganization**

- A. Remarks from Outgoing Mayor Fligor



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Mayor Fligor provided individual remarks.

B. Election of Mayor

Council Member Meadows nominated Vice Mayor Enander to serve as Mayor for 2022. The nomination was seconded by Council Member Lee Eng. Vice Mayor Enander was unanimously elected to serve as Mayor by the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander and Mayor Fligor  
NOES: None  
ABSENT: None  
ABSTAIN: None

C. Election of Vice Mayor

Vice Mayor Enander nominated Council Member Meadows to serve as Vice Mayor for 2022. The nomination was seconded by Council Member Weinberg. Council Member Meadows was unanimously elected to serve as Vice Mayor by the following roll call vote:

AYES: Council Members Lee Eng, Meadows, Weinberg, Vice Mayor Enander and Mayor Enander  
NOES: None  
ABSENT: None  
ABSTAIN: None

Council Members Lee Eng and Weinberg offered individual comments.

D. Administration of Oath of Office to new Mayor and Vice Mayor

City Clerk Chelemengos administered the Oath of Office to Mayor Enander and Vice Mayor Meadows.

E. Presentation of Medal to Incoming Mayor

Former Mayor Fligor presented Mayor Enander with the Incoming Mayor Medal.

F. Remarks from new Vice Mayor

Vice Mayor Meadows provided comments

G. Remarks from new Mayor

Mayor Enander called for a moment of silence in remembrance of Pearl Harbor and in honor of those who served and their families. Following, Mayor Enander provided comments and invited any additional public comments.

Supervisor Simitian offered congratulations to the new Mayor and Vice Mayor.

**ADJOURNMENT**

Mayor Enander adjourned the meeting at 7:53 p.m.

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Anita Enander, MAYOR

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Andrea M. Chelemengos MMC, CITY CLERK

DRAFT



**CONSENT CALENDAR**

**Agenda Item # 2**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** Authorization for the City Manager to Execute a Three Year Agreement with Alta Housing (Formerly Palo Alto Housing) for Housing Services in a Not to Exceed Amount of \$195,000.

**Prepared by:** Jon Biggs, Community Development Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

None

**Initiated by:**

Staff

**Fiscal Impact:**

Total expenditures for this three-year agreement are not expected to exceed \$195,000, \$65,000 for each year, which have been budgeted for in the Community Development Department's Professional Services Fund.

**Environmental Review:**

This agreement has been assessed in accordance with the California Environmental Quality Act (Cal. Pub. Res. Code, § 21000 et seq.) ("CEQA") and the State CEQA Guidelines (14 Cal. Code Regs. § 15000 et seq.) and is categorically exempt from CEQA under CEQA Guidelines, § 15061(b)(3), which exempts from CEQA any project where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Authorizing the City Manager to sign an agreement for housing services will not be an activity with potential to cause significant adverse effect on the environment because it is related to the organizational or administrative activities of the City and will not result in direct or indirect physical changes in the environment, and therefore is exempt from CEQA.

**Policy Question for Council Consideration:**

- Shall the City Council authorize the City Manager to sign an agreement with Alta Housing (formerly Palo Alto Housing) for on-going services related to affordable housing units, both existing and future, in Los Altos?

**Summary:**

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**Reviewed By:**

City Manager

City Attorney

Finance Director

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**Subject:** Housing Services Agreement with Alta Housing

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This is a request of the City Council to authorize the City Manager to sign an agreement with Alta Housing to provide on-going housing services for affordable housing, both current and future, in the City.

**Staff Recommendation:**

Authorize the City Manager to sign an agreement with Alta Housing for on-going housing services.

**Purpose**

Provide services for the affordable housing units in the City of Los Altos.

**Background**

In 2018, City staff entered into an agreement with Alta Housing to provide housing services for the City in the processing of an array of services related to affordable housing units in Los Altos. Services include:

- Program set-up and monitoring of existing affordable housing units
- Processing subordination and re-finance requests
- Administering the sale and resale of affordable units
- Administering affordable rental units and outreach / tenant selection when these units become available
- In conjunction with staff, develop an affordable housing waiting list program

The compensation for these services, which were provided for in the agreement, was set at \$69,825. These funds have been expended and Alta Housing has continued providing these services and a new agreement is necessary. The total amount of this three-year agreement exceeds the City Manager signature authority; thus, authorization from the City Council is being requested for the new agreement.

**Discussion/Analysis**

Given the number of new affordable units that have come on-line and are expected to come on-line, the number of affordable units, that have changed title, and other work related to affordable housing that has been provided by Alta Housing at the request of the City, such as the review of affordable housing agreements, review of multi-family or mixed use projects that contain affordable units, staff feels it is appropriate to enter into an agreement with Alta Housing that allows for the continuation of the services they provide.



**Subject:** Housing Services Agreement with Alta Housing

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Staff is therefore requesting that the City Council authorize the City Manager to enter into a new agreement that reflects an expenditure of \$65,000 for each year of the agreement, or a not to exceed amount of \$195,000 for the three-year agreement.

The funds for this expenditure are included in the approved budget of the professional services fund for the Community Development Department.

**Recommendation**

The staff recommends that the City Council authorize the City Manager to execute an agreement with Alta Housing for affordable housing services for a not to exceed amount of \$195,000 for a three-year agreement.



## **PUBLIC CORRESPONDENCE**

The following is public correspondence received by the City Clerk's Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email [PublicComment@losaltosca.gov](mailto:PublicComment@losaltosca.gov)

**From:** [Couture, Terri](#)  
**To:** [Public Comment](#)  
**Subject:** Public comment Agenda item 2 of the consent calendar  
**Date:** Sunday, December 12, 2021 1:08:23 PM

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Dear City Council

Regarding the administration and sale of the affordable housing, please make sure all applicants adhere to the requirements. In past years, there have been applicants that have skirted some of the criteria, and the administration of the approval process has not been strictly adhered to.

If the City Council really wants to help increase affordable housing, then make sure the applicants fit the criteria. Otherwise, the consequences will be dire, in many different ways.

Thank you

Terri Couture

**\*Wire Fraud is Real\*. Before wiring any money, call the intended recipient at a number you know is valid to confirm the instructions.** Additionally, please note that the sender does not have authority to bind a party to a real estate contract via written or verbal communication.



**CONSENT CALENDAR**

**Agenda Item # 3**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** 2022 City Council meeting schedule

**Prepared by:** Andrea Chelemengos, City Clerk

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Commission Meeting Schedules (Informational only)

**Initiated by:**

City Council

**Previous Council Consideration:**

None

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to approve the 2022 City Council meeting schedule?

**Summary:**

- The City Council regularly meets on the second and fourth Tuesdays of each month

**Staff Recommendation:**

Approve the 2022 City Council meeting schedule





**Subject:** 2022 City Council meeting schedule

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**Purpose**

To set the City Council meeting schedule for 2022.

**Background**

The City Council holds its regular meetings on the second and fourth Tuesdays of each month, beginning at 7:00 p.m. and sets its meeting schedule in December of the year prior.

**Discussion/Analysis**

The following is proposed as the City Council 2022 regular meeting schedule:

- January 11, 2022
- January 25, 2022
- February 8, 2022
- February 22, 2022
- March 8, 2022
- March 22, 2022
- April 12, 2022
- April 26, 2022
- May 3, 2022
- May 10, 2022
- May 24, 2022
- June 14, 2022
- June 28, 2022
- July 12, 2022
- August 23, 2022
- August 30, 2022
- September 6, 2022
- September 20, 2022 in place of September 27, 2022\* (Jewish Holiday)
- October 11, 2022
- October 25, 2022
- November 15, 2022
- November 29, 2022
- December 6, 2022 - Regular Meeting in place of 12/13 and 12/27 Regular meetings
- December 13, 2022 - Seating of New Council and Reorganization Meeting

In addition, the following Special City Council Meetings are proposed:

- January 18, 2022      Council Retreat (Part 1 of 2)



**Subject:** 2022 City Council meeting schedule

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- January 22, 2022 Council Retreat (Part 2 of 2)
- March 1, 2022 Commission Interviews
- May 3, 2022 Joint meeting with Commissions
- August 30, 2022 Commission interviews
- November 1, 2022 Joint meetings with Commissions

The proposed schedule includes cancelling the second regular meeting in July and the first regular meeting in August for a summer break according to past practice, the November 8<sup>th</sup> meeting which falls on Election Day and December 27<sup>th</sup> which falls in a week between two holidays and is generally a week when many people travel and businesses are closed or business activity paused.

The schedule proposed for the months of September, November and December are somewhat different to account for September 27, 2022\* (Jewish Holiday), the November election and Thanksgiving holiday and the expected date the City will receive the certified election results.

It should be noted that 2022 will be a City Council election year with 2 anticipated seats up for election. The results for the November 2022 election will not be expected to be certified before Friday, December 9<sup>th</sup>. The schedule proposes holding a regular meeting for city business on December 6<sup>th</sup> and seating of newly or re-elected Council Members and the Council Reorganization meeting on the December 13<sup>th</sup>.

### **Recommendation**

Consider 2022 calendar, set dates for the Los Altos City Council 2022 Meeting schedule, and adopt the schedule.

## **Complete Streets Commission Meeting Schedule 2022**

Regular Meetings are scheduled on the last Wednesday of every month at 5:30 pm. No meetings fall on a City/observed holiday.

January 26, 2022

February 23, 2022

March 30, 2022

April 27, 2022

May 25, 2022

June 29, 2022

July 27, 2022

August 31, 2022

September 28, 2022

October 26, 2022

November 30, 2022 (this meeting may be rescheduled and/or combined with December)

December 28, 2022 (this meeting will likely be rescheduled)

# 2022 Commission Meetings

## Design Review Commission Meetings

January 5, 2022

January 19, 2022

February 2, 2022

February 16, 2022

March 2, 2022

March 16, 2022

April 6, 2022

~~April 20, 2022~~ – Cancelled for Passover

May 4, 2022

May 18, 2022

June 1, 2022

June 15, 2022

July 6, 2022

July 20, 2022

August 3, 2022

August 17, 2022

September 7, 2022

September 21, 2022

~~October 5, 2022~~ – Cancelled for Yom Kippur

October 19, 2022

November 2, 2022

November 16, 2022

December 7, 2022

~~December 21, 2022~~ – Cancelled for Hanukkah

# 2022 Commission Meetings

## Environmental Commission Meetings

January 10, 2022

February 14, 2022

March 14, 2022

April 11, 2022

May 9, 2022

June 13, 2022

July 11, 2022

August 8, 2022

September 12, 2022

October 10, 2022

November 14, 2022

December 12, 2022

**Finance Committee Calendar for 2022**

January 24, 2022	February 28, 2022	March 21, 2022	April 18, 2022	May 16, 2022	June 20, 2022
July 18, 2022	August 15, 2022	September 19, 2022	October 17, 2022	November 21, 2022	December 19, 2022

Jan 17 Martin Luther King Day and Feb 21 Presidents Day, so moved to 4th Friday

# 2022 Commission Meetings

## Historical Commission Meetings

January 24, 2022

February 28, 2022

March 28, 2022

April 25, 2022

May 23, 2022

June 27, 2022

July 25, 2022

August 22, 2022

~~September 26, 2022~~ – Cancelled for Rosh Hashanah

October 24, 2022

November 28, 2022

~~December 26, 2022~~ – Cancelled for Hanukkah & Christmas Day Observed

## Library Commission Meeting Schedule for 2022

Regular meeting falls on 1<sup>st</sup> Thursday of the month at 6:30pm. No meetings fall on a City or commonly observed holiday.

January 6, 2022

February 3, 2022

March 3, 2022

April 7, 2022

May 5, 2022

June 2, 2022

July 7, 2022

August 4, 2022

September 1, 2022

October 6, 2022

November 3, 2022

December 1, 2022



## Parks & Recreation Commission Meeting Schedule for 2022

Regular meeting falls on 2<sup>nd</sup> Wednesday of the month at 7pm. No meetings fall on a City or commonly observed holiday.

January 12, 2022

February 9, 2022

March 9, 2022

April 13, 2022

May 11, 2022

June 8, 2022

July 13, 2022

August 10, 2022

September 14, 2022

October 12, 2022

November 9, 2022

December 14, 2022

# 2022 Commission Meetings

## Planning Commission Meetings

January 6, 2022

January 20, 2022

February 3, 2022

February 17, 2022

March 3, 2022

March 17, 2022

April 7, 2022

~~April 21, 2022~~ – Cancelled for Passover

May 5, 2022

May 19, 2022

June 2, 2022

June 16, 2022

July 7, 2022

July 21, 2022

August 4, 2022

August 18, 2022

September 1, 2022

September 15, 2022

October 6, 2022

October 20, 2022

November 3, 2022

November 17, 2022

December 1, 2022

December 15, 2022

## **2022 Public Arts Commission Meeting Schedule**

January 27

February 24

March 24

April 28

May 26

June 23

July 28

August 25

September 22

October 27

December 8

# Senior Commission Meeting Schedule for 2022

Regular meeting falls on 1<sup>st</sup> Monday of the month at 3:30pm. 2 meetings fall on a City or commonly observed holiday.

January 3, 2022

February 7, 2022

March 7, 2022

April 4, 2022

May 2, 2022

**Holiday (July 4, 2022)**

July 11, 2022

August 1, 2022

**Holiday (September 5, 2022)**

September 12, 2022

October 3, 2022

November 7, 2022

December 5, 2022

## **Youth Commission Meeting Schedule 2022**

Regular Meetings are scheduled on the 1<sup>st</sup> Monday of every month at 6:30 pm. 2 meetings fall on a City/observed holiday.

January 3, 2022

February 7, 2022

March 7, 2022

April 4, 2022

May 2, 2022

**Holiday (July 4, 2022)**

July 11, 2022 (special meeting)

August 1, 2022

August 29, 2022 (special meeting)

**Holiday (September 5, 2022)**

October 3, 2022

November 7, 2022

December 5, 2022



CONSENT CALENDAR

Agenda Item # 4

AGENDA REPORT SUMMARY

**Meeting Date:** December 14, 2021

**Subject:** Design Contract Award: Structural Reach Replacement, Project WW-01002 to Bellecci & Associates, Inc.

**Prepared by:** Andrea Trese, Associate Civil Engineer

**Reviewed by:** Aida Fairman, Engineering Services Manager  
James Sandoval, Engineering Services Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment:**

1. Consultant's Proposal

**Initiated by:**

Capital Improvement Plan – Project WW-01002

**Previous Council Consideration:**

None

**Fiscal Impact:**

\$194,231 (Includes 10% design and construction support contingency.) For FY 2021-2022, \$800,000 has been allocated to this Project Budget.

**Funding Source:** *Sewer Enterprise Fund*

Project: Annual Structural Reach Replacement		WW-01002
Project balance from prior Years		1,117,369
Current Year Budget		800,000
Expended / Encumbered to date		-
<b>Current request</b>		<b>(194,231)</b>
<b>Balance Available</b>		<b>\$ 1,723,138</b>

**Environmental Review:**

Categorically Exempt pursuant to CEQA Section 15301 (b), involving the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public sewerage involving negligible or no expansion of existing or former use.

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**Reviewed By:**

City Manager

*GE*

City Attorney

*JH*

Finance Director

*JE*

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**Subject:** Design Contract Award: Structural Reach Replacement Program, Project WW-01002 to Bellecci & Associates, Inc.

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**Policy Question(s) for Council Consideration:**

Does the City Council wish to continue the Sanitary Sewer Master Plan improvements and repairs as required to ensure proper functioning of the City's Sanitary Sewer System?

**Summary:**

- Council awarded the design contract to Mott MacDonald Group on September 14, 2021; however, the consultant proposed multiple changes to the City's standard contract language that were not acceptable to the City and an agreement was not reached
- Staff then requested a proposal from Bellecci & Associates, Inc. for the design of the Structural Reach Replacement project
- The Structural Reach Replacement Program, Project WW-01002 will consist of replacement of eight sewer main segments as identified in the Sanitary Sewer Master Plan, which are owned by the City of Los Altos and located within the unincorporated area in Santa Clara County

**Staff Recommendation:**

Authorize the City Manager to execute an agreement on behalf of the City with Bellecci & Associates, Inc. in the not-to-exceed amount of \$176,574 and up to a 10% design and construction support contingency amount of \$17,657 for a total of up to \$194,231 to provide design and consulting services for the Structural Reach Replacement Project WW-01002



**Subject:** Design Contract Award: Structural Reach Replacement Program, Project WW-01002 to Bellecci & Associates, Inc.

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**Purpose**

Authorize the City Manager to execute an agreement with Bellecci & Associates, Inc. for design and consulting services for the Structural Reach Replacement Project WW-01002.

**Background**

The 2013 Sanitary Sewer Master Plan Update recommended replacement of segments of pipes in the City's system that have structural defects. This project consists of replacement of eight sewer segments that range in size from 6 to 8 inches in diameter. The pipes are owned by the City of Los Altos, but they are located within the unincorporated area of Santa Clara County. These lines will be replaced with 8-inch HDPE pipe, and where feasible, will be replaced using trenchless methods.

On September 14, 2021, the City Council authorized the City Manager to execute an agreement for design and consulting services for the Structural Reach Replacement Project WW-01002. However, the consultant (Mott MacDonald) then requested several changes to the City's standard contract language which were not acceptable to the City, and an agreement was not reached. Then, City staff requested a proposal from another firm on the short-list, Bellecci & Associates, Inc.

**Discussion/Analysis**

It is recommended that the award of the design contract be made to Bellecci & Associates, Inc. in the amount of \$176,574 and up to 10% contingency in the amount of \$17,657 for a total of up to \$194,231. Through the Request for Statements of Qualifications (SOQ) process in 2020, the City created a shortlist of firms for design and construction support services for sanitary sewer projects; Bellecci & Associates Inc. was on the City's shortlist of firms. Bellecci & Associates Inc. has been in business for more than 30 years and has completed similar projects for the City of Los Altos and other municipalities in the Bay Area.

**Recommendation**

Authorize the City Manager to execute an agreement on behalf of the City with Bellecci & Associates, Inc. in the not-to-exceed amount of \$176,574 and up to a 10% design and construction support contingency amount of \$17,657 for a total of up to \$194,231 to provide design and consulting services for the Structural Reach Replacement Project WW-01002.



**Exhibit A: Scope of Work**

## UNDERSTANDING

The City of Los Altos seeks engineering services for the project administration, analysis, plans, specifications and estimate (PS&E), preparation of the bid documents and bidding and construction support for the **Structural Reach Replacement, Project WW0100222**. Upon award of the contract we are prepared to immediately begin work on the project and complete the contract documents for construction bids in 2022. Bellecci & Associates (Bellecci) has assisted numerous cities in the Bay Area with the planning, design, construction management and construction inspection on sewer main replacement and/or rehabilitation projects, including the design for the City's last three sewer replacement projects. We understand that this year's projects includes the following sewer segments listed below.

**TRENCHLESS (6" to 8")**

Prepare plans and specifications to replace and upsize existing sewer lines to an 8-inch sewer pipe using the pipe reaming construction method (where Feasible):

1. 6" VCP MH J4S-414 to MH J4S-407 (Length: 239 feet) – Nandell Lane (Easement)
2. 6" VCP MH J3S-513 to MH J3S-512 (Length: 179 feet) – Plateau Avenue
3. 6" VCP MH K4S-202 to K4S-207 (Length: 200 feet) – Country Club Drive
4. 6" VCP MH K3S-309 to MH K3S-307 (Length: 189 feet) – Whitham Avenue
5. 6" VCP MH K4S-503 to MH K4S-502 (Length: 316 feet) – Esberg Road (Easement)
6. 6" VCP MH K4S-602 to MH K4S-603 (Length: 64 feet) – Mora Court (Easement)
7. 6" VCP L4S-107 to MH K4S-411 (Length: 155 feet) – Oakridge Drive

***Total = 1,342 feet***

**TRENCHLESS (8" to 8")**

Prepare plans and specifications to replace the existing 8" sewer lines to an 8-inch sewer pipe using the pipe reaming construction method (where Feasible):

8. 8" VCP MH J3S-604 to MH J3S-605 (Length: 233 feet) – Fairway Drive

***Total = 233 feet***

## TECHNICAL APPROACH AND SCOPE OF WORK

Our overall goal is to provide the City of Los Altos a superior project with minimal complaints and long lasting durability. To achieve this goal, the first order of work will be a meeting with the City to discuss the project in detail and to obtain all existing information on the project. After our meeting with the City, the Bellecci design team will evaluate the sewer videos to identify the locations of the active sewer lateral locations.

The success of this project is dependent on the creation of a detailed project topographic base map which depicts the location of known existing utilities that could be encountered during construction. We will do an investigation of the locations of the existing utilities by obtaining utility maps from the utility companies and City record maps. Known utility locations will be shown on the base map used for the replacement of the sewer mains.

## **Exhibit A: Scope of Work**

Bellecci will have our subconsultant 360 Aerial Surveys prepare an aerial planimetric topographic survey for the project streets. The planimetric topographic survey site base maps will be supplemented with relevant ground shot survey information from the Bellecci survey crew. The survey work will be performed and tied into the NAD 1983 HARN State Plane system survey control network. Sewer manholes will be surveyed and information on the inverts will be obtained. Survey shots and visible utility locations will be added to the drawing file to complete the base information for the designers.

In addition, as part of the project investigation phase, our subconsultant, Cleary Consultants, Inc. will prepare a geotechnical investigation of the existing soil at each of the project sites. The geotechnical field investigation will include one (1) soil boring at each site. The investigation will identify the different types of soil that the contractor probably will encounter during construction so they can account for the soil conditions in their bid.

Plans and specifications for the project will be prepared for the sewer repair at each of the project sites. Plans and specifications will be prepared and customized to the City's requirements and will contain information necessary to obtain comprehensive contractor bids.

After the project is out for bid, Bellecci will respond to all questions regarding the plans and specifications and prepare any addendums to the plans and specifications necessary to clarify the design. In addition we will attend the pre-bid meeting for the project.

Bellecci will attend the preconstruction meeting with the contractor, City staff and utility companies. We will review the contractor submittals for compliance with the specifications and respond within ten days. We will also respond to questions regarding the plans (RFIs), perform two (2) site visits during construction and provide a write up of our observations to the City and review change order requests from the contractor.

### **SPECIFIC SCOPE OF WORK**

#### **Task I 65% Submittal**

##### **ATTEND FIELD MEETING**

Bellecci will attend a field meeting with the City within ten (10) days from the notice to proceed. The field meeting will include visiting each of the proposed sewer replacement locations and discussing the pipe maintenance history, possible issues and concerns at each site.

##### **SEWER VIDEO INVESTIGATION**

Bellecci will review the City provided sewer line inspection videos for the sections of sewer lines to be replaced. The video review will be used to determine the distances from the manholes to the sewer laterals to be reconnected. The information obtained from our review will be shown on the plans.

## **Exhibit A: Scope of Work**

### COORDINATION WITH UTILITIES

Bellecci will coordinate with owners of the utilities (including City owned facilities) in the project areas to obtain their utility base maps for use in developing the plans. Utility locations will be shown on the base map used for the replacement of the sewer mains.

### GEOTECHNICAL STUDY

Bellecci's subconsultant, Cleary Consultants, Inc. will prepare a geotechnical investigation of the existing soil at each of the project sites. The geotechnical field investigation will include one (1) soil boring at each site. The investigation will identify the different types of soil that the contractor probably will encounter during construction

### TOPOGRAPHIC SURVEY

Our survey crews will set control points for the planimetric survey and collect necessary field topographic information, visible utility locations and street elevations to supplement and complete the base information. The aerial planimetric survey will be performed by our subconsultant 360 Aerial Surveys. The survey work will be performed and tied into the NAD 1983 HARN State Plane system. Sewer manholes, storm drain inlets and storm drain manholes will be surveyed and information on the inverts will be obtained.

### COORDINATION OF ENCROACHMENT PERMITS WITH OTHER AGENCIES

Bellecci will use the current LAFCO map for Santa Clara County to identify the sewer segments located outside of the City limits. The sewer segments located in other jurisdictions will be noted on the plans and the jurisdictions will be contacted. Encroachment permit applications will be submitted and coordinated with the agency so their requirements can be added to the contract documents.

### 65% BASIS OF DESIGN REPORT

Bellecci will use existing project information, the results of discussions with the City and the proposed design solution to produce a Basis of Design Report. The Basis of Design Report will include the definition of the project, a description of the proposed design and an evaluation of the proposed sewer replacement.

### 65% PLANS AND ESTIMATE

The plans will be prepared in ACAD and use the aerial planimetric survey as the site base maps supplemented with relevant ground shot survey information. The plans will be at a 1"= 20' scale and will include a profile of the existing sewer line to be replaced showing the approximate locations of the utility crossings.

The engineer's estimate will be prepared in a format showing the anticipated bid items for the construction of the project and the estimated quantity and unit price for that item.

## **Exhibit A: Scope of Work**

*Deliverable: Four (4) sets of the 65% design plans, basis of design report and construction cost estimate and an electronic PDF copy of each. Plus an electronic PDF copy of the geotechnical study*

*Schedule: The submittal of the 65% design will be provided within the sixty (60) calendar days (if not sooner) following the Notice to Proceed.*

### **Task II 100% Submittal**

#### **100% PLANS, SPECIFICATIONS AND ESTIMATE**

The plans, specifications, contract documents and bid items will be compiled in standard City format providing sufficient information to obtain comprehensive contractor bids and to construct the project. The 100% plans will incorporate the City's 65% design review comments. The specifications will utilize the City's Technical Specifications supported by the American Public Works Association Standard Specifications for Public works for construction (Green Book). The specifications will contain the testing and submittal requirements to be provided by the contractor.

The 100% engineer's estimate will fine tune the 65% estimate to include the items and quantities anticipated in the construction of the project.

#### **100% BASIS OF DESIGN REPORT**

The Basis of Design Report will be edited to discuss any changes to the design elements provided in the 65% Basis of Design Report. The 100% Basis of Design Report will include calculations used in the design.

*Deliverable: Four (4) full size sets of 100% plans, project specifications, Basis of Design Report, and construction cost estimate and an electronic PDF copy of each.*

*Schedule: Submittal shall be within sixty (60) calendar days following Notice to Proceed.*

### **Task III Final Design Submittal of Construction Drawings**

#### **FINAL PLANS, SPECIFICATIONS AND ESTIMATE**

The final construction drawings, specifications, contract documents and bid items will incorporate the City's 100% design review comments. The final bid documents will include the final adjustments to the project as approved by the City.

The final engineer's estimate will include the bid items and quantities anticipated in the construction of the project.

*Deliverable: One (1) set of 24" X 36" original reproducible vellum or bond copy of plans signed and sealed by the appropriate design engineer(s). Provide electronic copy of plans in a format readable by AutoCAD Map 3D 2015, 2017, or 2020 for personal computers. Provide one (1) hard copy of the final specification, list of project submittals and cost estimate, and an electronic copy of the final specifications, list of project submittals and cost estimate in a Word compatible format.*

## **Exhibit A: Scope of Work**

*Schedule: Submittal shall be within twenty-one (21) calendar days following receipt of 100% design review comments.*

### **Task IV Bidding Phase**

During the bidding phase, Bellecci will assist the City with the bidding process, attend the prebid meeting (if a meeting is held) and provide the City with assistance to answer any Contractor questions pertaining to the plans and specifications. We will prepare and issue contract addenda, as needed.

*Deliverable: Copies of all addenda and correspondence*

### **Task V Construction Phase**

Bellecci will attend the preconstruction meeting as required. We will review the contractor submittals for compliance with the specifications and respond within ten days. We will also clarify questions regarding the plans (RFIs), review change order requests from the contractor and prepare as-needed plan modifications for the change orders. In addition, we will perform two (2) site visits during construction and provide a write up of our observations to the City.

*Deliverable: Copies of all correspondence, change order plan & specification modifications, submittal reviews and site visit reports.*

## **COORDINATION**

It is our preference to have web conference meetings with the City's project manager to review the project schedule, identify current project challenges, and discuss possible solutions to pending issues. The frequency of the conference call will be as determined by the City's project manager. In addition we will provide the City's project manager with monthly written project status, included with the invoice. The monthly project status will provide a current project budget update and identify the tasks completed over the last month and the tasks scheduled to be completed over the next month.

## **QUALITY ASSURANCE/QUALITY CONTROL**

Prior to each submittal, the plan set will go through QA/QC to insure the submittal package includes the appropriate information. In addition the QA/QC process will check for conflicts in the design and errors in the information presented. With each progressive submittal the QA/QC process will become more rigorous in searches for conflicts and/or gaps in information as well as searching for inadvertent errors in information depicted.

The QA/QC review is performed by a senior registered civil engineer not directly involved in the design process. This enables a "fresh look" at issues and design solutions and helps insure necessary information and details are provided to enable the implementation of the design.

**EXHIBIT C - FEE SCHEDULE**

**CITY OF LOS ALTOS**

*Structural Reach Replacement, Project WW0100222*

November 16, 2021

**PROJECT BUDGET ESTIMATE**

TASK #	RATE	240	206	198	146	206	294	138	74	1.1	1.1	1.1	HRS.	DIRECT	TOTAL
#	TASKS DESCRIPTION	PIC*	PROJ. MNGR.	PROF. ENGR.	ASSNT. ENGR.	PROF. SURVEYR	SURVEY CREW	SURVEY TECH	CLER.	GEOTECH (Cleary)	Potholing Sub-Contractor	Aerial Mapping 360 Aerial Survey	/TASK	COST	COST
<b>Task I - 65% Submittal</b>															
1	Project Meetings		4	4									8		\$1,616.00
2	Project Administration		12										12		\$2,472.00
	<b>Sub-Total</b>	0	16	4	0	0	0	0	0	\$0	\$0		20		\$4,088.00
<b>Task 2 - Site Investigation, Data Collection, Record Research</b>															
1	Field meeting with City		2	8	8								18		\$3,164.00
2	Record Data Collection/Review Sewer Videos		2	4	24								30		\$4,708.00
3	Utility Research & Coordination (PG&E, Comcast, AT&T, City, etc.)		2	4	8								14		\$2,372.00
4	Geotechnical Investigation									\$28,000			0		\$30,800.00
5	Aerial Topographic Mapping					2	8					\$8,200	10		\$11,784.00
6	Potholing - Allowance												0		\$0.00
	<b>Sub-Total</b>	0	4	8	32	2	8	0		\$28,000	\$0	\$8,200	54		\$49,664.00
<b>Task 3 - Develop Design Base Map</b>															
1	Base Map Preparation				32								32		\$4,672.00
2	Supplemental Topographic Mapping		2			2	28	24					56		\$12,368.00
3	Right of Way & Easement Determinations from Record Data					6		12					18		\$2,892.00
	<b>Sub-Total</b>	0	2	0	32	8	28	36	0	0	0	\$0	106	0	\$19,932.00
<b>Task 4 - Other Jurisdiction Coordination</b>															
1	Coordination and Encroachment Permit		2	24	8								34		\$6,332.00
	<b>Sub-Total</b>	0	2	24	8	0	0	0		\$0			34		\$6,332.00
<b>Task 5 - Prepare Bid Documents</b>															
1	65% Plans & Estimate (PS&E)		4	12	120								136		\$20,720.00
2	Preliminary Cost Estimate		2	2	16								20		\$3,144.00
3	Basis of Design Report for 65% PS&E		2	12									14	\$250	\$3,038.00
	<b>Sub-Total</b>														\$26,902.00
<b>Task - II 100% Submittal</b>															
1	Project Meetings		4	4									8		\$1,616.00
2	Project Administration		4										4		\$824.00
4	100% Draft Final Design - Plans, Specifications & Estimate (PS&E)		2	40	100								142		\$22,932.00
5	Detailed Preliminary Cost Estimate			8									8		\$1,584.00
6	Basis of Design Report for 100% PS&E		2	6									8	\$250	\$1,850.00
	<b>Sub-Total</b>														\$28,806.00
<b>Task III - Final Design Submittal of Construction Drawings</b>															
1	Project Meetings		4	4									8		\$1,616.00
2	Project Administration		4										4		\$824.00
7	100% Final Design Bid Documents (PS&E)		2	40	40								82		\$14,172.00
8	QA/QC			10									10	\$350	\$2,330.00
	<b>Sub-Total</b>	0	30	138	276	0	0	0		\$0			444		\$18,942.00
<b>Task IV- Bidding Phase</b>															
1	Bid Support		4	8	8								20		\$3,576.00
	<b>Sub-Total</b>														\$3,576.00
<b>Task V - Construction Phase</b>															
1	Respond to RFI's		2	8	12								22		\$3,748
2	Submittal Review			8	24								32		\$5,088
3	Pre-Construction and Other Site Meetings		4	16	24								44		\$7,496
	<b>Sub-Total</b>	0	10	40	68	0	0	0		\$0			118		\$16,332
1	Miscellaneous Expenses (Mileage, Prints, Postage, etc.)												0	\$0	\$0
<b>PROJECT TOTAL</b>		<b>0</b>	<b>64</b>	<b>214</b>	<b>416</b>	<b>10</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>\$28,000</b>	<b>\$0</b>	<b>\$8,200</b>	<b>776</b>	<b>\$850</b>	<b>\$176,574.00</b>

Design Contingency 10%	\$17,657
<b>Design Total with Contingency</b>	<b>\$194,231.40</b>



**CONSENT CALENDAR**

**Agenda Item # 5**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** Professional Services Agreement: Access Control System for Police Department

**Prepared by:** Andrew Tseng, Information Technology Manager

**Reviewed by:** Jon Maginot, Deputy City Manager

**Approved by:** Gabriel Engeland, City Manager

**Initiated by:**  
Staff

**Previous Council Consideration:**  
Not applicable

**Fiscal Impact:**

The following project agreement will cost up to \$114,132 (10% contingency included) and will be funded by the IT Initiatives Project in the Capital Improvement Fund

Funding Source: General Fund Technology Reserve

Project: Annual Information Technology Initiatives #	CD-01008
Project balance from prior Years	237,118
Current Year Budget	180,000
Expended / Encumbered to date	(69,095)
Current request	(114,132)
Balance Available	\$233,890

**Environmental Review:**  
Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to add an electronic access control system in the Police Department?

**Summary:**

- Openpath is a centrally managed door access system with contactless lock/unlock capability

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**Reviewed By:**

City Manager

City Attorney

Finance Director

GE

JH

JE

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**Subject:** Professional Services Agreement: Access Control System for Police Department

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**Staff Recommendation:**

Authorize the City Manager to execute an agreement with The Flying Locksmiths of Sacramento in an amount not to exceed \$114,132 for installation of Openpath Access Control System (ACS) for the Police Department.

**Purpose**

To add Openpath, a secure cloud-based access control system for Police Department building.

**Background**

The City's Information Technology Division spearheaded a pilot project of installing access control system (electronic keycard readers) for City facilities in early 2019. The City installed Openpath in several buildings, including City Hall, Egan and Blach Gym, Grant Park, and the Underground. When Los Altos Community Center (LACC) was still under construction, the project team also decided to install Openpath in the new facility.

Openpath ACS is a secure, cloud-based access control system which allows centralized and multi-tenant management access with the capability of touchless unlock and features such as remote control, scheduled unlock, etc. Recreation staff has found the Openpath system very helpful to manage facility rentals with its keyless solution and detailed audit trails. Openpath ACS also reduced maintenance staff's burden to manage key issuance.

With the successful implementation of Openpath in various City facilities, staff began planning for adding Openpath ACS to the Police building.

**Discussion/Analysis**

A request for proposal (RFP) was published on October 22, 2021, for Professional Services for Installing OpenPath Access Control System for Police Department. The RFP specifies the requirements to install cables, Openpath controllers, Openpath access card readers at 41 locations, necessary door hardware addition or modification, as well as to integrate with existing unlock methods and replace affected doors with interchangeable core locks. Four proposals were submitted to the City of Los Altos prior to the November 9<sup>th</sup> due date. These proposals were subsequently reviewed and scored by staff. Several factors were taken into consideration to score each proponent, including overall company strength, Openpath experience, references, time schedule, detailed scope of work and the cost. The Flying Locksmiths of Sacramento was selected as the most appropriate vendor to complete the project.

**Recommendation**





**Subject:** Professional Services Agreement: Access Control System for Police Department

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The staff recommends Council authorize the City Manager to execute an agreement with The Flying Locksmiths of Sacramento in an amount not to exceed \$114,132 for installation of Openpath Access Control System (ACS) for the Police Department.



**CONSENT ITEM**

**Agenda Item # 6**

## **AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** Halsey House (Mothballing)

**Prepared by:** Aida Fairman, Engineering Services Manager

**Reviewed by:** Jim Sandoval, Engineering Services Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment:**

None

**Initiated by:**

City Council - CIP CF-01004

**Previous Council Consideration:**

November 30, 2021, September 21, 2021, May 25, 2021, March 23, 2021, January 12, 2021, December 15, 2020, January 28, 2018, November 15, 2016 (continued); June 14, 2016; December 8, 2015, April 23, 2013

**Fiscal Impact:**

The estimate from the Architectural Resources Group (ARG) for Mothballing (Option 4) of the Halsey House is \$250,000 for the first year.

Funding for Mothballing of the Halsey House (Option 4) would be allocated from the Park In-Lieu Fund.

The cost estimate includes identified hard costs and soft costs such as environmental review, design, and development of construction plans and specifications. Furthermore, there will be additional costs associated with any rehabilitation work on the Halsey House for construction project management; inspections; furnishings, fixtures, and equipment (FF&E's); Title 24 energy compliance; etc., which may add +/-25 percent to the overall project costs. A complete listing of cost exclusions may be found in the ARG Pricing and Feasibility Report (attached to the staff reports for the City Council study sessions #1 and #2 held on September 21, 2021, and November 30, 2021). As stated in the Exclusions section in Appendix A of the ARG report, other potential costs are unknown at this time, including regrading and new/extensive modification of existing utilities, construction escalation costs beyond FY 2021, etc.

Floodplain mitigations may be required. Staff will bring the estimated cost of the flood plain survey and related documents at a future Council meeting as there are too many unknowns at this time to estimate those potential costs.

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**Reviewed By:**

City Manager

City Attorney

Finance Director

GE

JH

JE

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**Subject:** Halsey House (Mothballing)

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**Environmental Review:**

Categorically Exempt pursuant to CEQA Section 15331 Class 31 (Historical Resource Restoration/Rehabilitation), assuming no other environmental impacts are identified during the planning process

**Summary:**

- The Halsey House is a local historic landmark that is eligible for listing in the California Register of Historic Resources (refer to the Historic Resource Evaluation Report- HRE)
- Mothballing of the house structure (Option #4) would allow Council to discuss and prioritize the projects that are supported and expected to be supported by the Park In-Lieu Fund while protecting the structure.
- Rehabilitation and or mothballing of the house in full compliance with the Secretary of the Interior Standards would be exempt from review under the California Environmental Quality Act (CEQA) Exemption Category 31, assuming no other environmental impacts are identified during the planning process

**Staff Recommendation:**

Appropriate \$250,000 from the Park In-Lieu Fund to Project CF-01004 for mothballing of the Halsey House

**Purpose**

To appropriate the necessary funds for the first year of mothballing of the Halsey House in accordance with the Secretary of the Interior Standards.

**Background**

At the September 21, 2021 study session, the City Council requested a second study session to continue discussing Options 1, 2, and 4. Study Session #2 was held on November 30, 2021.

City staff made a presentation on Options 1, 2, and 4 for the Halsey House. Staff and consultants responded to City Council questions before Council started discussing the three options presented.

**Discussion/Analysis**

After reviewing the information provided, the City Council selected Option 4 (mothballing) during the second study session of November 30, 2021, in order to give the Council time to make a final decision on Option 1 vs. Option 2.

The project would not have a significant impact on historic resources requiring the preparation of an EIR if mothballing is conducted according to the Secretary of the Interior's Standards for Treatment of Historic Properties.



## **PUBLIC CORRESPONDENCE**

The following is public correspondence received by the City Clerk's Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email [PublicComment@losaltosca.gov](mailto:PublicComment@losaltosca.gov)

**From:** [Curtis Cole](#)  
**To:** [Public Comment](#)  
**Subject:** Public Comment Agenda Item 6, 14 Dec 2022: Halsey House  
**Date:** Sunday, December 12, 2021 4:56:36 PM

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Mayor and Councilmembers,

Today I visited Redwood Grove and the Halsey House where my daughters attended some classes with Ranger Keith many years ago. I also read the Nov 30 staff report with its historical background and various options, including a beautiful proposal from Aidlin Darling Design.

My daughters and I have fond memories of the classes at Redwood Grove but otherwise I have no special yearning to recreate those times past. Many residents and I are more interested in the future.

I sense from the results of the Nov 30 special session and in Tuesday's staff report a general lack of consensus about what to do with the building and when to do it. I am confident that money spent to kick this decision down the creek (remaining in the floodplain) will be poorly invested and not serve future citizens well. The few who suggest spending millions to honor their memories are not serving the city well. They won't mention other needs for the funds like the police department nor will they suggest putting this to a citizen's vote as they understand it would not be favorably evaluated.

Ultimately any significant restoration will be an expensive alternative to proposals from the community that support city programs, acknowledge the minimal historical significance of the building, and are appropriate for the creekside floodplain. Look more closely at those options.

Comments that the city is legally obligated to follow a restoration path are misleading and ignore the fact that the City Council can modify the city's historical registry with a majority vote.

Don't commit this quarter-of-a-million dollars today when that will likely be undone in the future. Wait until you get a consensus on the ultimate plan, or wait until you get the flood mitigation costs, at the very least. Otherwise, this money is untimely and likely wasted.

Thank you,

--

- Curtis Cole



*Think Green. Please print this email only when necessary*



**CONSENT CALENDAR**

**Agenda Item # 7**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** City of Los Altos Purchasing Policy update

**Prepared by:** John Furtado, Finance Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Purchasing Policy Revision- 2021 Redline
2. Resolution Setting new Monitory limits

**Initiated by:**

Staff

**Previous Council Consideration:**

Resolution 2016-31

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- None

**Summary:**

Staff presented a revised draft of the purchasing policy to the financial commission on their October 18<sup>th</sup> meeting. The commission deliberated the report and made several requests for changes that were received by staff and returned to the commission on their November 15<sup>th</sup>, 2021, meeting.

The Finance Commission has recommended that the City Council approve the revised purchasing policy as presented.

**Staff Recommendation:**

Staff recommend the City Council adopts the revised purchasing policy as presented and as unanimously adopted by the Finance Commission.

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**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JF

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**Subject:** City of Los Altos Purchasing Policy update

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### **Background**

Currently the City Manager is appointed the purchasing officer of the City and grants him/her the authority to purchase or contract for supplies, services and equipment required by the City departments in accordance with purchasing procedures prescribed in the code and other resolutions and administrative rules approved by the City Council.

The City Manager has assigned the responsibility for administering the City's purchasing policies and procedures to individual departments through the Finance Director.

On October 18<sup>th</sup>, 2021, staff presented the proposed revised Policy to the Finance Committee. The Committee reviewed the policy and made several recommendations and requested more information be provided on certain items. The Committee reviewed the revised draft policy at the November 15 meeting and voted to recommend its adoption to the City Council.

### **Discussion/Analysis**

Staff recommends clarification to different authorization levels contained in the Purchasing Policy and updated the Procedure Manual to simplify the purchasing processes and recognize automation of various processes. Over the years the Finance Division has heard increasing frustration from staff in other departments that the existing policy is difficult to understand and follow. Staff updated the policy to clarify the procedures that City employees should follow when making purchases from vendors, including what authorization is needed for a purchase.

The proposed amendments specifically updates the following:

- Adds a section of Ethical Guidelines
- Reflects changes to the new structure of the Finance Department, versus the prior administrative services department.
- Requests and increase of the city managers limit from the current \$75,000 to \$100,000
- Requests the increase in Petty cash payments from \$50 to \$ 100
- Makes corrections to errors and conflicting information between tables and text.
- Adds as sentence (under bidding exceptions) on the ability of City Council or the City Manager to declare an emergency.
- Further additions of eligible expenses to the shared cost section.
- Allowing the City Manager to approve invoices related to legal fees up to the budgeted appropriation limit.
- Added Sections (in Blue) to be following the procurement requirements under SB1383.



**Subject:** City of Los Altos Purchasing Policy update

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The recommendations proposed by the Finance Commission at the October 18th meeting are listed below with the corrected language that is now incorporated in the revised Purchasing policy draft.

**Page 2 Para 4**

- The City Attorney or other Attorneys used do not have any financial authority but are responsible for review of items directed to them by the department director, Risk manager or City Manager. These legal reviews could be contracts, Purchase Orders (PO), Blanket Purchase Orders (BPO), Purchasing Contract Agreements (PCA) or Contract Purchase Orders (CPO) or other Professional Services as defined in this document.

**Page 4 Para 9**

- The receiving and acceptance of tangible goods shall be done by the requesting parties' supervisor at the time of delivery. The packing slip shall be retained and stored in the financial system.

**Page 7 Para 4**

Risk Manager's approval is required at the initiation of the PCA and annually thereafter if the scope or cost of the initial agreement is modified by over 5% in amount.

**Page 9 Para 8**

The person requesting the purchase is to prepare written correspondence justifying and describing the reason for the sole source purchase and must have the approval of the department director. This documentation must be submitted to the risk manager and Finance along with the requisition for approval.

**Page 4 Para 11 – New bullet for preference to Los Altos businesses.**

- When no restrictions exist and all things equal, local Los Altos vendors should be preferred.

**Page 20 – Glossary additions**

**Cooperative Purchasing Agreement (CPA):** The purchase of goods, materials, or services which is entered into by one or more local government entities. The expected impact is to increase volume and/or competition which will result in greater savings.

**Purchase Contract Agreement (PCA):** A purchase agreement is a legally binding contract between a buyer and seller. These agreements usually relate to the buying and selling of goods instead of





**Subject:** City of Los Altos Purchasing Policy update

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services, and they can cover transactions for just about any type of product.

**Sole Source Purchase:** One where there is only a single vendor capable of providing an item or service, and therefore it is not possible to obtain competitive bids.

**Recommendation**

Staff recommend the City Council adopts the revised purchasing policy as presented and as unanimously approved by the Finance Commission.



# City of Los Altos

## Purchasing Policy

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## **ETHICAL GUIDELINES**

- Compliance with legal prohibitions on conflicts of interest, including the Political Reform Act and Government Code §1090, is required.
- Purchasing from or contracting with a business entity wholly or partially owned or operated by a City employee, or employee's spouse, is prohibited unless approved in advance by the City Manager. Any employee with such an ownership interest must have no official (City) role in contracting process.
- Purchasing from or contracting with a business entity wholly or partially owned or operated by a family member of a City employee must be approved in advance by a Department Head in writing. To avoid any purchasing conflicts and contract administration issues, any City employee with a familial relationship to a City contractor must disclose the relationship to his or her Department Head. Such employee must have no official (City) role in contracting process. A familial relationship is defined as grandparent, grandchild, parent, child, son-in-law, daughter-in-law, parent-in-law, or sibling relationship.
- A City employee may not participate in the contracting process if he or she has a financial interest with any person, firm, or business entity involved with providing goods or services to the City.
- Departments must make every attempt to ensure open and competitive purchases.
- Splitting purchases for the purpose of evading the procedures outlined in this document is strictly prohibited.
- The receipt of any monetary or non-monetary gifts, gratuities, promotional items, rebates, or kickbacks of any value from a prospective or actual contractor or vendor to a City employee is prohibited.

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## **OVERVIEW & RESPONSIBILITIES**

Implementing a formal policy and process of procuring goods and services, including a purchase order system, provides several key benefits. It supports clear purchase specifications, avoids dispute with vendors, builds an audit trail, allows level competition to set prices, controls spending limits, creates a system of checks and balances, and enhances public trust. The prevailing principles used in developing this document follow:

- This policy addresses the acquisition of equipment, materials, supplies, maintenance services, and professional services in accordance with the City’s Municipal Code. ***It does not address the procurement of public work projects as defined by the California Public Contract Code.***
  - The **Finance Director** is responsible for developing this document. Administrative changes to this policy shall be approved by the City Manager to clarify instructions and address tactical operational needs.
  - The City Attorney or other Attorneys used do not have any financial authority but are responsible for review of items directed to them by the department director, Risk manager or City Manager. These reviews could be contracts, Purchase Orders (PO), Blanket Purchase Orders (BPO), and or other Professional Services as defined in this document.
- Purchasing is decentralized, with each department head responsible for coordinating purchasing efforts in his/her operations. Initiated through a departmental Requisition (REQ), Finance shall approve and create Purchase Orders (PO), Blanket Purchase Orders (BPO), Purchasing Contract Agreements (PCA) or Contract Purchase Orders (CPO).
- No requisition or BPO, PO, PCA or CPO lacking sufficient appropriation levels as set in the adopted budget will be undertaken. Purchases shall not be split to avoid required bid levels or authorizing dollar limits.
- BPOs, PCAs, or CPOs should be used for routine and repetitive procurement of materials, goods and maintenance services.
- Competitive bids shall be sought using the scope and dollar limits outlined herein. A minimum of two quotes are required with three recommended. Requests for Bids should consider the quality necessary to meet the City’s needs
- Service and pricing negotiation is encouraged for the procurement of professional services bound via the execution of a City-compliant contract approved by the Risk Manager. Vendor contract must have the approval of the Risk Manager.
- The requesting department shall verify the existence of a valid City business license with Finance in contracting for the delivery of in-city or on-site services. Sales to City for software products or licensing requiring no onsite visits or service to City by vendor does not require a business license.
- The ~~physical~~ receiving ~~and~~ acceptance of tangible goods shall be done by the requesting parties supervisor approved by the authorizing department at the time of delivery. ~~Dual approval~~ The packing slips shall be retained and stored in the financial system mandatory.
- Emergency purchases are allowed under the conditions set forth herein.
- When no restrictions exist and all things equal, local Los Altos vendors should be preferred.

## A VARIETY OF WAYS TO MAKE PURCHASES

Purchasing methods vary with the dollar amount and nature of the purchase as follows:

Method of Purchase	Purchase Type	Subject to Bidding	Supporting Documents	Conditions	Dollar Limits
<b>Petty Cash</b>	Small dollar items on a reimbursement basis	No	Approved petty cash slip - original receipt - invoice	Cannot supplant existing Purchase Orders or Contracts	<del>\$50</del> <u>100</u> or Under
<b>City Calcard</b>	Small dollar items	No	Purchase Card Log/Statement/ receipts/invoice/ delivery packing slip	Cannot supplant existing Purchase Orders or Contracts	Under \$5,000 Dept set transaction limits and monthly max card limits
<b>Direct Vendor Purchases</b>	Small dollar items	No	Approved invoice/receipt /check request	Cannot supplant existing Purchase Orders or Contracts	Under \$5,000
<b>Purchase Order (PO)</b>	Large dollar purchases requiring bids	Required	Approved requisition/PO/invoice s/receipts/delivery packing slips	Not to be used for professional services	\$5,000 and over
<b>Blanket Purchase Orders (BPO)</b>	Routine repetitive purchases using pre-established vendor arrangements. City ID required at point of sale.	Required	BPOs ID # - receipt - invoice - packing slip if delivered	Not to be used for professional services	Subject to established annual limits and dept. approval authority
<b>Contract Purchase Orders (CPO)</b>	Contracted services - either maintenance of professional	See PCA or Professional Services below	Negotiated and executed Contract	Contracted annual limits and dept. approval authority	City Council approval over <del>\$75,000</del> <u>100,000</u>
<b>Purchase Contracts Agreements (PCA)</b>	Routine repetitive purchases using pre-established vendor arrangements	Required	Negotiated and executed Contract and CPO	Contracted annual limits and dept. approval authority	Council approval At <del>\$100</del> <u>75,000</u> and over
<b>Professional Service Contract</b>	Professional services based on need - pricing competition encouraged	Recommended	Negotiated and executed Contract and CPO	Contracted annual limits and dept. approval authority	Council approval at <del>\$100</del> <u>75,000</u> and over

A more detailed discussion of these purchasing methods follows:

**Petty Cash** is used for infrequent purchases under ~~\$10~~50 requiring immediate funding. Petty cash draws must be supported by original receipts and an approved petty cash form *denoting a clear business purpose and budget coding*. Conference meeting, mileage, per diem and travel-related requests paid via Petty Cash must be tallied and documented in the overall final submission of the City's travel expense form by the requesting department. Petty cash shall never to be used for personal change requests and is only accessible to designated department custodians. Department head or designee approval is always required. Replenishment requests to Finance require full reconciliation and approval.

**City Calcards** accommodate small dollar purchases under \$5,000 and are limited to pre-established monthly maximums. They are issued for use only with department head approval and the execution of a formal employee agreement. The requirements outlined in the Purchasing Card Policy (**Exhibit 8**) must be strictly adhered to. Calcards are issued jointly in the City's and employee's name and shall only be used by the employee they are issued to. Cardholders are responsible for reconciling monthly statements and completing a fully documented and approved transaction log prior to payment. The proper use of Calcards along with timely payment submittal and complete documentation will be strictly enforced with violations promptly resulting in the revocation of privileges and/or other disciplinary actions.

**Direct Vendor Purchases** for one-time purchases that fall under \$5,000 and can be submitted for payment using original vendor receipts/invoices. This method should not be used to supplant existing BPO or PCA arrangements. Original vendor receipts/invoices must be marked with a City standard approval and budget coding stamp, be submitted on a timely basis with proper approvals and include a clear/concise description of purpose and budget coding. Packing slips are required support for all items shipped to City facilities. With increased volume trends, a BPO or PCA can be established for vendors used repetitively given proper bidding procedures are followed.

**Purchase Orders (POs)** facilitate purchases of \$5,000 and over. They follow the submission of a purchase requisition (REQ) to Finance, are subject to bidding either at the informal or formal level (as defined below) and require department head established authorizations and approval levels.

**Blanket Purchase Orders (BPOs)** are based on pre-bid agreements with specific vendors. They promote efficiency by simplifying access to routinely needed goods and maintenance services.

- The establishment of a BPO requires competitive bidding and use of City Attorney-approved terms and conditions. These terms appear on the actual BPO form and are presented to the selected vendor.
- A BPO has a pre-defined, as coordinated with the requesting department, annual maximum limit tracked by Finance. Purchases must always be supported by an identifying BPO ID #, department approvals, original receipts, invoices and packing slips (if shipped) prior to payment. Budget/account codes and a clear business purpose shall always be noted.
- Requests to increase annual BPO limits must be approved by department heads and the ~~Administrative Services Director~~ Finance Director. BPO activity will be reviewed annually by Finance as a basis for justifying continuance of any one vendor. It is the requesting department's responsibility to re-bid periodically (no more than three to five years) to ensure best possible pricing, service and availability.
- Department heads may request additional BPO vendors by submitting an email to Finance. Criteria for establishing a BPO includes frequency of ordering, the dollar amount of each order and the absence of an established contract.
- City employees must always display positive identification, in the form of a current employee identification card, when making BPO purchases at the point-of-sale. This requirement shall be communicated to the vendor at the time of establishing a BPO.

- Regardless of the annual dollar maximum limit, BPO purchases are subject to the signing authority approvals and transaction limits developed by departments and maintained in Finance.

**Purchase Contract Agreements (PCAs)** may be beneficial in establishing firm pricing and an ongoing source of services and materials. This entails entering into a multi-year contract. Much like a BPO, these contracts allow departments to access repetitively needed goods and services with minimal procedural overhead.

- The establishment of a Purchase Contract requires competitive bidding and use of City-compliant and approved contract. The approvals of the City Manager, ~~City Attorney~~, Risk Manager, and ~~Administrative Services Director~~ Finance Director are required.
- Risk Manager's approval is required at the initiation of the PCA and annually thereafter if the scope or cost of the initial agreement is modified by over 5% in amount.
- Departments may request the establishment of a contract for a particular product or service in coordination with Finance with the submission of a Contract Purchase Order (CPO). Criteria for establishing contracts include frequency of ordering, the dollar amount of each order and barriers to contracting such as insurance requirements.
- A contract PO must be authorized by the Deputy City Manager or the Assistant City Manager, and be submitted to Finance, it and must include the executed agreement as an attachment.

Cooperative Purchasing Agreements, The City Manager, where advantageous to the City, may, by cooperative purchasing agreements or arrangements, purchase supplies, equipment, and materials through legal contracts of other governmental jurisdictions or public agencies without further competitive bidding by the City. The City may act as the cooperating purchasing agent for other public entities.

**Professional Service Contracts** are discussed in the following sections of this policy and can only be authorized via an executed formal City-compliant contract approved by the Risk Manager. Although not required by Ordinance, *competitive selection and pricing is highly encouraged*. Departments may request the establishment of a professional service contract in coordination with Finance through submission of a Contract Purchase Order (CPO). The approvals of the City Manager, City Attorney (if deemed required), Risk Manager, and ~~Administrative Services Director~~ Finance Director are required. ~~A contract PO must be authorized by the Assistant City Manager, submitted to Finance, and include the executed agreement attachment.~~



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## ENVIRONMENTAL PROCUREMENT PRACTICES

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### SECTION 1. PURPOSE

The City of Los Altos recognizes its responsibility to minimize negative environmental impacts of the City's activities by ensuring the procurement of services and products that reduce toxicity; conserve natural resources, materials, and energy; and maximize recyclability and recycled content while supporting a diverse, equitable, and vibrant community and economy.

The purpose of this policy is to support procurement decisions that align with the City's sustainability standards and goals. This policy is applicable to all departments and divisions, to incorporate environmental considerations including recycled-content paper and recovered Organic Waste product use into purchasing practices and procurement.

This section will:

- Provide implementation guidance;
- Communicate the City's commitment to sustainable purchasing to its employees, vendors, and the community;
- Protect and conserve natural resources, water, and energy;
- Minimize the City's contribution to climate change, pollution, and solid waste disposal;
- Empower employees to be innovative and demonstrate leadership by considering sustainability benefits when making purchasing decisions; and
- Comply with State requirements as contained in 14 CCR Division 7, Chapter 12, Article 12 (SB 1383 procurement regulations) to procure a specified amount of Recovered Organic Waste Products to support Organic Waste disposal reduction targets and markets for products made from recycled and recovered Organic Waste materials, and to purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.

These requirements for Environmental Procurement Practices shall go into effect January 1, 2022.

### SECTION 2. POLICY

#### Requirements for City Departments or Procurement Practices

- A. If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all departments and divisions of the City shall purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, whenever available at the same or a lesser total cost than non-

recycled items, consistent with the requirements of the Public Contracts Code, Sections 22150 through 22154 and Sections 12200 and 12209, as amended.

1. All Paper Products and Printing and Writing Paper shall be eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).
2. Provide records to the City of all Paper Products and Printing and Writing Paper purchases on a schedule to be determined by the City and not less than annually (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the City.

### **Requirements for Vendors**

- A. All vendors that provide Paper Products (including janitorial Paper Products) and Printing and Writing Paper to the City shall:
  1. Provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, if fitness and quality are equal to that of non-recycled item, and available at equal or lesser price.
- B. All vendors providing printing services to the City via a printing contract or written agreement, shall use Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, or as amended by Public Contract Code Section 12209.

### **Compost and SB 1383 Eligible Mulch procurement.**

- A. Divisions and departments responsible for landscaping maintenance shall:
  1. Use SB 1383 Eligible Compost and SB 1383 Eligible Mulch produced from recovered Organic Waste, as defined in the Glossary section of this Policy, for landscaping maintenance as practicable, whenever available, and capable of meeting quality standards and criteria specified.
  2. Keep records, including invoices or proof of Recovered Organic Waste Product procurement (either through purchase or acquisition), and submit records to the City, on a schedule to be determined by City.

Records shall include:

    - a. General procurement records, including:
      - (i) General description of how and where the product was used and applied, if applicable;
      - (ii) Source of product, including name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured;
      - (iii) Type of product;
      - (iv) Quantity of each product; and,
      - (v) Invoice or other record demonstrating purchase or procurement.
    - b. For Compost and SB 1383 Eligible Mulch provided to residents through giveaway events or other types of distribution methods, keep records of the

Compost and SB 1383 Eligible Mulch provided to residents. Records shall be maintained and submitted to the City in accordance with the requirements specified in Section 3.

3. When a Direct Service Provider for the City procures compost or mulch, enter into a written contract or agreement or execute a purchase order between the City and Direct Service Provider with enforceable provisions that include: (i) definitions and specifications for SB 1383 Eligible Mulch, Compost, Renewable Gas, and/or Electricity Procured from Biomass Conversion; and, (ii) an enforcement mechanism (e.g., termination, liquidated damages) in the event the Direct Service Provider is not compliant with the requirements.
  - a. Renewable Gas procurement (used for fuel for transportation, electricity, or heating applications). For Renewable Gas procurement, Jurisdiction shall:
    1. Procure Renewable Gas made from recovered Organic Waste for transportation fuel, electricity, and heating applications to the degree that it is appropriate and available for the Jurisdiction.
    2. Keep records in the same manner indicated in Section 3 for the amount of Renewable Gas procured and used by the Jurisdiction, including the general procurement record information specified in Section 3, and submit records to the City on a schedule to be determined by the City and not less than annually. Jurisdiction shall additionally obtain the documentation and submit records specified in Section 3 below, if applicable.

### **SECTION 3. RECORDKEEPING**

- A. The City will do the following to track Procurement of Recovered Organic Waste Products, Recycled-Content Paper Products, and Recycled-Content Printing and Writing Paper:
  1. Collect and collate copies of invoices or receipts (paper or electronic) or other proof of purchase that describe the procurement of Printing and Writing Paper and Paper Products, including the volume and type of all paper purchases; and, copies of certifications and other required verifications from all departments and/or divisions procuring Paper Products and Printing and Writing Paper (whether or not they contain recycled content) and/or from the vendors providing Printing and Writing Paper and Paper Products. These records must be kept as part of the City's documentation of its compliance with 14 CCR Section 18993.3.
  2. Collect and collate copies of invoices or receipts or documentation evidencing procurement from all departments and divisions procuring Recovered Organic Waste Products and invoices or similar records from vendors/contractors/others procuring Recovered Organic Waste Products on behalf of the City to develop evidence of the City meeting its Annual Recovered Organic Waste Product Procurement Target. These records must be kept as part of the City's documentation of its compliance with 14 CCR Section 18993.1.

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## BIDDING & AUTHORIZATION LIMITS

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Competitive bidding promotes fair pricing commensurate with the quality required. The City awards equipment, materials, supplies and maintenance service bids to the lowest priced responsible and suitable bidder. This means that the prevailing bidder is the one who best responds in price, quality, service, fitness or capacity to the particular requirements of the City. The selection process also considers the ability of the vendor to deliver the needed product, obtain access to available of parts or service, prior experience and system compatibility.

Bidding limits and approval requirements are as follows and described on **Exhibit 1A**:

Approval Codes:	Approval Levels	Approving Documents
DH	Department Head	REQ, PO, CPO
DE	Department Head designee *	
<del>ASFD</del>	<del>Administrative Services</del> <del>Finance Department</del>	
CM	City Manager	
CC	City Council	

\* See Signature Authority below

Dollar Limits	Bidding Requirements	Required Approvals
\$5,000 to \$50,000	Informal bids	DH or DE & AS
Over \$50,000 under \$10075,000	Formal bids	DH & AS & CM <del>&amp; CC</del>
\$10075,000 and over	Formal published/ advertised bids	DH & AS & CM & CC

\* Purchases under \$5,000 do not require bids although approvals are required from a Department Head and/or Designee for all purchases

**Purchases from \$5,000 to \$50,000** require informal bids by the requesting department with quotes obtained from at least two vendors with three recommended. Telephone quotes are acceptable although written quotations are preferred. Email quotes are allowed. All quotes must be documented and submitted, in comparative format, as part of the approved requisition (REQ) prior to PO, CPO issuance.

**Purchases over \$50,000 but under \$10075,000** require formal bids by the requesting department and either City Manager or Council approval before award. This entails the preparation of written specifications, vendor solicitations and sealed bids. The requesting department shall contact as many vendors as necessary and obtain at least two (2) written quotes with three (3) quotes

recommended. In the event that the minimum number of quotations cannot be obtained, evidence of the attempt should be documented and kept on file. Services are exceptions.

**Purchases of \$10075,000 and over** require the formal bidding as discussed above but bear the additional requirement of having bid invitations formally published in a regional periodical and City web site at least ten (10) days before sealed bid opening.

The communication of specifications helps ensure that required, ordered and received items meet the desired level of quality, performance or design. Clarity and completeness in writing specifications avoids a mismatch between vendor compliance and operational needs. It is imperative that staff clearly communicate these requirements in the bid process and inform suppliers, at the time of bid, exactly what it is that the City needs.

Instructions for preparing a Request for Proposal are presented on **Exhibit 2**.

The splitting of purchases to avoid bid and authorization limits is a clear violation of these instructions. Furthermore, purchase cost estimates should always include necessary post-manufacturer add-ons and be included in the Bid specifications.

~~**Council Discretion** – In its discretion, Council may reject any and all bids only when an emergency requires that an order be placed with the nearest available source of supply, when the amount involved is less than an amount to be set by the council by resolution, or when the commodity can be obtained from only one vendor.~~

**Bid Cancellations** - City Council may cancel an invitation for bids, a request for proposal or other solicitations and may reject some or all bids or proposals when it is determined that cancellation or rejection serves the best interest of the City.

**Cooperative Purchasing** - Where possible, Cooperative Purchasing may be a benefit to the City. With cooperative purchasing, public entities may mutually make purchases, achieving significant economies of scale. Although public entities together prepare specifications and receive bids, each public entity executes its own contract, administers the procurement function and finances the purchase independently.

## **BIDDING EXCEPTIONS**

### **Sole Source Procurements**

Sole source procurements involve services and/or supplies that can only be practically obtained from one source. Justification will be based on the following:

- The contractor or supplier is the sole provider of the service or supply.
- The contractor or supplier is the only source permitted to provide the service or supply based on the manufacturer's agreement acting as the sole representative in the geographical area.

The person requesting the purchase is to prepare written correspondence justifying and describing the reason for the sole source **purchase and must have the approval of the department director.**

This documentation must be submitted to the risk manager and Finance along with the requisition for approval.

### **Emergency purchases**

For the purposes of this section, an emergency shall be deemed to exist if:

- A public disaster occurs; or
- An emergency is declared by the City Council or City Manager
- There is an immediate need to prepare for national or local defense; or
- There is a breakdown in machinery or an essential service which requires the immediate procurement of supplies and equipment to protect the public health, welfare, or safety; or
- Public health, welfare, or safety would be greatly hampered, if there was an undue delay in the procurement of the needed item

**Authority** - The City is not required to engage in competitive bidding in an emergency situation. The City Manager or designee holds the authority to waive any procedures in these instructions that are not statutorily mandated when making emergency purchases of supplies, equipment, materials or services.

If the purchase equals or exceeds \$~~100~~75,000 for construction work, supplies, equipment, materials or services (including professional services), after-the-fact ratification is to be obtained from City Council at the soonest possible public meeting following the event. ~~Emergency purchases expected to exceed \$100,000 must be preceded by a declaration of the emergency and procurement ratification by a majority vote of the City Council.~~

If, at the time of the emergency, neither the City Manager nor designee are available, department heads may order the needed commodity from the nearest available source. As they become accessible, the City Manager, designee and Finance should be immediately notified of the purchase.

**Initiating the Purchase** - Emergency purchases can be made by staff responsible for the emergency response. Staff should attempt to determine the best price and quality of product or services available and advise his/her department head at the earliest possible opportunity. The Department head is to relay such information to the City Manager promptly.

**Finance Notification** – Soon after placing the order, Finance is to be notified of: (1) the activation of an emergency purchase; (2) the nature of the purchase and emergency; (3) the Department head or authorized designee approval; (4) the name and location of the vendor; and (5) the City Manager approval pursuant to the procedures outlined above. This information is to be provided via the Emergency Purchase Documentation form (**Exhibit 3**).

**Emergency Credit Card Limits** - In times of emergency, the City Manager and Department Heads may request a temporary increase in individual credit card transaction limits from Finance

up to a maximum of \$75,000.

**Federal Emergency Management Agency (FEMA)** - In all cases, the documentation requirements of both the local and federal FEMA agencies are to be complied as the City's emergency response team is activated. The tracking of work/OT hours by location, positions and incident, invoices/receipts and photographs will ensure cost recovery when claims are ultimately submitted.

Council Discretion - In its discretion, Council may reject any and all bids only when an emergency requires that an order be placed with the nearest available source of supply, when the amount involved is less than an amount to be set by the council by resolution, or when the commodity can be obtained from only one vendor.

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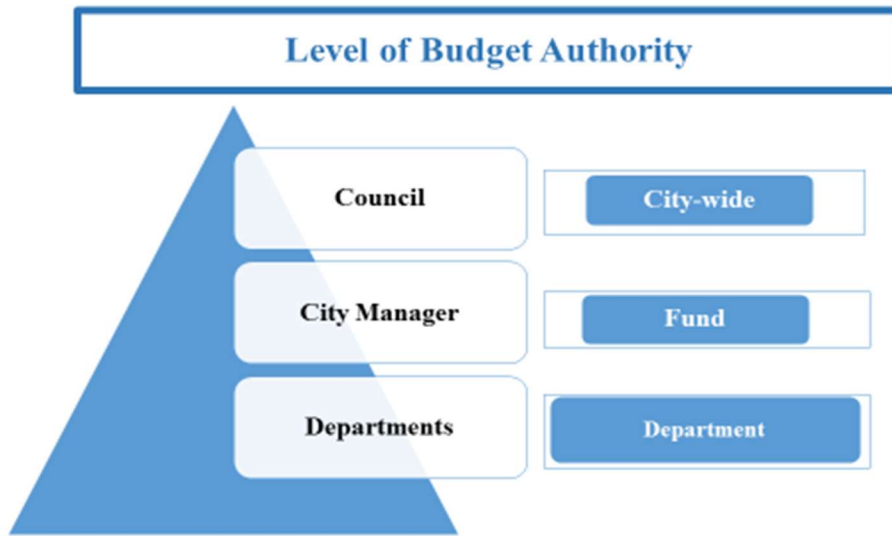
## **BUDGET AUTHORITY LEVELS**

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**Budget Responsibility** - The annual budget is an essential element of the financial planning, control, and evaluation process of the City. It is reviewed each fiscal year by Council and is designed as a financial blueprint for the City to follow.

Upon adoption, the various amounts approved in the budget are recorded into the City's financial system. Monthly reports are provided to department, program or project managers in order to allow track expenditure activity and compliance with budget limits. It is the responsibility of each Department to maintain control of their budgets.

Per fiscal policy, Department heads have budget control at the total department appropriation level. The City Manager's budget authority is at the Fund and Capital Improvement Project level. This means no Department head can transfer to/from or utilize the budget of another department – he/she cannot cross departmental or capital project lines of appropriation. The City Manager may approve transfers between department/programs but cannot increase the appropriation limit of any one fund or any one Capital Improvement project. Any increase in appropriation levels within any one Fund or adopted Capital Improvement Project must be authorized by City Council. This authority relationship is as displayed graphically below.



It is critical that all expenditures be coded to the proper and most appropriate account classifications during the year without restriction to itemized line item limits (excluding salary and benefit items and total capital project appropriations). The accurate reporting of expenditure types allows for the refinement of budget variances each year.

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## SIGNATURE AUTHORITY & APPROVALS

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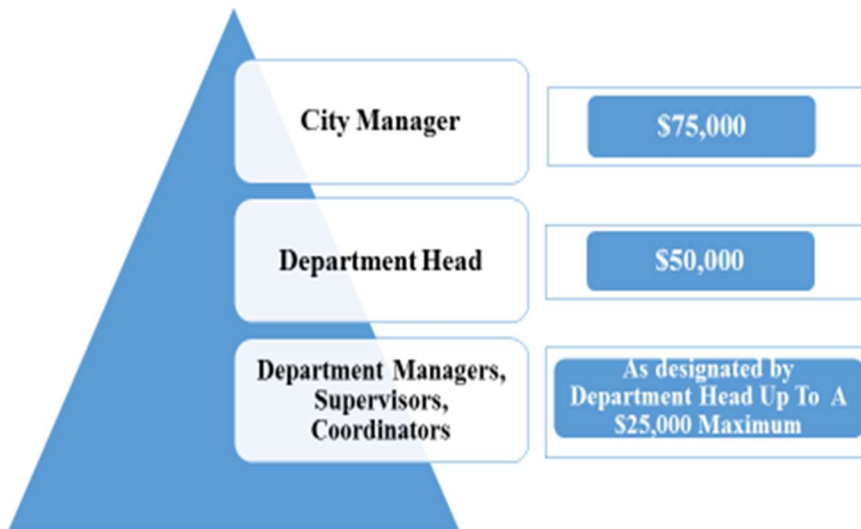
Finance maintains a signature list, including individual approval dollar limits and areas of responsibility, of employees designated by Department heads to approve and sign for purchases. A sample copy of each authorizing signature facsimile is maintained in Finance for audit verification. Department Heads may delegate signing authority up to a maximum of \$25,000 to a Division Manager but must submit such authorization in advance via the signed signature list previously referenced herein. Overall functional signing limits are established as displayed in the following chart. Purchase requests received by Finance lacking appropriate approvals will be returned promptly to the issuing department before any purchase order is issued and/or payments are processed. Any late charges arising from such processing delays will need to be charged against the requesting department budget.



## Level of Signing Authority



## Level of Signing Authority



### Change Orders

The submission of change orders to an existing PO, CPO or PCA can alter the level of approvals required up to, and including, the need for Council action. The determination of authorization

levels should include the sum total of the purchases including the accumulated value of related change orders.

### **Information Technology Purchases**

All Information Technology (IT) purchases must be approved in advance by the IT Manager and/or designee to ensure compliance with City hardware and system standards. Similarly, IT is required to be consulted for any planned purchases of software and hardware arising during the budget process and in the development of system specifications. IT cannot make purchases on behalf of an operating department without documented pre-authorized by the department head or designee. This approval will be documented via the completion of the IT Work-Order form.

### **Shared Cost Purchases & Payroll Payments**

Some shared costs, such as utilities (phone, water, gas, electric, insurance, Software annual maintenance or subscription payments, etc.), fuel, facilities and payroll/benefits deductions (taxes, health benefits, PERS, etc.), require broadly defined processing methods as they are operational in nature and addressed in the budget on a bulk basis. Such payments are held to categorical budget appropriation limits, are centrally processed by Finance, fall outside individual authorizing dollar limits, and are handled in bulk form in the monthly accounting process. These items are reviewed by Finance for completeness, budget compliance and accuracy as they are processed. The basis for these shared cost allocations should be developed by Finance in coordination with the impacted departments and discussed in the annual budget process.

### **Warehouse Orders, Shared Building Supplies & Fuel**

Limited items are available for order through the Maintenance Services warehouse. These mostly include janitorial supplies, fuel, office paper, kitchen supplies and can simply be requested via email or phone. They will be charged to the ordering department at month-end based upon inventory pricing. Supplies delivered to shared cost sites, such as City Hall, will be allocated among benefitting programs on a reasonable basis. Maintenance services shall document these purchases on a monthly basis as a basis for financial reporting.

### **Equipment Purchases Identified in the Budget Process**

All new and replacement requests for equipment or vehicles are itemized and submitted to Finance as part of the annual budget process or at the time of mid-year budget review. At budget adoption, these specifically identified items will be considered approved. In procuring these items, departments are to strictly follow the bid and approval procedures set forth herein but may finalize such purchases without returning to City Council. However, City Council approval must be obtained if additional appropriations are required above the original adopted budget or if the nature of the purchase is substantially altered.

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## **FIXED ASSET IDENTIFICATION & TRACKING**

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Any tangible item with a useful life of at least one year and a purchase cost, including sales tax and incidentals, of \$10,000 or more is considered a fixed asset. These items are to be identified by a unique identifying number (ID) and tracked during their lifecycle. Items that do not fit within the dollar threshold for a fixed asset, but are considered valuable, such as cellular phones, cameras or laptops should also be identified by a a City ID. Departments are responsible for ensuring that unique identifying numbers (serial numbers/VIN #s) are evident in the supporting documentation provided to Finance and for safeguarding City assets, regardless of the value. Departments should expect to account for an asset's condition and location as part of a year-end inventory.

Physical movement of any fixed asset, even within a department, must be approved by Department heads or designees and coordinated with Finance to ensure that inventories are updated with the proper location. Similarly, it is imperative that Information Technology (IT) be contacted before any computer hardware is relocated. The physical disposal of any fixed asset must be approved by Department heads and designees and coordinated with Finance and Maintenance to ensure that inventory listings are updated. It is imperative that IT be contacted before any computer hardware is abandoned.

***Periodically, Finance or assigned independent auditors will conduct unscheduled audits to trace actual expenditures to physical assets on site. Departments shall accommodate the performance of these audits of asset purchases upon request.***

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## PROFESSIONAL SERVICES

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Professional services include those provided by industry specialists such as lawyers, accountants, actuaries, technology specialist, planning, building, and financial consultants. These services, beyond the realm of public works contracts, are exempt from bidding requirements as their selection is based on expertise, experience and proficiency rather than price. As a matter of practice, the City ***highly encourages competitive bidding for all service contracts and formal RFPs for contracts with values over \$25,000.***

Agreements with vendors for services can be for a three year period with up to a two year extension of the agreement to total no more than five years. At the conclusion of the five years, it is recommended that the agreement be re-bid to test the price of like services in the market place and to provide other vendors an opportunity to present a bid for services. Agreements posted on the Template drive contain the language needed to state the "term" (length of time) of the agreement. For existing agreements that are ongoing until terminated, consult with Risk Management to ensure agreements are revised to include a five year term or proper amendment language.

Managers are to review with Risk Management each ongoing software or licensing agreement that exceed the five year term. These agreements are evaluated on a case-by-case basis for the length of term of the agreement and amendment language.

All contracts entered into by the City require the City Attorney (review, if requested), City Manager, Risk Manager, Department Head and ~~Administrative Services Director~~ Finance Director approval. Contracts over the dollar limits listed below require Council approval prior to award. The City encourages staff to issue a request for proposal (RFP) as a measure of due diligence in competitively seeking and awarding these services. This avoids the appearance of capricious or arbitrary awards. It is prudent to receive proposals as the basis for defining the scope of work and the deliverables to be contracted. This process is presented in table format in **Exhibit 1b**.

<i>Value of Non Legal Professional Services</i>	<i>Recommended Number of Proposals</i>	<i>Required Approvals</i>
<del>\$</del> 5,000 - \$25,000	Department must conduct evaluation of options but does not have to obtain written proposals.	<del>City Attorney</del> , Department Head, <del>Administrative Services Director</del> <u>Finance Director</u>
Over \$25,000 <u>Under \$50,000</u>	A Formal RFP and three written proposals recommended	<del>City Council, City Attorney</del> , Department Head, <del>Administrative Services Director</del> <u>Finance Director</u>
<u>Over \$50,000 Under \$100,000</u>	<u>A Formal RFP and three written proposals recommended</u>	<u>City Attorney, Department Head, Finance Director, City Manager.</u>
<u>\$100,000 and over</u>	<u>A Formal RFP and three written proposals recommended</u>	<u>City Attorney, Department Head, Finance Director, City Manager, City Council</u>

<i>Value of Legal Services</i>	<i>Recommended Number of Proposals</i>	<i>Required Approvals</i>
<u>Up to Annual Budgeted Appropriation for Legal Fees</u>	<u>City Attorney to evaluate need based on expertise</u>	<u>City Attorney, Finance Director, City Manager</u>
<u>Above Fund Level Budgeted Appropriation</u>	<u>City Attorney to evaluate need based on expertise</u>	<u>City Council</u>

*\* Services under \$5,000 do not require bids although approvals are required from a Department Head and/or Designee for all purchases*

*The procurement of legal services of any value amount must be approved at the City Council level. Legal Fees*

The Los Altos Municipal Code establishes that the City Attorney “may retain or employ other

attorneys, assistants or special counsel as may be needed to take charge of any litigation or legal matters or assist the City Attorney therein provided.

The City Attorney estimates these costs at the preparation of the budget on a gross basis. Such payments are held to categorical budget appropriation limits, and are centrally processed by Finance, and therefore fall outside individual authorizing dollar limits, and are approved by the City Manager. These items are reviewed by Finance for completeness, budget compliance and accuracy as they are processed.

*Changes in the scope of existing contracts may trigger a higher level of required approvals.*

Professional services must be initiated and approved via the use of a CPO but can never be procured solely through that medium. Services of this nature must be entered into contractually using a City-compliant executed contract and require the approval of the Risk Manager.

**Professional Service Travel Costs** - Professional service firms often bill clients for their direct and indirect costs, such as travel, photocopying, proposal preparation, etc. It is advisable that potential providers are informed of, and make documentation available in support of, the City operating travel policies including the following:

- Airfare: The City will not reimburse first class, business class, boarding preferences or other premium types of transportation.
- Hotel: The City will reimburse reasonable hotel accommodations (i.e., single or double rooms, but no suites) and encourage obtaining a Government rate in a local venue.
- Meals: Reimbursement for meals is limited to the current IRS per diem rate for the destination city.
- Car Rental: Rental vehicles shall be mid-sized class or smaller with rates commensurate with those offered by major rental companies. Use of luxury cars, specialty vehicles, or other non-standard cars will not be reimbursed. Insurance will be provided under the driver's or company's own policy. Additional insurance coverage offered by the rental car company is not reimbursable by the City.
- Entertainment/Personal Services: Under no circumstances are expenses related to entertainment (i.e., theater tickets, sporting events) or personal services (i.e., dry cleaning, haircuts) reimbursable.
- Deliveries/Transmittals: Deliveries for which the City is billed will be transmitted in the most economical manner reasonable, unless otherwise required by the City.
- Proposal Costs: The City will not reimburse the vendor for any costs associated with the preparation of a proposal.

It is important to make the proposed vendors aware of these restrictions well in advance of proposal submittal or contract completion.

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## ADDITIONAL MATTERS

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### FISCAL YEAR-END CUT OFF

The City's fiscal year runs from July 1 to June 30. To allow for adequate processing time certain types of purchases must be completed well before the end of the fiscal year. While exact calendar dates may vary, the cutoff for submitting purchasing paperwork is generally as follows:

Requisitions & Purchase Orders:	2nd week of June
Blanket Purchase Orders:	Orders to be placed by June 30

### SUPPLIER CONTACT AND DECORUM

Staff is obliged to act in a professional and ethical manner at all times when in contact with suppliers who market their services to the City. To this end, we strive to:

- Give all suppliers full, fair, prompt and courteous consideration
- Maintain a level playing field and information transparency
- Protect vendor confidentiality when dealing with market-sensitive data
- Solicit suggestions in determining clear and adequate specifications and standards
- Effectively coordinate with suppliers in an equitable and uniform manner
- Observe truthfulness and highest ethics in all transactions and correspondence

**It is important to treat all vendors equally.** This includes providing all competing vendors with the same information needed to respond to a request. It is unfair and unethical to divulge one vendor's bid price, terms or conditions to another during the competitive bidding stages and important to realize that this information is not publicly accessible until all bids have been received and evaluated. Information marked "Proprietary" or "Confidential" by the vendor is not considered public and must not be revealed to outside parties. The appearance of impropriety is just as important as actual impropriety. Displays of favoritism to a particular vendor should be avoided at all times.

**Gratuities** - To maintain strict objectivity and the highest ethical standards, the City prohibits employees accepting vendor gifts or gratuities. Violation of this standard may result in employee disciplinary action up to, and including, termination.

**Insurance** - It is the City's practice to transfer as much risk as possible from the City to the supplier or contractor. Therefore, insurance is required from any contractor performing work for the City.

This is especially the case for services provided on City property. In these cases, the standards and insurance requirements set forth by Risk Management must be adhered to. The City's minimum insurance standards to be complied with are included as **Exhibit 5** to this document.

**Taxes** - The City pays sales or use tax on most purchases as defined by Santa Clara County. This amount is added to the taxable subtotal of your order (certain items such as labor or transportation may or may not be taxable). Use tax, which is equivalent to the sales tax rate, is collected on many out-of-state purchases where the state originating the sale does not collect California State sales tax on behalf of the State. It is important to identify the applicability of Use Tax in bid costing to avoid an unintentional budget overrun. The City is exempt from paying Federal Excise Tax.

**Shipping and Installation Costs:** In developing, accepting and evaluating good and material bids, it is incumbent on City staff to ensure that costs include any related shipping and/or installation costs and request such information from the subject vendors. In all cases, developing the full costs of purchase is critical to the budget process.

**Payments Terms & Frequency** - The City's payment terms are **net 30 days from billing/invoice date**. Vendor agreements should be established using this standard and clearly communicated to them. **Exhibit 6 8-6** displays the City's **sample** accounts payable calendar, a document that should be shared with existing and new vendors to establish payment expectations. A vendor's inability to adapt to the City's payment terms may make them ineligible for use. As a general rule, the City will not pay late fees.

**Conflict of Interest/Third Party Transactions** - In order to maintain public trust and confidence in the integrity of purchasing transactions, no City employee who has a real or apparent conflict of interest should participate in the transaction.

**Establishing New Vendors** - One element of fiduciary responsibility is maintaining strict control over the open accounts established under the City's name. Therefore, the City has instituted a practice whereby Finance has control over creation of all new vendor accounts and the submission and completion of credit applications for open accounts. W-9s are required for all new vendors without exception.

**Grant Funding** - Federal or other grant programs may require special conditions which are more stringent than City procedures. It is the responsibility of the department accepting the grant to ensure that all grant provisions are complied with. All grants shall be awarded with City Council approval.

**Surplus Property Management** - Maintenance Services is responsible for the disposal of all City surplus property via auction. Information Technology should be contacted if you desire to disconnect or dispose of computers and related hardware.

The City maintains a small inventory of serviceable surplus property items that may be acceptable for use upon request by a department. City staff or family members are not eligible to purchase City surplus property. Staff may, however, attend any third party public auction and bid as a member of the public.

Public Safety handles property room disposals directly through a safety-specific auction process

and coordinates associated revenue collections with Finance.

**Independent Contractors** - The Internal Revenues Service (IRS) and the California Employment Development Department (EDD) require independent contractors to provide a W-9 form to the City including the business type (sole proprietor, corporation or partnership) and documenting a taxpayer identification number (Social Security or federal identification number). Finance must receive the W-9 when a requisition or invoice is processed for a new vendor. Failure to provide this form will result in non-payment of an invoice or delaying processing of a requisition.

**Other Jurisdiction BPO or Purchase Contract Agreements (PCA)** - Staff may use BPOs or PCAs issued by other jurisdictions entered into competitively if it is shown that the selection criteria are essentially the same as would be used by the City. Examples include: Santa Clara County BPA for furnishings or awarded unit price schedules for slurry seal or sidewalk repairs.

### **Prohibited Practices**

No City employee shall use or misrepresent the City's purchasing process to obtain property or services for personal use, benefit or personal price discounts. Volume or incentive discounts made available in making City purchases can only be applied to the City's benefit and never personal gain.

No City employee shall draft or cause to be drafted any specifications for bids in such a way as to intentionally limit the bidding directly or indirectly to any one bidder except for the sole source procurements.

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## **PUBLIC WORKS PROJECTS**

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Public Projects are defined by the State of California Public Contract Code, Section 20161 as a project for the erection, improvement, painting, or repair of public buildings and works; work in or about streams, bays, waterfronts embankments, or other work for the protection against overflow; street or sewer work except maintenance or repair; furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers. These purchases are controlled directly by the related Public Contract Code sections and fall outside the operational purchasing cycle addressed in this policy.

The responsibility for specifying, bidding and managing public projects rests with the Public Works Department and that Department head responsible for the management of the project.

[Should the City Council decide to adopt The California Uniform Public Construction Cost Accounting Act \(CUCCA\). The City would follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of California Uniform Public Construction Cost Accounting Commission](#)

***Engineering shall always be consulted in the development of Public Works Bids to ensure compliance in this highly complex area.***



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## GLOSSARY

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**Bid:** A proposal to provide goods and services submitted in accordance with the request for bid documents.

**Bidder:** A person or entity who submits a bid.

**Blanket Purchase Order (BPO):** A method by which departments may purchase materials from a specific vendor continuously throughout a specified time period. Orders for materials not available from BPO vendors can be purchased by petty cash, credit card, purchase contract, or through the purchase requisition/purchase order process as described within this document.

**Change Order:** An amendment to an original purchase order authorizing a change in the scope of work; adjustment in the contract sum or contract time; or cancellation of parts or all of a purchase order.

**Check Request:** The form used to request that Finance process payment to a vendor or contractor. The form accommodates several uses, including Direct Payments, Blanket Purchase Order payments as well as partial payments against existing purchase orders and contracts.

**City:** [The City of Los Altos, the City Manager, or their designee.](#)

**Compost (SB 1383 Eligible):** [The product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in 14 CCR Section 17896.2\(a\)\(4\).](#)

**Contract:** An agreement between two or more parties to do something which is set forth in writing and is enforceable by law.

**Contract Purchase Order (CPO):** The document used by departments to document the request professional services and supported by a formal executed city compliant contract approved by the Risk Manager. A CPO, on its own, does not support authorization to purchase. A CPO shall always be accompanied by an executed formal contract and is authorized by the Assistant City Manager.

**Cooperative Purchasing Agreement (CPA):** The purchase of goods, materials, or services which is entered into by one or more local government entities. The expected impact is to increase volume and/or competition which will result in greater savings.

**Purchase Contract Agreement (PCA):** [A purchase agreement is a legally binding contract between a buyer and seller. These agreements usually relate to the buying and selling of goods instead of services, and they can cover transactions for just about any type of product.](#)

**Direct Service Provider:** [A person, company, agency, district, or other entity that provides a](#)

service or services to the City pursuant to a contract or other written agreement or as otherwise defined in 14 CCR Section 18982(a)(17).

**Electricity Procured from Biomass Conversion:** Electricity generated from biomass facilities that convert recovered Organic Waste, such as wood from the municipal stream, into electricity.

**Informal Bid:** A proposal to provide materials, supplies and/or maintenance services in amounts under \$75,000 in estimated value. Responses are generated from City requests and bids should be obtained by written quotes although phone quotes may be acceptable for certain items.

**Formal Bid:** A proposal to provide materials, supplies and/or maintenance services equal to or exceeding \$75,000 in estimated value. A sealed formal bid is submitted in response to the City's Request for Proposal and may require advertised publication based upon defined dollar limits.

**Organic Waste:** Solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

**Packing List:** A list of supplies requested which includes stock number, item description, quantity requested, and number of items delivered.

**Paper Products:** Includes, but is not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

**Petty Cash:** Small dollar reimbursements (\$100 or less) made out of cash boxes held within departments.

**Printing and Writing Papers:** Includes, but is not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in 14 CCR Section 18982(a)(54).

**Professional Service:** A specialized type of service typically provided by those requiring extensive educational, certification, and experience standards. Examples of professional services contracts include, but are not limited to, those of accountants, actuaries, appraisers, architects, attorneys, brokerage firms, business consultants, business development managers, copywriters, dentists, distributors, engineers, law firms, physicians, public relations professionals, recruiters, researchers, real estate brokers, translators, software engineers, value-added resellers and web designers. While not limited to those holding professional licenses, the services are considered "professional" and the contract may run to partnerships, firms, or corporations as well as to individuals.

**Purchase Contracts:** Contracts for routine and repetitive maintenance services typically for the

maintenance of landscaping, office machines, office supplies, janitorial services, building maintenance, and street sweeping.

**Purchase Order (PO):** The document that obligates the purchase of goods or maintenance services that are not available from a BPO; an existing purchase contract; and is above the limit for procurement as a direct vendor payment.

**Purchase Requisition:** The document used by departments to request goods or maintenance services that are: not available through a BPO; not available on an existing purchase contract; and is above the limit for procurement as a direct vendor payment.

**Quality:** The extent to which the actual minimum needs of the end users are satisfied.

**Recovered Organic Waste Products:** Products made from California, landfill-diverted recovered Organic Waste, processed at a permitted or otherwise authorized operation or facility, or as otherwise defined in 14 CCR Section 18982(a)(60). Products that can be used to meet the Annual Recovered Organic Waste Product Procurement Target shall include Compost, SB 1383 Eligible Mulch, Renewable Gas from an in-vessel digestion facility, and Electricity Procured from Biomass Conversion as described herein and provided that such products meet requirements of 14 CCR, Division 7, Chapter 12, Article 12.

**Recyclability:** The Paper Products and Printing and Writing Paper offered or sold to the City are eligible to be labeled with an unqualified recyclable label as defined in 16 Code of Federal Regulations Section 260.12 (2013).

**Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper:** Products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of Sections 22150 to 22154 and Sections 12200 and 12209 of the Public Contract Code, and as amended.

**Renewable Gas:** Gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

**Request for Proposal (RFP):** Used to request information and pricing from contractors or suppliers. Typically, RFPs are utilized for non-commodity type items where the expertise of the contractor is vital criteria in the selection process. While price/cost is an important component of the selection process, it is not the only factor in the selection process.

**SB 1383:** Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants, as amended, supplemented, superseded, and replaced from time to time.

**SB 1383 Regulations or SB 1383 Regulatory:** Refers to, for the purposes of this policy, the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by

CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

**SB 1383 Eligible Mulch:** Mulch eligible to meet the Annual Recovered Organic Waste Product Procurement Target, pursuant to 14 CCR Chapter 12 of Division 7. This SB 1383 Eligible Mulch shall meet the following conditions for the duration of the applicable procurement compliance year, as specified by 14 CCR Section 18993.1(f)(4):

1. Produced at one of the following facilities:
  - i. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10);
  - ii. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Sections 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR Division 7; or,
  - iii. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.

**Service Contract:** A service contract means a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to solely furnish an end item of supply. -A service contract may cover services performed by either professional or non-professional personnel whether on an individual or organizational basis.

**Sole Source Purchase:** One where there is only a single vendor capable of providing an item or service, and therefore it is not possible to obtain competitive bids.

**Specifications:** A complete and accurate statement or set of statements covering the physical, functional, or technical characteristics of goods or services needed, description of any requirements for inspecting or testing and performance standards for items sought. It may also include provisions which govern various aspects of parties to the contract and any special conditions or pre-conditions that exist relative to any goods or services being solicited.

**State:** The State of California.

**Maintenance Services:** Services typically dealing with operational maintenance, supplies, and equipment support, rather than specialized professional services described above.

**Vendor:** A person or company who provides goods or services. A vendor can also be referred to as a supplier or direct service provider.

## EXHIBIT 1A

### PURCHASING BID AND AUTHORIZATION CHART

#### MATERIALS - GOODS - MAINTENANCE SERVICES

##### ORDER TYPE

##### Materials, Goods, Maintenance Service

These include supplies, equipment, operating or maintenance services and projects. Excludes "Public Works Projects" and "Professional Services"

##### COST POINT

Less Than \$5,000  
(No Bids Required)

\$5,000 to \$50,000  
(Informal Bid)

Over \$50,000 (Sealed  
Formal Bid)

~~\$100~~75,000 or more  
(Published Advertised  
Sealed Bid)

##### FEATURES

Prudent judgment should be used along with obtaining comparative pricing whenever practical. Orders require department head or designee approval.

At least 2 quotes required but 3 recommended. Written bids/quotes are preferred but may be verbal with documentation. City Manager and Department head-approved Purchase Order (PO) required. City Attorney approval, Risk Manager approval, and CPO required for contracts

Obtain at least 2 formal quotes - 3 recommended with bid publication for purchases of ~~\$100~~75,000 or over. City Manager and Department Head approved Purchase Order (PO) required. City Attorney approval, Risk Manager approval, and CPO required for contracts.  
**City Council approval is required before award.**

Materials, Goods and Maintenance Service contract costs of any dollar value must adhere to pre-defined signature approval limits. All Information Technology (IT) purchases require approval of the IT Manager for network compliance. Any IT Purchase for a service department must be authorized via an IT Work Order authorized by a department head or designee.

**EXHIBIT 1B**

**PURCHASING BID AND AUTHORIZATION CHART**

**PROFESSIONAL SERVICES**

**ORDER TYPE**

Professional Services

These services include those of a highly technical nature requiring extended training and certification.

Include legal, accountancy, technology and specialty consulting services.

These are general guidelines. The evaluation and selection of consultant services may vary on a case-by-case basis.

**COST POINT**

\$0 to \$25,000  
(RFP Highly Recommended)

Over \$25,000  
(RFP Required)

**FEATURES**

Prudent judgment should be exercised and obtaining comparative pricing if practical. Orders require department head or designee approval.

Price proposals not required but three are recommended and must include a City Manager, City Attorney, Department Head and ~~Finance~~Administrative Services Director approved CPO and service contract.

RFP required with three bids are encouraged and must include a City Manager, City Attorney, Department Head, ~~Administrative Services~~Finance Director and City Council-approved (Over \$100,000), or City Council authorized, CPO and service contract.

~~Legal Professional Services of any dollar value must be approved by the City Council, City Manager, City Attorney, Department Head and Administrative Services Director.~~

## EXHIBIT 2

### PREPARING A REQUEST FOR PROPOSAL

Requesting departments are responsible for preparing Requests for Proposal (RFP) to satisfy a need for specialized services. Since each RFP is different, with distinct requirements, it is necessary to carefully analyze the information needed to successfully issue an RFP and select the proper contractor.

This guide is furnished to assist you in preparing a Request for Proposal (RFP). It covers the basic elements of an RFP and suggests topics that you may want to address when preparing one. The items listed are simply a guide. Feel free to include others that may suit your specific need.

A Request for Proposal is used to acquire goods or services including:

Tasks requiring specially-trained personnel

Items that are non-standard

Complex services

The following is a list of elements to consider and/or include when assembling an RFP.

#### Statement of Work

This is also known as "Scope of Work." This is the section in which the services you are requesting and the conditions upon which they will be delivered are identified and defined. It often includes the following items:

- **Tasks:** It may be appropriate to list the tasks you expect the contractor to perform, and the time-line in which you need the items performed.
- **Submission Requirements:** If you have specific data requirements list them. Checklist form may be the most appropriate so the bidder can check off the items as they are completed. It may be necessary to limit the proposals to a certain length for efficiency and practicality.
- **Inclusions/Exclusions:** List those items that are to be included or excluded in the proposals. Example: Any costs associated with the preparation of the proposal are to be borne by the contractor.

#### Due Dates and Timelines

Set a deadline for receipt of proposals. Unlike formal bids, which are opened and read aloud at a given time, proposals can be opened as they are received. However, to be fair, proposals are not to be received after the deadline stated. Deadlines can be extended prior to the stated closing if necessary. A deadline of 5:00 PM (close of business) is the easiest to deal with since it coincides with the closing of City Hall. Date and time stamps should be used to document such key events.

Location for submitting RFPs: As with the date and time, make it clear where the proposals are to be submitted. They can be submitted to the responsible Department or to the City Clerk's office (coordinate with the City Clerk if the proposals are going to be submitted to the City Clerk's office). Include the address and the Department name, as well as the person who will be receiving the proposals.

### **Request For Proposal Schedule**

A tentative schedule should be printed in the RFP. This will give the proposing vendors an idea of how long the process is expected to take. An example follows:

RFP issued - Mo/Day/Year

Pre-proposal Conference - Time - Mo/Day/Year

Deadline for questions - Mo/Day/Year

Responses to questions Issued - Mo/Day/Year

Proposals due date - time - Mo/Day/Year

City Review of proposals completed - Mo/Day/Year

City Council review/approval - Mo/Day/Year

Contract signing - Mo/Day/Year

### **Pre-Proposal Conference**

Depending on the complexity of the service requested, you may want to schedule a meeting with the potential vendors to discuss and clarify the City's needs. If you will be conducting such a meeting, attendance should be strongly encouraged for the proposing vendors. If appropriate you may make the Pre-proposal conference mandatory. Make it clear that they will be responsible for the items discussed. If important issues arise, take notes and issue an addendum to the RFP clarifying those issues. Have a sign-in sheet listing the names of the people attending, company names, signatures, telephone and fax numbers

### **Questions/Responses**

Set a deadline for the submission of questions by proposing vendors. It is important that all involved are working from the same information. Ask that the questions be submitted in writing by a certain date and time. Then respond to the questions in writing. State the questions asked and the City's response and fax/email it to all in attendance at the pre-proposal conference.



## **Insurance**

Consult with Risk Management to determine what types and levels of insurance are necessary. Include a section on the City's insurance requirements. Stress to the proposing vendors that they should review the City's requirements with their insurance carriers prior to submitting a proposal. Include a discussion on insurance at the pre-proposal conference as well.

## **Contractor/Vendor Qualifications**

Ask the proposing vendors to provide resumes and qualifications of the people that will be working on the contract if awarded. Ask for the hourly rate of the individual and the expected numbers of hours that person will be contributing to the project.

## **Evaluation Criteria**

You will be reviewing and evaluating each proposal based on certain established standards. It is necessary to list those standards in the RFP. However, you may not want to identify the weight you are giving each of the criteria, otherwise, the proposing vendor may "stack the deck" in those areas.

Typical criteria can include:

Contractor experience with similar projects (size and scope)

Contractor references

Approach to completing project

Experience of staff

Customer service orientation

Responsiveness to RFP

Understanding of the project

Proximity of base of operations (if important)

Availability during project

Cost of the service

This is not a complete list and not all of the items listed are appropriate for all RFPs. Basically, you need to list all of the items of importance on which you will be judging the proposals. You cannot rate a proposal on criteria not listed in the RFP.

## **Evaluation Panel**

Once the proposals have been received, an evaluation will take place. It is best to have a team independently read and score the proposals for maximum objectivity. To be as completely objective as possible, a score sheet should be used to tabulate the individual suppliers. Anyone included as a selection panel member should be completely briefed on the importance of maintaining information confidentiality, objectivity, and requirements of the RFP.

## **Notification of Rejection**

Usually, there is only one contractor selected to fulfill the requirement. The other contractors submitting proposals need to be notified of the outcome. When advising the rejected contractors, be prepared to discuss why the City selected the contractor it did, as well as areas in the contractor's proposal that did not adequately address the issues, or other shortcomings it may have had. Always be courteous and considerate when explaining the rejection.

## **Contract Approval Limits**

Contract limits are as defined in the City Purchasing Policy.

**EXHIBIT 3  
EMERGENCY PURCHASE FORM**

**Emergency Date** \_\_\_\_\_  
**Cost** \_\_\_\_\_  
**Department/Division** \_\_\_\_\_  
**Vendor** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Telephone** \_\_\_\_\_  
**Emergency Description** \_\_\_\_\_  
\_\_\_\_\_

**JUSTIFICATION**

**EMERGENCY DEFINITION**

- To preserve or protect life, health or property; or
- To provide assistance during a natural disaster; or
- To prevent the cessation of essential public services.

**Describe emergency:**

Since emergency purchases do not normally provide the City an opportunity to obtain competitive quotes, it is important to keep these types of purchases to those absolutely necessary.

The following procedures shall be followed after the emergency:

- Complete a requisition and obtain a purchase order within three days of the emergency.
- Notify City Manager and Finance of emergency costs greater than \$5,000.
- Notify City Council at next regularly scheduled meeting of emergency costs greater than \$75,000,
- If Emergency purchases causing line item budget shortfalls, the responsible department shall:
- Obtain City Council approval for additional appropriation; or request that the City Manager transfer appropriations from other programs, within the same Fund, to cover the purchase.

**REQUESTING STAFF**

**DEPARTMENT HEAD**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**~~ADMINISTRATIVE SERVICES~~ FINANCE  
DIRECTOR**

**CITY MANAGER**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**EXHIBIT 4**  
**INFORMATION TECHNOLOGY WORK ORDER**

DATE \_\_\_\_\_

IT Initiated\*                      Yes \_\_\_\_\_                      No \_\_\_\_\_

Requesting Department/Division \_\_\_\_\_

Requesting employee: \_\_\_\_\_

Description of need  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Description of equipment needed  
\_\_\_\_\_  
\_\_\_\_\_

Identified vendor \_\_\_\_\_

Required delivery date \_\_\_\_\_

**REQUESTING EMPLOYEE**

**DEPARTMENT HEAD**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**IT MANAGER**  
~~**DIRECTOR**~~ **FINANCE DIRECTOR**

~~**ADMINISTRATIVE SERVICES**~~

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\* All IT-initiated purchase request must be authorized by the benefitting Department head or designee

## **EXHIBIT 5**

### **MINIMUM INSURANCE REQUIREMENTS**

#### **Minimum Scope of Insurance as related to the provision of service to the City**

CONSULTANT shall provide his insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements to: Project Manager, City of Los Altos, 1 N. San Antonio Rd., Los Altos, CA 94022

Minimum Scope of Insurance Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 0001 covering CGL on an “occurrence” basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 (or \$2,000,000) per occurrence. 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.
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 the Consultant’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

**Additional Insured Status.** The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy, with endorsements under CG 20 26, with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

**Primary Coverage.** For any claims related to this contract, the Consultant’s insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant’s insurance and shall not contribute with it.

**Notice of Cancellation.** Each insurance policy required above shall be endorsed to state that coverage shall not be canceled except after thirty (30) days’ prior written notice (10 days for non-payment) has been given to the City.

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

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

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

Claims Made Policies. If any of the required policies provide claims-made coverage:

5. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
6. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) (or five (5)) years after completion of the contract work.
7. 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, the Consultant must purchase "extended reporting" coverage for a minimum of three (3) years after completion of contract work.

Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

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

**PLEASE NOTE:** See the City Template General Service and Contract Agreements posted in the Templates Folder online. Check for periodic updates and other provision requirements. Assistance is available from the Risk Manager.

Requesting departments are responsible for verifying insurance coverage requirements with Risk Management as these parameters may be modified periodically. It is equally important to reference the TEMPLATE General Service and Contract Agreements posted on the Templates folder online and supplied by Risk management in the course of preparing RFPs and finalizing

agreements. Departments must attain insurance documents from the vendor prior to execution of the agreements/contracts.

## EXHIBIT 6 SAMPLE PAYMENT CALENDAR

**2012 ACCOUNTS PAYABLE CALENDAR**

INVOICE CUTOFF DATE*	CHECK PRINT DATE	DATE CHECK IS MAILED
01/13/12	01/19/12	01/23/12
01/27/12	02/02/12	02/06/12
02/10/12	02/16/12	02/17/12
02/24/12	03/01/12	03/05/12
03/09/12	03/15/12	03/19/12
03/23/12	03/29/12	04/02/12
04/06/12	04/12/12	04/16/12
04/20/12	04/26/12	04/30/12
05/04/12	05/10/12	05/14/12
05/18/12	05/24/12	05/25/12
06/01/12	06/07/12	06/11/12
06/15/12	06/21/12	06/25/12
06/29/12	07/05/12	07/09/12
07/13/12	07/19/12	07/23/12
07/27/12	08/02/12	08/06/12
08/10/12	08/16/12	08/20/12
<b>08/24/12-Fiscal Year 11-12 Cut Off</b>		
08/24/12	08/30/12	08/31/12
09/07/12	09/13/12	09/17/12
09/21/12	09/27/12	10/01/12
10/05/12	10/11/12	10/15/12
10/19/12	10/25/12	10/29/12
11/02/12	11/08/12	11/09/12
11/16/12	11/20/12	11/21/12
11/30/12	12/06/12	12/10/12
12/14/12	12/20/12	12/24/12
12/28/12	01/03/13	01/07/13

\* Invoices are due by noon on the cut-off date. Please allow sufficient time for required departmental authorizations and proper coding when submitting invoices and avoid bulk delivery on the final invoice cut-off day

Please Inform vendors that payment terms are generally on a standard 30 day basis

Customer Refunds /Recreation Instructor Payments /Travel Advances /Employee Reimbursements/ Petty Cash/Dental payments will be processed on a 10 business day priority basis

Please Inform Finance of any need for unavoidable must-have or emergency payments

Requests for direct hand delivery of vendor checks will be handled on an exception basis only

## 2021 Accounts Payable Calendar & Information

Invoice Cutoff - By Noon	Check Print Date	Invoice Cutoff - By Noon	Check Print Date
Thursday, December 31, 2020	Thursday, January 7, 2021	Friday, July 2, 2021	Thursday, July 8, 2021
Thursday, January 7, 2021	Thursday, January 14, 2021	Thursday, July 8, 2021	Thursday, July 15, 2021
Friday, January 15, 2021	Thursday, January 21, 2021	Friday, July 16, 2021	Thursday, July 22, 2021
Thursday, January 21, 2021	Thursday, January 28, 2021	<b>Thursday, July 22, 2021</b>	<b>Thursday, July 29, 2021</b>
Friday, January 29, 2021	Thursday, February 4, 2021	Friday, July 30, 2021	Thursday, August 5, 2021
Thursday, February 4, 2021	Thursday, February 11, 2021	Thursday, August 5, 2021	Thursday, August 12, 2021
Friday, February 12, 2021	Thursday, February 18, 2021	Friday, August 13, 2021	Thursday, August 19, 2021
Thursday, February 18, 2021	Thursday, February 25, 2021	Thursday, August 19, 2021	Thursday, August 26, 2021
Friday, February 26, 2021	Thursday, March 4, 2021	Friday, August 27, 2021	Thursday, September 2, 2021
Thursday, March 4, 2021	Thursday, March 11, 2021	Thursday, September 2, 2021	Thursday, September 9, 2021
Friday, March 12, 2021	Thursday, March 18, 2021	Friday, September 10, 2021	Thursday, September 16, 2021
Thursday, March 18, 2021	Thursday, March 25, 2021	Thursday, September 16, 2021	Thursday, September 23, 2021
Friday, March 26, 2021	Thursday, April 1, 2021	Friday, September 24, 2021	Thursday, September 30, 2021
Thursday, April 1, 2021	Thursday, April 8, 2021	Thursday, September 30, 2021	Thursday, October 7, 2021
Friday, April 9, 2021	Thursday, April 15, 2021	Friday, October 8, 2021	Thursday, October 14, 2021
Thursday, April 15, 2021	Thursday, April 22, 2021	Thursday, October 14, 2021	Thursday, October 21, 2021
Friday, April 23, 2021	Thursday, April 29, 2021	Friday, October 22, 2021	Thursday, October 28, 2021
Thursday, April 29, 2021	Thursday, May 6, 2021	Thursday, October 28, 2021	Thursday, November 4, 2021
Friday, May 7, 2021	Thursday, May 13, 2021	<b>Thursday, November 4, 2021</b>	<b>Wednesday, November 10, 2021</b>
Thursday, May 13, 2021	Thursday, May 20, 2021	Friday, November 12, 2021	Thursday, November 18, 2021
Friday, May 21, 2021	Thursday, May 27, 2021	<b>Thursday, November 18, 2021</b>	<b>Tuesday, November 23, 2021</b>
Thursday, May 27, 2021	Thursday, June 3, 2021	Thursday, November 25, 2021	Thursday, December 2, 2021
Friday, June 4, 2021	Thursday, June 10, 2021	Friday, December 3, 2021	Thursday, December 9, 2021
Thursday, June 10, 2021	Thursday, June 17, 2021	Thursday, December 9, 2021	Thursday, December 16, 2021
Friday, June 18, 2021	Thursday, June 24, 2021	<b>Thursday, December 16, 2021</b>	<b>Wednesday, December 22, 2021</b>
Thursday, June 24, 2021	Thursday, July 1, 2021	Thursday, December 23, 2021	Thursday, December 30, 2021

**NOTES:**

Checks are mailed the same day they are printed

Please allow sufficient time for required departmental authorizations and proper coding when submitting invoices and avoid bulk delivery on the final invoice cut-off day.

Please inform vendors that payment terms are generally on a standard 30 day basis.

Customer Refunds, Recreation Instructor Payments, Travel Advances, Employee Reimbursements, and Petty Cash payments will be processed on a 10 business day priority basis.

Please inform Finance of any need for unavoidable must-have or emergency payments.

Requests for direct hand delivery of vendor checks will be handled on an exception basis only.

**Please encourage vendors to utilize electronic invoicing with your departmental AP accounts.**

**FY20/21 Invoice Payment Cutoff**

**Short AP Week - only priority checks**

**REMINDERS:**

**Adobe sign** - drawn signatures and internal use only

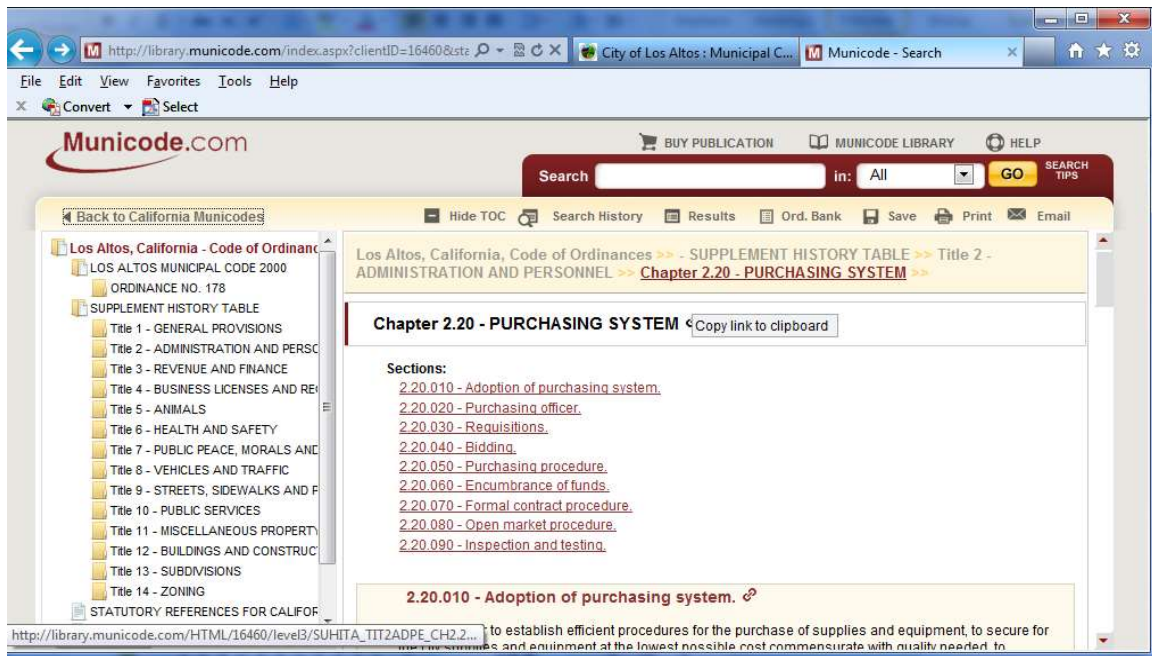
**DocuSign** - font signature and external use OK

Check vendor and purchase order information in Finance Enterprise before submitting to Finance for payment.



# EXHIBIT 7

## AUTHORITATIVE DOCUMENTS



**EXHIBIT 8**  
**PURCHASE CARD POLICY**



City of Los Altos

# Purchase Card Policy

## OVERVIEW

The City has implemented Purchase Cards (Calcards) based on the State-wide “Calcard” program. The program is designed to establish a more efficient and cost-effective method of purchasing and paying for small dollar City purchases. This program should minimize the need for voluminous blanket/open purchase orders and petty cash requests.

This document puts forth the practices and procedures required of those using Calcards and those who manage their use. The topics addressed in this policy follow:

Responsibility

Requesting Calcards

Calcard Basics

Cardholder Responsibilities

Unauthorized Purchases

Purchase Documentation

Emergency Purchases

Reconciling Statements

Disputed Charges

Returning Items

Lost or Stolen Calcards

Declined Purchase

Review & Audits

Invoices & Receipts

Compliance with Policies and Procedures

Important Telephone Numbers

Purchase Card Process Chart (Exhibit 1)

Purchase Card Employee Agreement (Exhibit 2)

Purchase Card Log (Exhibit 3)

## RESPONSIBILITY

**Department heads:** Responsible for authorizing individuals within the Department to receive Calcards and designated approvers. Department heads must approve individual requests for Calcards and any changes to them. Department heads are ultimately responsible for ensuring the cards proper use in conformance with City practices and procedures.

**Designated approvers:** Designated approvers are selected and authorized by Department heads, responsible for reviewing monthly statements and submitting them to Finance in complete form. These approvers are responsible for ensuring that cardholders track and report any disputed/unauthorized charges to "Calcard" and to Finance. Individual Department Head Calcard statements and transaction logs will be reviewed by the ~~Administrative Services Director~~Finance Director and City Manager.

**Cardholder:** Responsible for ensuring that the use of Calcards conforms to the instructions herein, that they are used exclusively for City business, that monthly reconciled statements (including a complete Purchase Card Log (Exhibit 3) and supporting invoices/receipts) are approved and submitted to Finance on a timely basis, and that Calcards are used securely.

**Finance:** Responsible for administering the program, activating and terminating Calcards, and maintaining a record of individuals authorized to conduct purchase card transactions. Finance is also responsible for processing monthly payments.

## REQUESTING CALCARDS

To apply for a Calcard, the Department head should send an email request to Finance and ultimately submit an approved Purchase Card Employee Agreement (**Exhibit 2**) specifying an individual purchase limit as well as a total monthly limit.

## CALCARD BASICS

Calcards are to be used exclusively for City business. They are Visa credit cards that work just like a personal credit card except that monthly charges are paid directly by the City.

Calcard purchases are held to individual transactional limits set by Department heads and to the small dollar purchase limit of less than \$5,000 established by City purchasing policy. Department heads also set a total monthly dollar limit for each individual cardholder. Each time the card is used, an electronic process verifies that the purchase is within these limits. If the purchase violates these limits, the supplier will not accept the order.

Calcards will be issued in an employee's name, bear a "City of Los Altos" imprint and display a unique color scheme to distinguish them from personal credit cards. Cardholders are directly

responsible for the proper use of their cards and department heads for the management and review of those they have authorized.

Monthly statements will be sent to cardholders for verification of charges against invoices/receipts, coding of appropriate budget accounts, and approval by an immediate supervisor and department head or designee. Finance will also receive a full set of statements.

Monthly statements for cards held by Department heads are to be reviewed and approved by the City Manager and/or his/her designee.

The effectiveness of the Calcard program is dependent on the timely review, processing and submission of approved monthly transactions. Providing timely, accurate and complete purchase documentation is critical. Use of such cards is a privilege that provides a valuable alternative purchasing mechanism and requires strict adherence to established practices. Non-compliance with the City Purchasing Policy will result in card revocation and/or disciplinary action.

## **CARDHOLDER RESPONSIBILITIES**

- To read and be fully aware of the requirements of this document and the City's Purchasing Policy
- To read and execute an approved Purchase Card Employee Agreement. **(Exhibit 2)**
- To maintain secure possession of the Calcard and keep the account number confidential.
- To ensure that all purchases strictly comply with City instructions.
- To obtain the best possible value for the City with Calcard purchases.
- To never give a Calcard to anyone for use.
- To always retain and maintain original records of receipts.
- To promptly reconcile monthly statements and provide a complete Purchase Card Log **(Exhibit 3)** including supervisor/department head review and approval. This documentation must be submitted to Finance, along with all supporting original invoices/receipts and packing slips (if shipped), within ten business days after the statement is received. See Purchase Card Process Chart **(Exhibit 1)**.
- Purchases made on behalf of another department, although uncommon, must be authorized by an authorized signer from the department being charged prior to submission to Finance.
- To promptly resolve disputed items since only authorized charges will be paid. Disputed items may be suspended pending resolution by the responsible department. Failure to pay charges on a timely basis will result in card suspension. Any late fees that result from such delays will be charged to the department budget.

- To immediately call “Calcard” if a card is lost or stolen and notify Department supervisors and Finance.
- To resolve all incorrect charges and product returns as quickly as possible.
- To return Calcards to Finance upon the request of a supervisor, suspension of rights, or termination of employment.

## **UNAUTHORIZED PURCHASES**

Purchases made shall be strictly for City of Los Altos business. Calcards shall not be used for:

- Personal use
- Cash advances or refunds
- Per diem and mileage advances
- Any transaction above the Department head set limit and no more than \$5,000 - the level at which a purchase requisition and purchase order is required.
- Professional services, except for industry-wide training services (such as seminars).
- Purchases prohibited by the City’s Purchasing Policy
- Computer hardware and software not pre-approved by the IT Manager (Only the IT manager or designee can authorize hardware and software purchases).

## **PURCHASE DOCUMENTATION**

- Always get an original invoice/receipt from the supplier.
- If paying for a conference or seminar, the original registration form and/or certification of completion must be provided.
- For non-conference business meals, the itemized restaurant receipt indicating purchased items should be provided.
- For subscriptions, keep a copy of the renewal notice or initial subscription request.
- In the case of internet purchases, provide a copy of the E-commerce receipt.
- In all cases, items being shipped or picked up at point-of-sale must be supported by a delivery packing slip with dual department approval.

If placing an order by phone, mail, or fax, or on the internet:

- Instruct the supplier to include your name, department, and address on the shipping label
- Instruct the supplier to include a receipt and delivery packing slip (charge slip, invoice, or cash register receipt) with the package.
- Verify the order is correct upon delivery, sign the packing slip and have another member of the receiving Department inspect and sign the packing slip as well.
- Retain the original invoice/receipt/packing slips for reconciliation and substantiation.

The splitting of purchases to avoid purchase card and authorizing limits will result in the revocation of card privileges and may include disciplinary actions, up to and including termination.

## EMERGENCY PURCHASES

Finance management can approve a temporary increase in Calcard transaction and monthly limits in event of an emergency as defined in the City's purchasing instructions. Such increase requests can be directed to Finance by Department heads and/or the City Manager. Emergency purchases will still require the retention of supporting invoices/receipts/packing slips as a basis for payment and grant assistance recovery.

## RECONCILING STATEMENTS

Calcard statements are mailed directly to Departments. Immediately upon receipt, the cardholder is to verify the accuracy of the statement by comparing charges to supporting invoices/receipts and complete the Purchase Card Log. Things to check for include:

- Statement charge amounts that exceed or differ from receipt amounts.
- Items on the statement that were not purchased, received or supported by a packing slip.

The cardholder is to provide a completed Purchase Card Log, reconciled Calcard statement, and original invoice/receipts (in the order they appear on your statement) to the designated approver for review and signature. Cardholders should sign the card log along with the approver's signature and include budget/expense account codes.

Department heads are responsible for ensuring that reconciled and approved statements for all card-holding employees, including invoices/receipts, are submitted to Finance ***within ten business*** days of mail delivery. Finance will send out email reminders.

## DISPUTED CHARGES

If an item on the monthly statement is incorrect, the cardholder should call the supplier immediately to resolve the problem and inform his/her designated approver. Calcard should also be contacted to file the proper file dispute form if necessary. Additionally, Finance should be notified of these disputes as statements are submitted.

## **RETURNING ITEMS**

For an over-the-counter purchase, return the item directly to the supplier and obtain a credit receipt. Requesting a cash refund is not allowed.

If the purchase was made by internet, phone, mail, or fax:

- Contact the supplier for return instructions.
- Get a return reference number from the supplier or credit number.

Be sure to check subsequent statements to verify credit received for the returned items.

## **LOST OR STOLEN CALCARDS**

If a Calcard is lost or stolen, call “Calcard” immediately and inform your designated approver and Finance. Calcard representatives are available 24 hours a day seven days per week.

## **DECLINED PURCHASE**

If a supplier purchase is declined, contact Calcard, your designated approver, ~~or and~~ Finance to inquire of the reason for the declination. This may be an indication of an exceeded transaction limit, monthly limit, an unauthorized purchase category, or simply a processing error.

## **REVIEW & AUDITS**

All accounts are to be reviewed regularly at the Department level and audited regularly as part of the annual interim and year-end audit process. Finance will conduct unscheduled audits of credit card transactions and request specific identification of tangible goods purchased.

## **INVOICES & RECEIPTS**

Supporting original invoices/receipts/packing slips are required without exception before payment can be made. If the supplier does not provide an invoice/receipt/packing slip at the time of transaction or delivery you must contact the supplier and request replacement documentation. Absence of such documentation will result in non-payment and incurred late fees and penalties charged to the benefitting Department.

## **COMPLIANCE WITH POLICIES AND PROCEDURES**

Failure to follow established City purchasing instructions or the improper use of a Calcard will result in one or more of the following consequences:

- Suspension of card privileges
- Disciplinary actions up to and including termination of employment



*There are also criminal and civil consequences related to misuse of public funds and potential action by the bonding company who provides the City's blanket employee bond.*

*Your account can be canceled for:*

- Failure to exercise care in safeguarding the Calcard from loss or use by another person.
- Failure to obtain supporting invoices/receipts/packing slips
- Missing statement reconciliation deadlines
- Not obtaining proper departmental approvals
- Purchasing unauthorized items
- Failure to report a lost or stolen Calcard
- Determination by the Department head that there is no longer a business purpose

*Your account will be cancelled immediately upon separation from the City, if the card is intentionally used for personal purposes or shared with other users*

## **IMPORTANT TELEPHONE NUMBERS**

Reporting Lost or Stolen Calcards (24 hours/7 days a week) (See reverse side of your card):

1-800-344-5696

Questions regarding the card account:

Finance Department: Accounts Payable

650-947-2616

## PURCHASING CARD POLICY - EXHIBIT 1 PURCHASE CARD PROCESS CHART

### MATERIALS, GOODS & MAINTENANCE SERVICES

#### ORDER TYPE

Small Dollar,  
Materials, Goods,  
Non-Professional  
services

Includes materials,  
supplies,  
equipment,  
operating or non-  
professional  
services excluding  
"Public Works  
Projects" and  
"Professional  
Services"

#### COST POINT

Less than  
department head set  
single purchase  
limits - must be  
under \$5,000  
(No Bids Required)

Also within the  
monthly total dollar  
volume limit  
established by the  
department head

Cannot be used  
for:  
Personal Use  
Cash Advances  
Cash Refunds  
Professional  
Services

#### PROCESS

Calcards can only be issued to City employees  
authorized by Department heads.

Calcards can only be used for City business  
and never personal use

Calcards must be used directly by the  
employee named on the card and never by  
other individual

The employee must execute a formal approved  
"Purchase Card Employee Agreement" and  
comply with its requirements

Monthly statements are received directly by  
the employee and must be reconciled and sent  
to Finance within 10 days mail delivery

Monthly statement packets sent to Finance  
must include a required "Purchase Card Log,"  
[or Allocations made on the banks Calcard  
site.](#) original invoices/receipts, and

Department head monthly purchase logs are to  
be approved by the City Manager and  
~~Administrative Services~~ [Finance](#) Director prior

Finance will process payments within the  
required due date. Late fees caused by  
untimely or incomplete submission will be  
charged to the subject department

Hardware and software IT purchases must be  
approved by the IT manager before an order is  
placed

## PURCHASING CARD POLICY - EXHIBIT 2

### PURCHASE CARD EMPLOYEE AGREEMENT

You are being entrusted with a City of Los Altos purchasing card. The card is provided to you based on your need to purchase supplies, equipment and materials for the City of Los Altos. The City may revoke this card at any time without your consent, and the issuance of this card to you does not grant you any entitlement based on your title or position with the City or otherwise. Your signature below indicates that you have read this Agreement and will comply with its terms.

I understand that I will be making financial commitments on behalf of the City of Los Altos and will obtain the best value for The City.

I have read, understood and agree to follow the policies and procedures described in the Card Holder User Manual and the City's Purchasing Instructions. I agree that under no circumstances will I use the purchasing card to make personal purchases, either for myself or for others.

I understand that the purchasing card will be issued in my name and the "City of Los Altos." I agree that if I use the purchasing card for personal use or gain, or allow any other person to use the card, I will reimburse the City of Los Altos for all incurred charges and any fees related to the collection of those charges.

The purchasing card is City property. As such, I understand that I may be periodically required to comply with internal control procedures designed to protect the assets of the City of Los Altos. This may include being asked to produce the card to validate its existence and account number. If the card is lost or stolen, I will immediately notify Calcard and the Department of Finance.

I will receive a monthly statement, which will report all purchasing activity during the statement period. I am responsible for all charges on the card, will reconcile the statement and resolve any discrepancies within ten days of receipt, and provide the approved statement to Finance with a complete set of original invoices/receipts.

I agree to surrender the purchasing card immediately upon request by the Program Administrator or upon termination of employment with the City of Los Altos, regardless of the reason.

I understand that failure to comply with the requirements of the Purchase Card Instructions may result in the revocation of card privileges and other disciplinary actions including employment termination.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Card Account Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Employee Name

Single Purchase Limit \$ \_\_\_\_\_ Total Monthly Limit \$ \_\_\_\_\_

\_\_\_\_\_  
Dept. Head Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



RESOLUTION NO. 2021-60

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS  
ALTOS ESTABLISHING CERTAIN MONETARY LIMITS FOR PURPOSES  
OF PURCHASING**

**WHEREAS**, the municipal code provides in various places for establishment of monetary limits for certain types of purchasing procedures; and

**WHEREAS**, the Council desires to set and adopt such limits.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby finds and determines that:

1. The monetary limit provided in Section 2.20.040 of the Los Altos Municipal Code is hereby remains at previously established \$5,000;
2. The monetary limit for petty cash provided in Section 2.20.050 of the Los Altos Municipal Code is hereby increased to \$100 from the previously established \$50;
3. The monetary limit provided in Section 2.20.070 of the Los Altos Municipal Code hereby be increased to \$100,000, from the previously established \$75,000, and the requirement for advertising be increased to \$100,000, from the previously established \$75,000 or greater; and
4. The monetary limit provided in Section 2.20.080(c) of the Los Altos Municipal Code hereby is established at \$100,000.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 14<sup>th</sup> day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

MAYOR

Attest:

---

Andrea Chelemengos, MMC, CITY CLERK



**DISCUSISON ITEM**

**Agenda Item # 8**

## **AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** City of Los Altos OPEB Reserve

**Prepared by:** John M Furtado, Finance Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Resolution Authorizing the payment of \$ 1.5 Million to the City's CERBT

**Initiated by:**

Staff

**Previous Council Consideration:**

Resolution 2015-38

**Fiscal Impact:** Funding of the City's Other Post-Employment Benefits (OPEB) liability will come from the City's General Fund OPEB reserve (\$1.5M) and will allow the monies to grow in the CALPERS operated CERBT Fund.

**Environmental Review:** Not Applicable

**Policy Question(s) for Council Consideration:**

Does the Council wish to transfer the OPEB Reserve to the CALPERS CERBT Fund, increasing the funded percentage to 96.5%?

**Summary:**

In 2012, the City established a "OPEB Reserve" fund as a part of the General Fund. Since that time, the OPEB Reserve fund has grown to \$1.5 million. The Financial Commission unanimously supported using these funds to paydown CALPERS CERBT obligations.

The City in March of 2016 setup a CERBT with an initial contribution of \$1.5 million. The current valuation of that Trust is currently (Oct 26,2021) \$2.61 million.

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**Reviewed By:**

City Manager

*GE*

City Attorney

*JH*

Finance Director

*JE*

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**Subject:** City of Los Altos OPEB Reserve

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Staff presented options on the subject to the financial commission at their November 15<sup>th</sup>, 2021, meeting and the Finance Commission has recommended that the City Council approve the transfer of \$1.5 Million to be invested in the CalPERS CERBT Fund

**Staff Recommendation:**

Staff recommends that currently, the City Council adopt the resolution (**Attachment 1**) to transfer the OPEB reserve amount of \$1.5 Million to the City's CERBT Fund.

**Background**

**The City of Los Altos** in March of 2016 had setup a CERBT with an initial contribution of \$1.5 million. The current valuation of that Trust is \$2.61 million as of October 26<sup>th</sup>, 2021.

Per GASB 75 (Accounting regulations), Cities are required to present their total OPEB liability on the net position statement the current net liability is \$1.625M as shown in the table below. The Funded status of the Liability stands at 54.9% as of the June 30, 2021, valuation, that is based on the measurement date of January 1, 2019.

The City over the years has set aside another \$1.5 Million in a general fund reserve to address this liability. The monies are currently invested in our PFM pooled investment portfolio that is yielding 0.8%, the CERBT portfolio has yielded an annualized return of 10.79% while past performance cannot be assumed to be replicated in the future there are several positive factors to moving the Reserve to the Trust.

1. The Liability on the Financial statements (Net Position) will reduce and be looked at positively by analysts reviewing our financial statements
2. The Funded status of the OPEB liability will increase from 54.9% to 96.5% (The Monies held in the reserve cannot be currently netted unless in the Trust)
3. The assumed discount rate used to calculate the net Liability is currently 6.75% which will help reduce the present value of the total liability when the monies are placed in the Trust.
4. Having the Funds in the Trust will enable the monies to be invested in a higher risk strategy keeping in mind the long-term goals for the use of these funds, which is to pay post-retirement health benefits.



**Subject:** City of Los Altos OPEB Reserve

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**Status of OPEB Funding**

Description	Fiscal Year End		% Change
	6/30/2020*	6/30/2021*	
OPEB Liability	3,297,885	3,607,820	9.4%
Fiduciary Net Position	1,915,574	1,982,361	3.5%
<b>Net OPEB Liability</b>	<b>1,382,311</b>	<b>1,625,459</b>	<b>17.6%</b>
<b>Funded Status %</b>	<b>58.1%</b>	<b>54.9%</b>	<b>-3.1%</b>
Adding Reserve to CERBT		1,500,000	
<b>Revised Funded Status %</b>		<b>96.5%</b>	

\* The measurement dates lag by one year

**Recommendation**

Staff recommend the City Council adopts the resolution to transfer \$1.5 million as unanimously approved by the Finance Commission.



**ATTACHMENT 1**

RESOLUTION NO. 2021-61

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ADOPTING THE TRANSFER OF \$1.5 MILLION TO CALPERS TO INVEST IN  
THE CITY'S CALIFORNIA EMPLOYERS' RETIREMENT BENEFIT  
TRUST(CERBT)**

**WHEREAS**, it has been determined that the adoption of a Transfer of the OPEB Reserve Fund of One Million Five Hundred Thousand Dollars to invest in the City's CERBT Fund is an effective and prudent management tool; and

**WHEREAS**, on November 15, 2021, the Financial Commission recommended the City use the \$1.5 million OPEB Reserve to invest in the City's CERBT Fund.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby finds and determines that:

1. The City of Los Altos CERBT Fund has been presented and reviewed by City Council, appropriations to the extent of the OPEB Reserve of \$ 1.5 million is established; and
2. The City Manager is authorized to Transfer the Sum of \$1,500,000 (One million five hundred thousand) to the City's CERBT Trust; and
3. City Staff shall determine the appropriate timing of the payment, based on the cash flow.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 8th day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
MAYOR

Attest:

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Andrea Chelemengos, MMC, CITY CLERK



**DISCUSSION ITEM**

**Agenda Item # 9**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** CALPERS Unfunded Accrued Liability Paydown

**Prepared by:** John M Furtado, Finance Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. CALPERS Risk Mitigation Policy
2. Resolution Authorizing the pay down of CAPLERS UAL by \$ 5 Million

**Initiated by:**

Staff

**Previous Council Consideration:**

-

**Fiscal Impact:** Funding of a partial pay down of the City's CalPERS liability will come from the City's General Fund CALPERS reserve (\$5M) and will provide long term anticipated savings of 6.38 Million.

**Environmental Review:** Not Applicable

**Policy Question(s) for Council Consideration:**

Does the Council wish to use the CAPERS Reserve to paydown the Unfunded Accrued Liability (UAL)?

**Summary:**

The City provides a defined benefit pension plan to its employees through the California Public Employee Retirement System (CalPERS). This benefit serves as an important competitive tool for public agencies to attract and retain a skilled workforce. However, CalPERS funded status has declined over the past decade and was only 68.5 percent funded (for the pool) as of June 21 forecasts. As a result, contributions/payments from public agencies, including the City of Los Altos to CalPERS are growing at alarming rates anticipated at 17 and 14% increase for the next

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**Reviewed By:**

City Manager

*GE*

City Attorney

*JH*

Finance Director

*JE*

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**Subject:** CALPERS Unfunded Accrued Liability Paydown

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two years, flattening to an average of 4- 5% for the years FY 24-32 before tapering down as the PEPRA workforce effects kick in.

Staff presented several options on the subject to the financial commission on their September 20<sup>th</sup>, 2021, meeting and the Finance Commission has recommended that the City Council consider using at least the \$5 Million to paydown UAL, the Finance Commission further advised that the City Council consider identifying more funds, if available after the close of books to apply towards the unfunded liability.

**Staff Recommendation:**

Staff recommends that currently, the City Council adopt the resolution (**Attachment 2**) to transfer the PERS reserve amount of \$5 Million to paydown the City’s unfunded liability.

**Background**

The City of Los Altos pensions are pre-funded, as opposed to pay-as-you-go retirement systems like Social Security. In a pre-funded system, the employer and employee make contributions into a pension trust each year, over the course of an employee’s working life. That money is invested and earnings on these funds are re-invested. By the time the employee reaches retirement, the accumulated assets in the trust are available to pay benefits. The objective is to accumulate sufficient assets to pay the benefits over the remainder of the employee’s life. To meet this objective, a pension plan should receive contributions in accordance with an actuarially based funding policy. The actuarially determined pension funding plan determines exactly how much the employer and employee should contribute each year to ensure that the benefits being earned will be securely funded in a systematic fashion.

Plan assets come from three distinct sources including employee contributions, employer contributions and investment income.

Since actuarial assumptions are for the long term, demographic and economic assumptions can vary from actual experience. There are many moving parts such as mortality experience, retirement rates, disability incidences, salary growth, investment returns and more. An actuarial plan valuation is therefore prepared each year to true-up contributions levels to better match actual experience.

A key variable for the actuarial calculations is the discount rate, which is the rate of return that CalPERS assumes it will realize on its investments. CalPERS has been slowly lowering its



**Subject:** CALPERS Unfunded Accrued Liability Paydown

discount rate in recognition that its assumptions about rate of return have been overly optimistic. For Fiscal Year 2019-20, the discount rate was 7.25%. For FY 2020-21, it is 7%.

In July of this year, CALPERS declared investment returns of 21.3%, for the 12-month period ended June 30, 2021. This Triggered the Funding Risk Mitigation Policy. **(Attachment 1)**

Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the double-digit return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

The Funding Risk Mitigation Policy lowers the discount rate in years of good investment returns. This is the first time it has been triggered

Furthermore, there is a general consensus that the current rate of return may not be sustainable in the long run, and that CALPERS may consider reducing the discount rate from the current 6.8% to at least 6% in a phased manner, this action would further increase the UAL for most cities. The CALPERS Asset Liability, board usually looks at these every 4 years or so. The board is currently reviewing the proposed investment portfolios and expected returns to decide that the appropriate discount rate will be.

The City of Los Altos has six retirement plans with CAPERS, the Major 2 being the Safely plan, to cover sworn officers and the other being the Miscellaneous plan covering all other employees. All the Cities planned are pooled. The table below shows the projected status of the UAL for the year ended 2021.

**Table 1**

**UAL as of June 30, 2021**

Type	Pension Liab	Funded Amt	UAL	% Funded
<b>Safety</b>	64,640,177	45,528,664	19,111,513	70.4%
<b>Miscellaneous</b>	79,632,337	56,374,734	23,257,604	70.8%
<b>Totals</b>	<b>144,272,515</b>	<b>101,903,398</b>	<b>42,369,117</b>	<b>70.6%</b>

\*Based on CALPERS measurement date of June 30, 2020, that is based on June 30, 2019, valuations (a two-year rollback)



**Subject:** CALPERS Unfunded Accrued Liability Paydown

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Staff worked on computing several scenarios on the distribution of the prepayment between the Safety and Miscellaneous plans. While there are an infinite number of combinations and permutations possible, key considerations were the following.

1. What scenario would produce the greatest long-term Dollar (\$) impact in savings?

Staff determined that paying off the longest amortization schedules would yield the best total financial impact, as you can see in table 2, paying off \$5 Million between the 2 plans yields a total savings of 6.38 Million.

2. What is the current funded status of the different plans?

Staff looked at the current total UAL for the two plans as shown in the table 1 and determined that it would make most sense to equate the percentage (%) of Funded status of the two plans. Staff recommends paying down \$2.73 Million towards the Miscellaneous plan and \$2.27 Million towards the Safety Plan, this will improve the funding status of each plan to 73.1% at the time of making this payment.

3. Can we earn more than 6.8% over time?

Governments are severely restricted in how they can invest surplus funds by needing to conform to all State statutes (California Government Code (Gov. Code) §53600, et seq.) and City ordinances governing the investment of public funds.

Our current LIAF returns are 0.2% and hit a 10-year peak of 2.45% in May of 2019. The PFM managed portfolio is currently yielding less than 0.8% on cost, again way below the CAPLERS discount rate of 6.8%

A third option could be to invest the money in a Section 115 Trust fund, staff reviewed the performance over time for this option and determined that the average return was still below 5.5% for the trust.



**Subject:** CALPERS Unfunded Accrued Liability Paydown

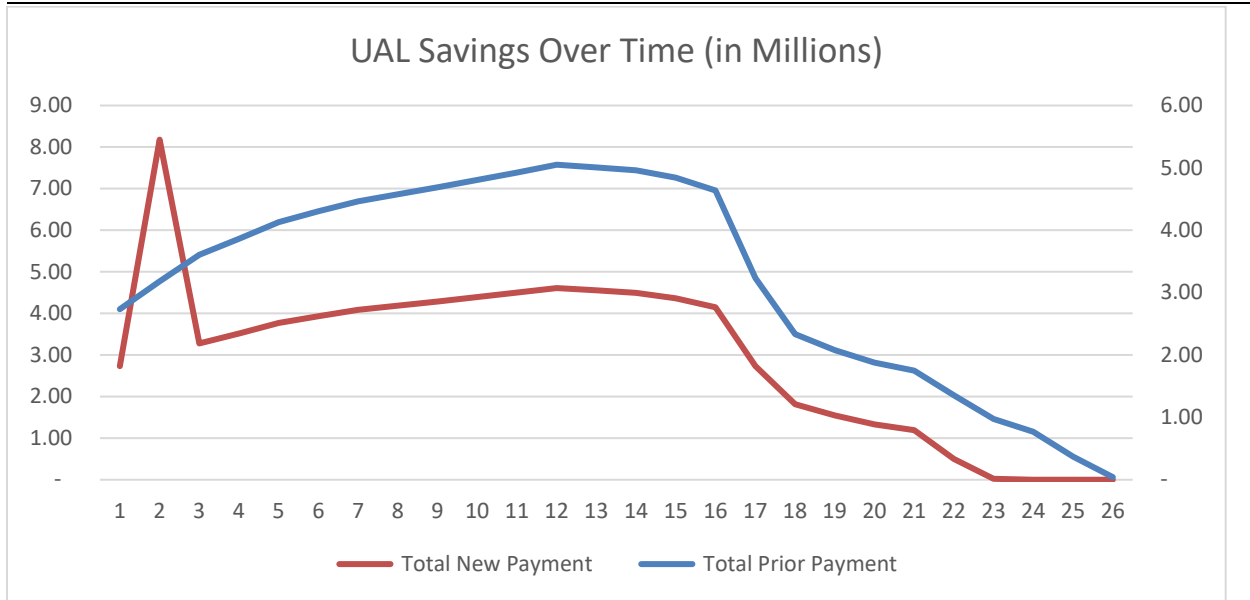
**Table 2**

**Table of UAL Payments required over Time. (All Values in Millions)**

Year	Miscellaneous Plan			Safety Plan			Totals		
	Prior Payment	New Payment	\$ Value	Prior Payment.	New Payment.	\$ Value.	Total Prior Payment	Total New Payment	\$ Value Total
2020-21	1.5	1.5	-	1.2	1.2	-	2.73	2.73	-
2021-22	1.8	4.5	2.73	1.4	3.7	2.27	3.18	8.18	5.00
2022-23	2.0	1.8	(0.18)	1.6	1.5	(0.15)	3.61	3.28	(0.33)
2023-24	2.1	2.0	(0.19)	1.7	1.6	(0.16)	3.86	3.52	(0.34)
2024-25	2.3	2.1	(0.20)	1.8	1.7	(0.16)	4.13	3.77	(0.36)
2025-26	2.4	2.2	(0.20)	1.9	1.8	(0.17)	4.30	3.93	(0.37)
2026-27	2.5	2.3	(0.21)	2.0	1.8	(0.17)	4.47	4.08	(0.38)
2027-28	2.5	2.3	(0.21)	2.0	1.9	(0.18)	4.58	4.18	(0.39)
2028-29	2.6	2.4	(0.22)	2.1	1.9	(0.18)	4.69	4.29	(0.40)
2029-30	2.7	2.4	(0.23)	2.1	2.0	(0.19)	4.81	4.39	(0.42)
2030-31	2.7	2.5	(0.23)	2.2	2.0	(0.19)	4.93	4.50	(0.43)
2031-32	2.8	2.6	(0.24)	2.3	2.1	(0.20)	5.05	4.61	(0.44)
2032-33	2.8	2.5	(0.25)	2.2	2.0	(0.20)	5.01	4.56	(0.45)
2033-34	2.8	2.5	(0.25)	2.2	2.0	(0.21)	4.96	4.50	(0.46)
2034-35	2.7	2.4	(0.26)	2.2	1.9	(0.22)	4.84	4.37	(0.48)
2035-36	2.6	2.3	(0.27)	2.1	1.8	(0.22)	4.64	4.15	(0.49)
2036-37	1.3	1.1	(0.27)	1.9	1.7	(0.23)	3.23	2.73	(0.50)
2037-38	1.2	0.9	(0.28)	1.1	0.9	(0.23)	2.33	1.82	(0.52)
2038-39	1.1	0.8	(0.29)	1.0	0.8	(0.24)	2.08	1.55	(0.53)
2039-40	1.0	0.7	(0.30)	0.9	0.7	(0.25)	1.88	1.33	(0.54)
2040-41	0.9	0.6	(0.31)	0.9	0.6	(0.25)	1.75	1.19	(0.56)
2041-42	0.7	0.1	(0.59)	0.7	0.4	(0.26)	1.35	0.50	(0.85)
2042-43	0.5	-	(0.48)	0.5	0.0	(0.48)	0.97	0.02	(0.96)
2043-44	0.4	-	(0.38)	0.4	-	(0.39)	0.77	-	(0.77)
2044-45	0.2	-	(0.16)	0.2	-	(0.21)	0.37	-	(0.37)
2045-46				0.0	-	(0.04)	0.04	-	(0.04)
<b>Totals</b>	<b>45.87</b>	<b>42.41</b>	<b>(3.46)</b>	<b>38.68</b>	<b>35.76</b>	<b>(2.92)</b>	<b>84.55</b>	<b>78.17</b>	<b>(6.38)</b>



**Subject:** CALPERS Unfunded Accrued Liability Paydown



### Recommendation

Staff recommend the City Council adopts the resolution to transfer \$5 million as unanimously approved by the Finance Commission.



**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
STATEMENT OF POLICY FOR  
FUNDING RISK MITIGATION**

**Purpose**            The California Public Employees' Retirement System ("CalPERS" or the "System") Board of Administration ("Board") has established a key strategic goal of improving long-term pension benefit sustainability. This goal is to be pursued through funding the System with an integrated view of pension assets and liabilities and actively assessing and managing funding risk through an Asset Liability Management ("ALM") framework. This document sets forth the policy ("Policy") for funding risk mitigation, which is a significant component of the overall ALM framework.

**Contents**

Topic	See Page
Background	2
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Primary responsibility	4
Key Terms and Definitions	4
Roles and Responsibilities	4-5
Authoritative Sources	5
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# Funding Risk Mitigation Policy

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**Background**     The Funding Risk Mitigation (“FRM”) Policy seeks to reduce CalPERS funding risk over time. It establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return, and strategic asset allocation targets.

Staff Implementation of the Policy is overseen by the Asset Liability Management Advisory Committee (“ALMAC”), chaired by the Chief Financial Officer (“CFO”) and made up of representatives from the financial office (“FINO”), investment office (“INVO”), actuarial office (“ACTO”), legal office (“LEGO”) and communications and stakeholder relations (“CSR”).

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**Strategic Objective**     The strategic objective of the Policy is to reduce the volatility of investment returns, thereby increasing the long-term sustainability of CalPERS pension benefits for members.

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**Policy**     If a Funding Risk Mitigation Event occurs, the discount rate and expected investment return shall be adjusted as set forth in Table 1 below, and the strategic asset allocation targets shall be adjusted consistent with such new discount rate and expected investment return. The current CalPERS strategic asset allocation targets can be found in the CalPERS Total Fund Investment Policy, and are defined or approved during the periodic Asset Liability Management process undertaken by CalPERS, subject to adjustments per this Policy.

Table 1: Funding Risk Mitigation Event Thresholds and Impacts

<b>Excess Investment Return</b>	<b>Reduction in Discount Rate</b>	<b>Reduction in Expected Investment Return</b>
<i>If the actual investment returns exceed the discount rate by:</i>	<i>Then the discount rate will be reduced by:</i>	<i>And the expected investment return will be reduced by:</i>
2.00%	0.05%	0.05%
7.00%	0.10%	0.10%
10.00%	0.15%	0.15%
13.00%	0.20%	0.20%
17.00%	0.25%	0.25%

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# Funding Risk Mitigation Policy

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**Policy**  
(continued)

Discount rate reduction shall be governed by the following parameters:

- a. Reduced by increments of five (5) basis points (0.05%)
- b. Maximum reduction per year of 25 basis points (0.25%)
- c. The discount rate/expected investment return shall not be reduced to the point where the estimated investment return volatility drops below eight percent (8%) according to the Capital Market Assumptions most recently adopted by the Investment Committee.

Upon the occurrence of a Funding Risk Mitigation Event:

1. Staff shall report the annual net investment return for the given fiscal year ending June 30th to the CalPERS Board of Administration.
2. Staff shall implement new strategic asset allocation targets based on the reduction in investment return indicated in Table 1 in accordance with the current schedule of asset allocation ranges and targets adopted by the Investment Committee.
3. The new strategic asset allocation targets shall take effect on October 1 of the fiscal year immediately following the Event Year.
4. The total fund policy benchmark shall be adjusted consistent with the new strategic asset allocation targets and Staff shall report the new strategic asset allocation targets, total fund policy benchmark and expected investment return to the Investment Committee.
5. The discount rate shall be adjusted and reported to the Finance & Administration Committee.
6. Member calculations, including optional factors and service credit purchase, shall reflect the reduced discount rate effective immediately upon the occurrence of a Funding Risk Mitigation Event.
7. The effect of any reduction in discount rate for a given Event Year shall be included in the actuarial valuations calculated as of June 30 for such year.

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**Policy Scope**

This Policy applies to Public Employees' Retirement Fund ("PERF") as well as the Affiliate Funds of the System, as applicable.

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# Funding Risk Mitigation Policy

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**Primary Responsibility** The ALMAC, under the direction of the CFO as chairperson, is responsible for this Policy. The Finance and Administration Committee (“FAC” or “Committee”) is the Board committee responsible for overseeing staff’s implementation of the Policy. The Committee intends for the Policy to be a dynamic document which will be reviewed and modified periodically to reflect the changing nature of CalPERS’ assets and investment programs, benefit programs and economic conditions.

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**Key Terms / Definitions** For the purposes of this document, the following terms and definitions apply.

Key Term	Definition
Funding Risk Mitigation Event	The achievement of a time-weighted annual investment return net of investment expenses for a given fiscal year, as first publicly reported following the end of such fiscal year, that exceeds the CalPERS discount rate by 2.00% or more.
Event Year	The fiscal year in which the funding risk mitigation event occurred.
Threshold	The time-weighted annual investment return, net of investment expenses, in excess of the discount rate required for a funding risk mitigation event to occur.

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**Roles and Responsibilities** Staff’s responsibilities with respect to the Policy shall include:

1. Reporting Funding Risk Mitigation Events to the FAC and implementing this Policy as these events occur.
2. Reviewing all funding risk mitigation actions taken with the FAC.
3. Reporting funding risk mitigation progress to the FAC in the Annual Funding Levels and Risks Report.
4. Reviewing the Policy with the Board as part of the cyclical Asset Liability Management (ALM) process.

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# Funding Risk Mitigation Policy

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**Roles and Responsibilities**  
(continued)

The FAC's responsibilities with respect the Policy shall include:

1. Overseeing senior management as they take steps to (1) manage, measure, monitor and control funding status and risks and (2) implement this policy.
2. Reviewing Staff recommendations for changes to the Policy and taking these recommendations for approval to the Board of Administration.

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**Authoritative Sources**

CalPERS will administer this policy in compliance with the following legal, regulatory and policy requirements:

<b>Source</b>	<b>Description</b>
Cal. Gov't. Code §20120	The CalPERS Board of Administration is vested with the management and control of the Public Employees' Retirement System (the "System").
California Constitution, ART. XVI, § 17	The Board has plenary authority and fiduciary responsibility for the investment of monies and administration of the System. The Constitution also vests the Board with the sole and exclusive power to provide for the actuarial services in order to assure the competency of the System.

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# Funding Risk Mitigation Policy

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## Related Documents

For additional information, please refer to:

Document	Relevance
Asset Liability Management Policy	The Board has established a key strategic goal of improving long-term pension benefit sustainability. This goal is to be pursued through funding the System with an integrated view of pension assets and liabilities and actively assessing and managing funding risk through an Asset Liability Management (“ALM”) framework. This policy establishes the overall ALM framework and serves as a guide for the Funding Risk Mitigation Policy.
Total Fund Investment Policy	Provides a framework for the management of CalPERS assets and outlines the objectives, benchmarks, restrictions and responsibilities of the investment program. Sets out the process for establishing asset class allocation policy targets and ranges and managing those asset class allocations within their policy ranges.

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## Revision History

The following revisions have been made to this policy:

Version	Modification Date	Summary of Changes
2.0	February 14, 2017	Lowers the first threshold for the percentage by which actual investment return exceeds the discount rate in any fiscal year in order to trigger a discount rate reduction from 4.0% to 2.0%. Note: The Board has suspended implementation of this Policy until FY 2020-21.
1.0.	Nov. 15, 2015.	This was the initial FRM Policy.

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RESOLUTION NO. 2021-62

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ADOPTING THE TRANSFER OF \$5 MILLION TO CALPERS TO PAY DOWN  
THE CITY'S UNFUNDED ACCRUED LIABILITY**

**WHEREAS**, it has been determined that the adoption of a Transfer of the CAPLERS Reserve Fund of Five Million Dollars to pay down the City's Unfunded Accrued Liability is an effective and prudent management tool; and

**WHEREAS**, on September 20, 2021, the Financial Commission recommended the City use the \$5 million PERS Reserve as well as any additional funds that may be available to pay down a portion of the City's Unfunded Accrued Liability.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby finds and determines that:

1. The City of Los Altos Unfunded Accrued Liability has been presented and reviewed by City Council, appropriations to the extent of the PERS Reserve of \$ 5 million is established; and
2. The City Manager is authorized to Transfer the Sum of \$2,270,000 (Two million two hundred and seventy thousand) to the City's Safety CALPERS retirement plan AND to transfer the sum of \$2,730,000 (Two million seven hundred and thirty thousand) to the City's Safety CALPERS retirement plan; and
3. City Staff shall determine the appropriate timing of the payment, based on the cash flow, subject to completing the transfer in the Calendar year of 2021.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 14<sup>th</sup> day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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MAYOR

Attest:

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Andrea Chelemengos, MMC, CITY CLERK



**CONSENT CALENDAR**

**Agenda Item # 10**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2022

**Subject:** 2022 City Council Assignments

**Prepared by:** Andrea Chelemengos, City Clerk

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Council assignments descriptions

**Initiated by:**

City Council

**Previous Council Consideration:**

None

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to accept the Mayor's appointments for 2022?

**Summary:**

- The Mayor annually appoints Councilmembers to serve on regional boards and Council Committees

**Staff Recommendation:**

Accept the Mayor's appointments to local and regional boards and Council Committees for 2022





**Subject:** 2022 City Council assignments

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### **Purpose**

To accept the list of appointments to Council Committees and regional boards.

### **Background**

Per the City's Council Norms and Procedures, the Mayor appoints Councilmembers to serve on various Council Committees and regional boards. These appointments are done at the beginning of each year with the exception of certain, multi-year appointments. The appointments are subject to affirmation by the full Council.

### **Discussion/Analysis**

For calendar year 2022, Mayor Enander has made the following assignments:

#### **Mayor Anita Enander**

- Council Legislative Subcommittee
- City/LASD Schools Issues
- City/MVLA High School Issues
- Open Government
- Youth Commission Interview
- Los Altos/LAH Joint Community Volunteer Awards Committee
- Association of Bay Area Governments
- Santa Clara County Cities Association – Board of Directors
- Santa Clara County Cities Association – Selection Committee
- Financial Commission
- Historical Commission
- Public Arts Commission
- Alternate – Santa Clara County Cities Association – Legislative Action Committee
- Alternate – Santa Clara Valley Water Commission

#### **Vice Mayor Sally Meadows**

- City/MVLA High School Issues
- County Housing & Community Development Advisory Committee (HCDAC)
- North County Library Authority
- Design Review Commission
- Library Commission
- Alternate – Santa Clara County Cities Association – Board of Directors
- Alternate – Santa Clara County Cities Association – Selection Committee



**Subject:** 2022 City Council assignments

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Alternate – Santa Clara County Library District JPA  
Alternate – Silicon Valley Clean Energy Authority Board

**Council Member Neysa Fligor**

City/CUSD/FUSD School Issues  
Santa Clara County Cities Association – Legislative Action Committee  
North County Library Authority  
Silicon Valley Clean Energy Authority Board  
Environmental Commission  
Parks and Recreation Commission  
Alternate – Association of Bay Area Governments

**Council Member Lynette Lee Eng**

Council Legislative Subcommittee  
City/CUSD/FUSD School Issues  
Open Government  
Santa Clara Library District JPA  
Valley Transportation Authority – Policy Advisory Committee  
Santa Clara Valley Water Commission  
Senior Commission  
Youth Commission  
Alternate – Valley Transportation Authority – State Route 85 Corridor Policy Advisory Board  
Alternate – Grand Boulevard Initiative Task Force

**Council Member Jonathan Weinberg**

City/LASD Schools Issues  
Youth Commission Interview  
CHAC  
Valley Transportation Authority – State Route 85 Corridor Policy Advisory Board  
Silicon Valley Regional Interoperability Authority (SVRIA)  
Grand Boulevard Initiative Task Force  
Santa Clara County Expressway Policy Advisory Board  
Complete Streets Commission  
Planning Commission



**Subject:** 2022 City Council assignments

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Alternate – Valley Transportation Authority – Policy Advisory Committee

**Recommendation**

Accept the Mayor’s appointments to local and regional boards and Council Committees for 2022.

Committee	Description	Meeting Schedule
City/LASD Schools Issues Standing	Facilitates communication between the Council and the School Board on issues of mutual concern <a href="mailto:ARodriguez@losaltosca.gov">ARodriguez@losaltosca.gov</a>	Quarterly
City/CUSD Schools Issues Standing	Facilitates communication between the Council and the School Board on issues of mutual concern <a href="mailto:ARodriguez@losaltosca.gov">ARodriguez@losaltosca.gov</a>  School Contact Leslie A. Mains Chief Information and Community Engagement Officer 408.252.3000 x61145	Quarterly
City/MVLA Schools Issues Standing	Facilitates communication between the Council and the School Board on issues of mutual concern <a href="mailto:ARodriguez@losaltosca.gov">ARodriguez@losaltosca.gov</a>  <b>Debbie Maher</b> <i>Executive Assistant to the Superintendent</i> <i>Mountain View-Los Altos High School District</i> <i>1299 Bryant Avenue, Mountain View, CA 94040</i> <i>W: (650) 940-4650 x0011   C: (925) 518-5237</i> <i>E: <a href="mailto:debbie.maher@mvla.net">debbie.maher@mvla.net</a></i>	
Open Government Committee	Advise City Council and provide information to City Manager on potential ways in which to implement the Open Government Policy and report to City Council on any practical or policy problems encountered in administration of Open Government Policy <a href="mailto:Achelemengos@losaltosca.gov">Achelemengos@losaltosca.gov</a>	As needed
Youth Commission Interview Committee	Conducts interviews of applicants for the Youth Commission and makes recommendations to the Council regarding the appointments <a href="mailto:Achelemengos@losaltosca.gov">Achelemengos@losaltosca.gov</a>	As needed
CHAC	CHAC exists to provide alternatives to self-destructive behavior and to help create healthy lives for the children and families of Mountain View, Los Altos, Los Altos Hills, and surrounding communities 650-965-2020	Monthly
Los Altos/Los Altos Hills Joint Community Volunteer Awards Committee	Selects community members to be recognized for their volunteer service and organizes a luncheon in their honor each December <a href="mailto:Achelemengos@losaltosca.gov">Achelemengos@losaltosca.gov</a>	As needed during second half of year
Association of Bay Area Governments	Determines policy matters for the Association, including adoption of the annual general budget and summary work program; reviews major policy actions and recommendations of the Executive Board; establishes the annual membership fee for all members of the Association upon adoption of the annual budget; reviews and adopts amendments to the Bylaws of the Association; any official representative may, at any meeting, propose a subject of consideration by the Association; the General Assembly may take action upon such proposals, determine whether a study will be made, or refer the matter to the Executive Board Fred Castro <a href="mailto:fredc@abag.ca.gov">fredc@abag.ca.gov</a>	Biannually, (Spring and Fall)
Santa Clara County Cities Association – Board	1) reviews, studies, and develops consensus positions, and recommends on issues of interest to Santa Clara County cities; 2) develops a	Typically 2 <sup>nd</sup> Thursday of

## Committee

## Description

Meeting  
Schedule

Santa Clara County Cities Association – Board (continued)	common agenda for Santa Clara County cities; 3) serves as a source of education, information and networking for officials from all cities in Santa Clara County; 4) provides a forum for non-City individuals, organizations, and the private sector to address items of interest to Santa Clara County cities; 5) monitors legislative activities at the state and federal level through its Legislative Action Committee; and 6) serves as the City Selection Committee pursuant to Government Code Section 50270 et seq., making appointments to regional and local bodies as provided by law. Andi Jordan <a href="mailto:executive_director@citiesassociation.org">executive_director@citiesassociation.org</a>	each month, 7:00 p.m.
Santa Clara County Cities Association – Selection Committee	See above	As needed
County Library JPA	Responsible for the development, administration and operation of an integrated public library system Cynthia Rios Garcia <a href="mailto:criosgarcia@sccl.org">criosgarcia@sccl.org</a>	As needed, at least four times each year
North County Library Authority	Plan, support, acquire, maintain and operate programs and facilities for the extension of public library services for the benefit of the inhabitants within the collective boundaries of the Member Entities <a href="mailto:Achelemengos@losaltosca.gov">Achelemengos@losaltosca.gov</a>	January and May of each year and as needed
Valley Transportation Authority - Policy Advisory Committee	Advise the Board of Directors on: Policy issues referred to the Committee by either the Board or the General Manager; and the County-wide transportation plan (Valley Transportation Plan), the Short-Range Transit Plan (SRTP), development of the annual or biennial budget, and tariff and service modifications. May also advise the Board of Directors with respect to any policy matter the members determine to be relevant to their Member Agency or to VTA. <a href="mailto:board.secretary@vta.org">board.secretary@vta.org</a>	2 <sup>nd</sup> Thursday of each month, 4:00 p.m.
Valley Transportation Authority - State Route 85 Corridor Policy Advisory Board	Ensure the stakeholder cities in the SR 85 corridor are involved in the development of existing and potential transportation capital projects along the corridor and have the opportunity to provide input and recommendations to the VTA Board of Directors <a href="mailto:board.secretary@vta.org">board.secretary@vta.org</a>	At least quarterly

Committee	Description	Meeting Schedule
Santa Clara Valley Water Commission	Assist the Board with policies and issues pertaining to water supply and water quality as well as in the annual review of groundwater production charges Glenna Brambill <a href="mailto:gbrambill@valleywater.org">gbrambill@valleywater.org</a>	Quarterly
County Housing & Community Development Advisory Committee (HCDAC)	Serves as the policy recommending body to the Housing and Community Development Council Committee	5 times per year
Silicon Valley Regional Interoperability Authority <i>*Represented by delegate - JW</i>	Identify, coordinate and implement communications interoperability solutions to its member agencies Eric Nickel <a href="mailto:enickel@svria.org">enickel@svria.org</a> <a href="http://SVRIA.org">SVRIA.org</a>	At least twice per year, Wednesdays at 6:30 p.m.
Grand Boulevard Initiative Task Force	Improve the performance, safety and aesthetics of El Camino Real. The Task Force is comprised of policy makers from the public and private sector. Gwen Buckley Senior Planner   SamTrans 650-508-7913 (office) 434-981-5038 (mobile) <a href="mailto:buckleyg@samtrans.com">buckleyg@samtrans.com</a>	4 <sup>th</sup> Wednesday of March, June, September and 3 <sup>rd</sup> Wednesday of November at 10:00 a.m.
Silicon Valley Clean Energy Authority Board	Makes policy decisions related to providing a Community Choice Energy program through the joint powers authority Tom Habashi <a href="mailto:info@svcleanenergy.org">info@svcleanenergy.org</a>	2 <sup>nd</sup> Wednesday of each month at 7:00 p.m.

Commission	Meeting schedule
Complete Streets	4 <sup>th</sup> Wednesday of each month
Design Review	1 <sup>st</sup> and 3 <sup>rd</sup> Wednesday of each month
Environmental	2 <sup>nd</sup> Monday of each month
Financial	3 <sup>rd</sup> Monday of each month
Historical	4 <sup>th</sup> Monday of each month
Library	1 <sup>st</sup> Thursday of each month
Parks and Recreation	2 <sup>nd</sup> Wednesday of each month
Planning	1 <sup>st</sup> and 3 <sup>rd</sup> Thursdays of each month
Public Arts	4 <sup>th</sup> Thursday of each month
Senior	1 <sup>st</sup> Monday of each month
Youth	1 <sup>st</sup> Monday of each month



**CONSENT CALENDAR**

**Agenda Item # 10 A**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** Resolution 2021-63: A Side Letter Agreement between City of Los Altos & Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”); Side Letter Agreement of the Memorandum of Understanding (MOU)

**Prepared by:** Irene Barragan Silipin, Human Resources Manager

**Reviewed by:** Gabriel Engeland, City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

- TEAMSTERS Side Letter Agreement
- Resolution No. 2021-63

**Initiated by:**

Staff

**Previous Council Consideration:**

Closed session on April 13, 2021 and May 25, 2021

**Fiscal Impact:**

FY 2021/22: \$68,000.00

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to adopt Resolution 2021-XX and the terms within the Side Letter Agreement between City of Los Altos and Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”)?

**Summary:**

- The City met and consulted with Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) to establish an agreement of the Perfect Attendance Program removal.
- Passing this Resolution will achieve the goal of replacing the Perfect Attendance Program with the terms within the Side Letter Agreement between City of Los Altos and Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”).

**Staff Recommendation:**

Move to approve the terms and conditions outlined in the TEAMSTERS Side Letter Agreement and its implementation.



**Subject:** Resolution 2021-63 A Side Letter Agreement between City of Los Altos & Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”); Side Letter Agreement of the Memorandum of Understanding (MOU)

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## **Purpose**

The recommended terms of the Side Letter Agreement will allow for City of Los Altos to end the Perfect Attendance Program with the employees represented by TEAMSTERS. This is the last employee group receiving this benefit. Thus, this action will allow to end this program citywide.

## **Background**

The City had the need to establish terms to replace the Perfect Attendance Program between the City, employees and their labor groups. The Perfect Attendance Program has ended for all other employees, TEAMSTERS was the last labor group to establish the terms.

After significant thought and discussion brought about by the COVID pandemic, the city believes the events of the past two years demonstrate that taking sick leave when experiencing symptoms of illness is critically important for the health and safety of our workplace and the community at large. Per recent good faith negotiations between the city and Teamster’s representatives, both parties have agreed to the removal of the perfect attendance program.

The City has satisfied its legal bargaining obligations with all the City’s recognized employee organizations prior to Council adoption of this Resolution. Thus, the Council can approve this Resolution without objection from labor.

## **Discussion/Analysis**

### **Options**

- 1) Adopt Resolution 2020-63 as outlined in the Side Letter Agreement within the City of Los Altos.

**Advantages:** The parties have met and consulted in good faith in accordance with the Meyers Milias Brown Act (MMBA) to establish the terms in the Side Letter Agreement.





**Subject:** Resolution 2021-63 A Side Letter Agreement between City of Los Altos & Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”); Side Letter Agreement of the Memorandum of Understanding (MOU)

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**Disadvantages:** None. Parties have mutually reached agreement with the terms of this Side Letter Agreement in accordance with the MMBA.

2) Do not approve the terms outlined in the Side Letter Agreement between the City of Los Altos and Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”).

**Advantages:** None. The City will continue to allow TEAMSTERS employees to accrue Perfect Attendance hours for employees that do not use their sick leave balances throughout the year.

**Disadvantages:** Without this resolution, the TEAMSTERS will continue to receive the benefits of the Perfect Attendance Program. Taking sick leave when experiencing symptoms of illness is critically important for the health and safety of our workplace and the community at large

### **Recommendation**

The staff recommends Option 1.



**1 North San Antonio Road  
Los Altos, California 94022-3087**

December 10, 2021

Matthew Estrella, President  
Sanitary Truck Drivers and Helpers Union Local #350  
295 89<sup>th</sup> St. Suite 304  
Daly City, CA 94015

Dear Mr. Estrella,

Pursuant to the provisions of the Meyers-Millias-Brown Act (“MMBA”), this Side Letter Agreement is entered into on December 7, 2021, between the City of Los Altos (“City”) and the Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) (“Side Letter Agreement”) as an amendment to the Memorandum of Understanding (“MOU”) effective July 1, 2019, through June 30, 2022.

TEAMSTERS and the City are collectively referred to herein as the “Parties”. It is understood and agreed that the specific provisions contained in this Side Letter Agreement shall supersede any previous agreements, whether oral and written, regarding the matters contained herein. Except as provided herein, all wages, hours and other terms and conditions of employment shall remain in full force and effect.

The Parties have met and conferred in good faith on July 14, July 29, August 31, and December 3, 2021, concerning the terms and conditions of this Side Letter Agreement and its implementation and agree that the following language will replace Article 11.1 and 12.3 in its entirety.

The Parties agree with the following updates in the MOU with Appendix C.

Sincerely,

Gabriel Engeland  
City Manager  
City of Los Altos

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TEAMSTERS #350 Representative

## ARTICLE 11. VACATIONS

### 11.1 Vacation Accrual

Annual paid vacations shall be required for the good of the service. Full-time employees (probationary and non-probationary) shall be entitled to accrue vacation time in accordance with the following schedule revised the January 14, 2022, pay date to accurately reflect the city’s vacation accrual months of service tiers, provide employees with an additional 32 hours of vacation accrual per year, and increase the vacation maximum accrual by 24 hours per year:

Months of Continuous Service (“MOS”)	Annual Accrual	Vacation Maximum Accrual
0-47 MOS	112 hours	264 hours
48-59 MOS	152 hours	384 hours
60-83 MOS	160 hours	408 hours
84-107 MOS	168 hours	432 hours
108-131 MOS	176 hours	456 hours
132-155 MOS	184 hours	480 hours
156-227 MOS	192 hours	504 hours
228+ MOS	212 hours	564 hours

For the purposes of this section, “Months of Continuous Service” shall mean an employee’s length of continuous full-time service for the City since his/her last date of hire, less any adjustments due to layoff or approved leaves of absence greater than thirty (30) days, unless otherwise required by law.

Vacation accrual changes will begin the first full pay period following the employee’s anniversary date.

## **ARTICLE 12. LEAVE PROVISIONS**

### **12.3 Perfect Attendance**

Effective December 25, 2021, employees will no longer accumulate perfect attendance, but will have the ability to cash out their remaining perfect attendance per Resolution #85-34 one final time on the December 30, 2021, pay date via the completion of a Perfect Attendance Payout Request Form.

Thereafter, employees will have the following options:

- Between now through January 8, 2022, employees may take paid time off by using their unused perfect attendance hours, and/or;
- After January 8, 2022, remaining unused perfect attendance hours will be converted into pre-tax contributions to the employee's deferred compensation account on the January 14, 2022, pay date (Subject to Medicare Taxation)
- For any remaining unused perfect attendance hours after the conversion to deferred compensation, the city will cash out the remaining unused perfect attendance hours on January 14, 2022, via a separate check. Each hour of unused perfect attendance will be cashed-out at the employee's base hourly rate as taxable wages.

Effective the January 14, 2022, pay date, all employees will receive sixteen (16) hours of vacation in their respective vacation bank.

**RESOLUTION NO. 2021-63**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS TO  
ADOPT THE SIDE LETTER TO REMOVE THE PERFECT ATTENDANCE  
PROGRAM WITH SANITARY TRUCK DRIVERS AND HELPERS UNION  
LOCAL #350 (“TEAMSTERS”)**

**WHEREAS**, Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) Memorandum of Understanding dated July 1, 2019 – June 30, 2022; and

**WHEREAS**, Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) reached a Side Letter Agreement to remove the Perfect Attendance Program; and

**WHEREAS**, representatives from the City and Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) met and conferred in good faith to reach a Side Letter Agreement; and

**WHEREAS**, on December 2, 2021, members of the Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) ratified the Side Letter Agreement.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby:

1. Approves the Side Letter Agreement to remove the Perfect Attendance Program from the current Memorandum of Understanding (MOU) with Sanitary Truck Drivers and Helpers Union Local #350 (“TEAMSTERS”) as stated in the side letter agreement attached to this resolution as Exhibit A

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 14<sup>th</sup> day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Anita Enander, MAYOR

Attest:

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Andrea Chelemengos, MMC, CITY CLERK



## AGENDA REPORT SUMMARY

**Meeting Date:** December 14, 2021

**Subject:** City Council resolution establishing objective residential site development and design standards pursuant to recent changes to state law; find project exempt from review under CEQA per CEQA Guidelines Sections 15061(b)(3) and 15308.

**Prepared by:** Jia Liu, Associate Planner, AICP  
Erik Ramakrishnan, City Attorney's Office

**Reviewed by:** Gabriel Engeland, City Manager

**Attachment(s):**

- 1 – SB9 Implementation Resolution with Track Changes
- 2 – Plate Heights Approval through DRC in 2021
- 3 – SB 9 Implementation Resolution (Clean Version)

**Initiated by:**

The City Council due to recent changes to state law.

**Previous Council Consideration:**

- October 26, 2021 – City Attorney's Office provided a presentation on Senate Bill (SB) 9 to the City Council. The Council directed that the staff work with an ad hoc subcommittee of the Design Review Commission (DRC) to develop objective standards.
- November 9, 2021 – Staff provided updates on Single-Family Residential Objective Standards progress to the City Council.
- November 30, 2021 – Staff presented the recommended resolution including Single-Family Residential Objective Standards to the City Council. The Council continued the item to the December 14, 2021 Council Meeting with directions.

**Fiscal Impact:**

No fiscal impact. The initial effort will be undertaken by city staff. Additional residential objective standards could require assistance of consultants, which will have an undetermined fiscal impact.

**Environmental Review:**

The adoption of the resolution is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15061(b)(3) (Common Sense Exemption) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment), in that the regulations imposed by the resolution are intended to preserve scenic quality for the City of Los Altos by establishing design guidelines to protect the existing community character, and because



**Subject:** SB 9 Implementation - Resolution establishing objective residential site development and design standards pursuant to recent changes to state law; find project exempt from review under CEQA per CEQA Guidelines Sections 15061(b)(3) and 15308

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it can be seen with certainty that the adoption of the regulations will not have a significant effect on the environment (or that any such effect is wholly speculative), and none of the circumstances in CEQA Guidelines Section 15300.2 applies.

**Summary:**

Recent changes to state law require immediate attention prior to January 1, 2022 so that the City has in place appropriate site development and design standards governing the review of land division and certain residential development proposals to ensure these type of permits can be managed consistent with the city’s current practice.

**Staff Recommendation:**

City staff are recommending the City Council adopt the residential objective design standards (Attachment 3).

**Background**

On September 16, 2021, Governor Newsom signed SB 8, 9, and 10 and several other housing related pieces of legislation. Since more than 75% of Los Altos lands will be impacted by the new bills starting from January 1<sup>st</sup>, 2022, after the October 26<sup>th</sup>, 2021 City Council Study Session, staff was directed to work with an ad hoc subcommittee of the DRC to develop the single-family objective design standards.

In a limited timeframe, through internal and cross-departmental discussions, staff used the adopted Residential Design Guidelines to prepare draft objective design standards based on the current practice through recent years. At the November 3<sup>rd</sup>, 2021 DRC meeting, the ad hoc subcommittee was formed by two Commissioners who are architects. On November 9<sup>th</sup>, 2021, the subcommittee reviewed the draft standards and proposed adjustments.

On November 30<sup>th</sup>, 2021, staff presented the recommended resolution with the residential objective design standards. The item was continued to the December 14<sup>th</sup>, 2021 Council Meeting with direction.

**Modifications to Resolution**

The following updates were incorporated into the recommended resolution. Detailed modifications are provided in Attachment 1 – SB9 Implementation Resolution with Track Changes.

1. Add a recital to the resolution stating the intent of SB 9.



**Subject:** SB 9 Implementation - Resolution establishing objective residential site development and design standards pursuant to recent changes to state law; find project exempt from review under CEQA per CEQA Guidelines Sections 15061(b)(3) and 15308

2. Add a section to the main body of the resolution stating that other applicable codes apply to SB 9 projects, including building codes and ADU laws. Also add language to the main body of the resolution stating that the resolution should be construed consistently with state law.
3. Throughout the entire resolution, replace “to prevent an applicant from construction at least two, 800 square-foot single-family residential units with four-foot rear and side setbacks” with “if a housing development project allowed under SB9 is precluded”.
4. In Appendix D-1, Attachment 2 of the resolution:
  - A. Delete “Nothing herein is intended to prevent an applicant from constructing ADUs per the City’s ADU Ordinance and state law.” In Appendix D-1, Attachment 2.
  - B. Delete definition of “Earth Tone”.
  - C. Delete Section 2.F.c for the requirement of adjoining two units on one parcel.
  - D. Change “Off-street parking” to “parking” in Section 2.K.
  - E. Delete Section 3.F.e, f & g related to earth tone color requirements.
  - F. Add to Section 3.G.m that “all new utility services and relocated existing utility services are placed underground pursuant to Chapter 12.68 of Municipal Code”.
5. Add a reference to Appendix 3 in Paragraph 2 of Appendix 2 of the resolution.
6. Make other nonsubstantive, clarifying cleanups as directed by the City Council.

### **Discussion/Analysis**

The following items were deferred by the City Council to address during the next round in the development of objective residential standards:

1. Revisit proposed standards for plate heights, balconies, and exterior color. For Council’s consideration, and as directed by the City Council, staff collected the approved plate heights in 2021 through Design Review Commission public hearings in a tabular format provided in Attachment 2.
2. Propose an amendment to the Municipal Code to allow appeals of the objective standards to be heard by city staff or body other than the City Council.





**Subject:** SB 9 Implementation - Resolution establishing objective residential site development and design standards pursuant to recent changes to state law; find project exempt from review under CEQA per CEQA Guidelines Sections 15061(b)(3) and 15308

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## Options

- 1) Adopt the updated Residential Objective Design Standards Resolution (Attachment 3).

**Advantages:** Allows the City to control development in single-family zone districts beginning on January 1, 2022, in light of SB 9 taking effect on this date.

**Disadvantages:** Although this is the result of recent State legislation regarding housing, it does remove the ability of the City to exercise its discretion in certain instances.

- 2) Remand the project back to city staff for additional edits and direct the item be brought back to the City Council at a later meeting.

**Advantages:** Provides additional time to further refine the residential objective zoning standards.

**Disadvantages:** Delays the adoption of these standards and they will not be in place prior to January 1, 2022.

## Recommendation

The staff recommends Option 1.

**RESOLUTION NO. 2021-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ESTABLISHING OBJECTIVE STANDARDS FOR SINGLE FAMILY  
RESIDENCES TO IMPLEMENT SENATE BILL 9**

**WHEREAS**, on September 16, 2021, the Governor signed Senate Bill 9 (Stats. 2021, Ch. 162) (“SB 9”); and

**WHEREAS**, SB 9 allows for streamlined ministerial approval for certain residential dwelling units in single-family residential zones; and

**WHEREAS**, the purpose of SB 9 is to address California’s affordable housing crisis by promoting small-scale neighborhood residential development to provide for increased housing opportunities; and

**WHEREAS**, SB 9 requires the City to apply objective design standards to residential dwelling units approved pursuant to the legislation and prohibits discretionary design review for such units; and

**WHEREAS**, the City of Los Altos has adopted Single-Family Residential Design Guidelines (the “SFRDG”) pursuant to Section 14.76.020 of the Los Altos Municipal Code; and

**WHEREAS**, to implement SB 9, it is necessary or convenient that the City Council amend the SFRDG to specify objective design criteria applicable to new single-family homes; and

**WHEREAS**, SB 9 allows cities to impose certain standards for projects approved under that legislation, which the City Council desires to adopt; and

**WHEREAS**, certain ambiguities in SB 9 require resolution pending guidance from the judiciary and the Department of Housing and Community Development.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Los Altos, as follows:

1. Effective January 1, 2022, the SFRDG are hereby amended to include as APPENDIX D-1 thereof the objective single-family design guidelines (the “Objective Standards”) attached to this Resolution as **Appendix 1**. After January 1, 2022, applications to remodel existing single-family residences and applications to construct new single-family residences not subject to approval under SB 9 shall continue to be subject to the SFRDG. Applications to construct new single-family residences subject to approval under SB 9 shall comply with the Objective Standards. Applicants for projects subject to approval under SB 9 are strongly encouraged to comply with all provisions of the

SFRDG to ensure high quality design and neighborhood compatibility.

2. Nothing in this Resolution or its appendices is intended to preclude the application to SB 9 projects of: building codes, state and local rules with respect to accessory dwelling units and junior accessory dwelling units, or other laws generally applicable to housing development projects of one to four units.
3. As soon as practicable, Staff is directed to hold one or more study sessions with the Planning Commission and with the Design Review Commission to obtain feedback concerning the Objective Standards from both commissions and from the public. Relying on such feedback and the experience of Staff in implementing SB 9, Staff is hereby directed to return to the City Council no later than May 2022 to report on the implementation of SB 9 and to recommend any amendments to the Objective Standards.
4. SB 9 authorizes local agencies to impose certain standards and requirements outlined in **Appendix 2** to this Resolution. Those standards and requirements are hereby adopted, and the SFRDG is hereby amended to incorporate the standards as APPENDIX D-2 thereof.
5. SB 9 contains certain ambiguities that require interpretation. Pending further guidance from the Department of Housing and Community Development and the judiciary, Staff are hereby directed to follow the guidance included in the interpretive guidance document attached as **Appendix 3** to this Resolution.
6. The City Council hereby finds that the adoption of this Resolution is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15061(b)(3) (Common Sense Exemption) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment), in that the regulations hereby imposed are intended to preserve scenic quality for the City of Los Altos by establishing design guidelines to protect the existing community character, and because it can be seen with certainty that the adoption of the regulations hereby imposed will not have a significant effect on the environment (or that any such effect is wholly speculative), and none of the circumstances in CEQA Guidelines Section 15300.2 applies.
7. In adopting this Resolution, the City Council intends that it be construed to be consistent with the state and federal constitutions and with applicable state housing laws, including SB 9. If any section, sentence, clause, or phrase of this Resolution (including its appendices), is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions hereof.
8. Any person wishing to challenge the validity of any provision of this Resolution (including its appendices), whether facially or as applied, may, if aggrieved by such provision, appeal to the City Council pursuant to Chapter 1.12 of the Los Altos Municipal Code. As used herein, a person is “aggrieved” if, (a) a provision of this

Resolution would prevent the individual from seeking approval of a housing development project for which the individual would like to apply, and (b) in the opinion of the individual, the challenged provision is invalid or unconstitutional. If the City Council grants an appeal a facial challenge, then it shall direct staff to propose appropriate amendments to this Resolution, consistent with the City Council's decision on the appeal. If the City Council grants an as-applied challenge, then it may allow an exception to standards to the limited extent necessary to avoid the invalidity or unconstitutionality.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the \_\_\_\_ day of \_\_\_\_, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Neysa Fligor, MAYOR

Attest:

---

Andrea Chelemengos, MMC, CITY CLERK

**APPENDIX 1  
OBJECTIVE STANDARDS ADOPTED AS**

**APPENDIX D-1 TO THE SFRDG**

**Objective Standards for Single-Family Residential Zone**

It is intent that the following standards shall not be applied to preclude a housing development project allowed under SB 9 ~~to prevent an applicant from constructing at least two, 800 square foot single family residential units with four foot rear and side setbacks.~~ As used here, a residential dwelling unit includes living space only and not parking or accessory structures. ~~Nothing herein is intended to prevent an applicant from constructing ADUs per the City's ADU Ordinance and state law.~~

**1. Definition – any term not defined in this section has the meaning given in the City Municipal Code unless otherwise specified.**

“Secondary front lot line” means a lot line abutting a street which is not a front lot line.

“Plate height” means the vertical distance measured from the top of the finished floor to the top of the plates.

“Exterior finish” refers to the exterior façade of a house, excluding the roofs, trim, windows, doors, and shutters.

“Exterior trim” refers to the finish materials on the exterior of a building, such as moldings applied around openings (window trim, door trim), siding, windows, exterior doors, attic vents, and crawl space vents.

~~“Earth tone” means is a color that draws from a color palette of browns, tans, warm grays, greens, oranges, whites, and some blues. The colors in an earth tone scheme are muted and flat in an emulation of the natural colors found in dirt, moss, trees and rocks. Many earth tones originate from clay earth pigments, such as umber, ochre, and sienna. In case of doubt, the following definition shall be applied to determine whether a color is an earth tone: Earth tone means a color with a lightness (light reflective) value of 25 to 60 that is composed of a mixture of any shade of brown and any shade of any other color or colors.~~

“Lines of sight” means with a 60-degree angle beginning at the starting point, 30 degrees to the left and 30 degrees to the right in horizontal perspective.

“High-quality transit corridor” means corridor with fixed route bus service with service intervals no longer than fifteen minutes during the morning and afternoon peak commute hours.

“Major transit stop” means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

## 2. SB 9 – Development Standards

### A. Lot Split and Minimum Site Area

An existing parcel shall not be subdivided into more than two parcels. ~~One~~The smallest subdivided parcel shall not be less than forty percent (40%) of the original parcel, ~~and provided that~~ both newly subdivided parcels are each shall be no smaller than one thousand and two hundred (1,200) square feet.

### B. All development standards under Government Code Section 66411.7 are hereby adopted.

### C. Site Frontage and Site Width

- a. The minimum width of the access corridor for each flag lot shall be twenty (20) feet, and shall provide direct access to a public or private street.
- b. Easements for the provision of public services and facilities and egress and ingress are required.

### D. Coverage. The following coverage standards apply unless they would preclude a housing development project allowed under SB 9. two single family units with 4-foot rear and side yard setbacks and 800 square feet each in floor area are precluded.

- a. The maximum coverage for all structures in excess of six feet in height shall be thirty-five (35) percent of the total area of the site where the height of one-story development does not exceed twenty (20) feet.
- b. A minimum of fifty (50) percent of the required front yard area shall be a combination of pervious landscape material and landscape.
- c. On sites where the lot coverage exceeds thirty (30) percent, two-story structures shall not be allowed.

### E. Floor Area Ratio. The following coverage standards apply unless they would preclude a housing development project allowed under SB 9. two single family units with 4-foot rear and side yard setbacks and 800 square feet each in floor area are precluded.

- a. For lots with a net site area not exceeding eleven thousand (11,000) square feet, the maximum floor area shall be thirty-five (35) percent of the net ~~lot~~ site area.
- b. For lots with a net site area exceeding eleven thousand (11,000) square feet, the maximum floor area shall be three thousand eight hundred fifty (3,850) square feet plus ten (10) percent times the net ~~lot~~ site area minus eleven thousand (11,000) square feet.

### F. Setbacks.

- a. Except as noted below, the minimum setbacks shall be as follows:

<b>Front*</b>	
<b>First Story</b>	25 feet
<b>Second Story</b>	30 feet
<b>Secondary Front*</b>	
<b>First Story</b>	10 feet
<b>Second Story</b>	13 feet
<b>Side</b>	
<b>First Story</b>	<u>No less than</u> 4 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the setbacks to be <u>at least</u> 10 feet from the side property lines.
<b>Second Story*</b>	<u>No less than</u> 11.5 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the second story setback to be <u>at least</u> 17.5 feet from the side property lines.
<b>Rear</b>	<u>No less than</u> 4 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the rear setback to be <u>at least</u> 10 feet from the rear property line.

b. No architectural features (i.e. cantilevers, bay windows, and/or any other architectural projections) shall be allowed within the side and rear required setback areas except for 12-inch maximum eaves with four-inch maximum gutters.

~~c. When two primary single-family residential units are proposed on one parcel, the two units shall be attached and designed subject to Section 2 of this policy.~~

c. Notwithstanding these rules, the applicant shall be allowed to construct within the dimensions of an existing legal building.

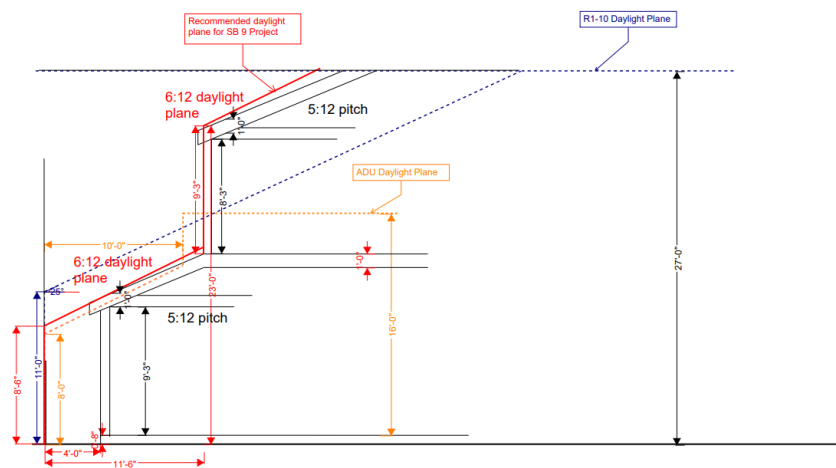
\*Unless ~~is two single-family units with 4-foot rear and side-yard setbacks and 800 square feet each in floor area~~ are a housing development project allowed under SB 9 is precluded.

**G. Height of Structures**

No structure shall exceed two stories or twenty-seven (27) feet in height from the natural grade. On flag lots the height of structures shall be limited to one story and twenty (20) feet in height. Basements shall not be considered a story. When the lot coverage exceeds or is proposed to exceed thirty (30) percent, the maximum height of structures shall be twenty (20) feet.

**H. Daylight Plane**

- a. No portion of any residential units shall extend above or beyond a daylight plane as follows unless a housing development project allowed under SB9 is precluded ~~two single-family units with 4-foot rear and side-yard setbacks and 800 square feet each in floor area are.~~
- b. The daylight plane starts at a height of eight feet and six inches (8'-6") at the property line and proceeds inward at 6:12 slope. At eleven feet and six inches from the property line, the daylight plane increases to twenty-three feet (23') and proceeds inward at 6:12 slope. All appurtenances, including chimneys, vents and antennas, shall be within the daylight plane. The daylight plane is not applied to a side or rear property line when it abuts a public alley or public street. ~~However, the daylight plane shall not be enforced if it prohibits two single-family units with 4-foot rear and side-yard setbacks and 800 square feet each in floor area.~~ Notwithstanding this requirement, the maximum required rear and side yard setback shall be four feet.



The daylight plane starts at a height of eight feet and six inches (8'-6") at the property line and proceeds inward at 6:12 slope. At eleven feet and six inches from the property line, the daylight plane increase to twenty three feet (23') and proceeds inward at 6:12 slope. All appurtenances, including chimneys, vents and antennas, shall be within the daylight plane. The daylight plane is not applied to a side or rear property line when it abuts a public alley or public street. However, the daylight plane shall not be enforced if it prohibits two single-family units with 4-foot rear and side-yard setbacks and 800 square feet each in floor area .



**I. Basements.**

Basements shall be regulated as follows:

- a. Basements shall not extend beyond the floor area of the first floor of the main or accessory structure above;
- b. Light wells, ingress and egress wells, patio wells, and other similar elements shall not be permitted within a required setback yards.
- c. Light wells, ingress and egress wells, patio wells, and other similar elements shall utilize vertical retaining walls. Contour graded slopes, which expose the basement as a story, are prohibited.
- d. Light wells, ingress and egress wells, patio wells, and other similar elements shall be at least seventy-five (75) percent open in area to light and air above.

**J. Outdoor kitchen, barbeques, fireplaces and swimming pools.**

Outdoor kitchen barbeques, fireplaces, and swimming pools shall be subject to zoning standards of the underlying zoning district.

**K. Off-street Parking.**

- a. One covered parking for each unit with minimum dimensions of nine (9) feet in width and eighteen (18) feet in depth is required. Uncovered parking shall be allowed only to the extent necessary to facilitate the construction of two units at least that each is 800 square feet in size.
- b. No ~~off-street~~ parking is required in either of the following instances:
  - 1) The subject parcel is located within one-half mile walking distance of either a high-quality transit corridor or a major transit stop.
  - 2) A car share vehicle program is located within one block of the parcel.

**L. Signs.**

Signs shall be subject to zoning standards of the underlying zoning district.

**M. Fences.**

Fences shall be subject to zoning standards of the underlying zoning district.

**N. Nonconforming use regulations**

Corrections on nonconforming zoning conditions shall not be required for the ministerial approval of a parcel map application for the creation of a lot split pursuant to SB 9.

**O. Accessory Structures.**

Accessory structures shall be subject to zoning standards of the underlying zoning district.

**3. SB 9 – Objective Design Standards****A. Plate Heights.**

- a. Plate height is limited to 9'-3" for the first floor except for an entry porch may have a maximum plate height of 12' and a garage may have a maximum plate height of 10'.
- b. Plate height is limited to 8'-3" for the second floor.

**B. Second Floor Windows.**

Second floor windows shall be regulated as follows:

- a. On elevations that are facing interior side property lines, a minimum sill height of 4'-6" is required for all second-floor windows.
- b. On elevations that are facing rear property lines adjacent to a neighboring property, a minimum sill height of the California Building Code (CBC) minimum required sill height for egress or light and ventilation shall be provided.
- c. For any windows within ten feet of rear or interior side property lines adjacent to a neighboring property, the maximum second story window size shall be no larger than the CBC minimum required size.

**C. Balcony and Rooftop Deck.**

Balconies and rooftop decks shall be regulated as follows:

- a. ~~Balconies~~ **Balconies** and/or roof decks are prohibited when facing interior side yards and rear yard adjacent to a neighboring property.
- b. A balcony or a roof deck is allowed only on front elevations facing public and private streets; and a minimum of twenty-five (25) feet side setback shall be provided from the side property lines to the edge of the balcony or roof deck.
- c. The maximum depth for any balconies and rooftop decks shall be four (4) feet.
- d. The maximum size for any balconies and rooftop decks shall be 25 square feet.
- e. Screening devices shall include solid railing walls instead of open railings, and latticework above the required railing height to obscure sight lines from a balcony or a roof deck.

**D. Screening Vegetation.**

Screening vegetation shall be regulated as follows:

- a. Screening vegetation is required in either of the following situations:
  - 1) Within lines of sight for any proposed balcony and roof deck projected to any side property line, screening vegetation shall be planted.
  - 2) Within lines of sight from each jamb of any windows with a sill height of less than 4'-6" at second floor, screening vegetations shall be planted.
- b. Any required screening vegetation shall be evergreen species reaching to fifteen feet through twenty feet in height at their mature age with permanent irrigation and shall be maintained for the life of the project.
- c. At least twenty-four-inch (24-inch) box screening vegetation shall be planted prior to occupancy of the residence.

#### **E. Landscaping**

Onsite landscaping shall be regulated as follows:

- a. Trees selected from the [Street Tree Planting List](#) are required to be planted on site following the standards below:
  - 1) For lots five thousand (5,000) square feet in size or greater, at least two, Category II trees shall be planted with at least one, Category II tree planted in the front yard. For each additional five thousand (5,000) square-foot lot size, one more Category II tree shall be planted onsite.
  - 2) For lots with less than five thousand (5,000) square feet in size, at least one, Category II tree or two Category III trees shall be planted onsite.
  - 3) If there are existing trees onsite, an arborist report, prepared by an ISA certified arborist, may be required to determine the equivalent value of existing trees compared to the Street Tree Planting List.
- b. Water Efficiency Landscape Ordinance (WELO) and its submittal requirements apply to the following projects:
  - 1) New construction projects with new or rebuilt landscape areas that exceed five hundred (500) square feet.
  - 2) Remodels and/or additions to existing single-family houses with new or rebuilt landscape areas that exceed ~~twenty-five thousand two thousand and five hundred~~ (2,500) square feet.

**F. Construction Materials and Colors.**

All construction materials shall be long-term (30 years) durability and appearance, as per manufacture's specifications. Specifically, the construction materials shall be subject to the following:

- a. Foam trim with a painted stucco finish is prohibited throughout the structure(s).
- b. Mixing roof materials and colors are not allowed except for curved dormers and shed roof structures.
- c. Exterior finish including wainscoting used for one structure shall be no greater than three different materials. Each material may be a different color, but every part of exterior finish comprised of a single material shall be a single color.
- d. Window and door trims shall be limited to one material and one color. The material and color shall be the same for both windows and door trims.
- e. Architectural detailing shall be incorporated such as window and door trim, belly bands, cornices, shutters, column accents to the entry porch, and railings in an integrated composition. ~~No more than three distinct materials and colors shall be used.~~
- ~~f. Exterior finish shall be earth tones.~~
- ~~g. Exterior trim shall be in a shade of white, black, grey, brown, or an earth tone.~~

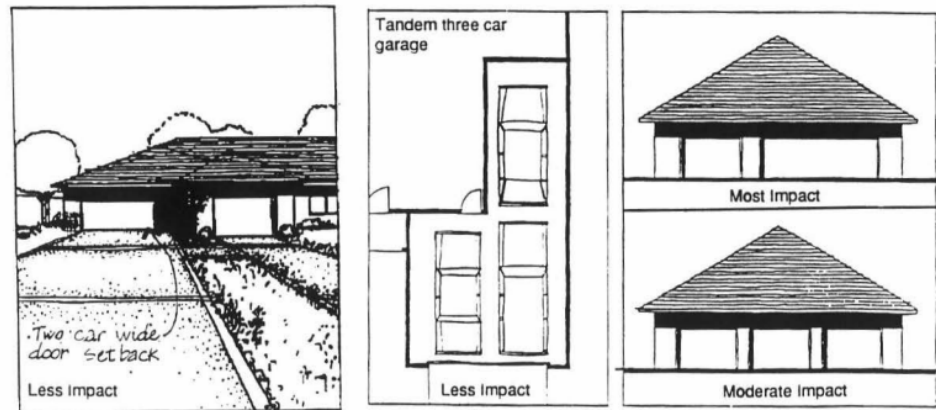
**G. Site and Building Design.**

The site and building design shall be subject to the following standards to create visual variety and avoid a large-scale appearance:

- a. Driveway shall be designed per the following standards:
  - 1) Each property is prohibited from more than one curb cut or driveway accessing a street unless the subject site is fronting a City's Arterial or Collector road.
  - 2) A curb cut or driveway width connecting to a public or private street shall be no greater than twenty-two (22) feet.
  - 3) For corner lots, driveway connections shall be at least thirty (30) feet from the intersecting corner property lines at the street intersection.
  - 4) If the project impacts a street shoulder, then it shall be improved accordingly per City's Street Shoulder Improvement Policy.
- b. Façade articulation shall be provided with at least six corners on the first floor.

## ATTACHMENT 1

- c. Building entrances shall have a roofed projection (such as a porch) or recess with a minimum depth of at least five feet and a minimum horizontal area of thirty (30) square feet. Any corners within the building entrances shall not count as part of the corners as required above.
- d. Downspout shall be painted to match or accent the exterior finish color.
- e. Attached garage shall be subject to the following standards:
  - 1) Attached garage shall be recessed at least one foot from the front elevation wall plane of the residence.
  - 2) When a three-car attached garage is proposed, visual impact shall be reduced by, (i) using a tandem parking layout inside a two-car-wide garage; (ii) using three single-car-wide garage doors instead of a double and a single garage door; or (iii) setting back one of the doors from the others.



- f. Windows and doors shall either be trimmed or recessed.
  - 1) When trimmed, the trim material shall not be less than 3.5" in width by 3/4" in depth when protruding from the wall.
  - 2) When recessed, the building primary siding material shall cover the recessed edge faces and wrap toward the interior face of the window glazing or door face by not less than 2 inches in depth.
- g. The design of roof shall be regulated as follows:
  - 1) No more than two types of roof forms shall be used.
  - 2) No more than two roof pitches shall be used.
- h. First floor finished elevation shall be no more than twenty-two (22) inches above existing natural grade on a non-hillside lot. In a flood zone or flood way, the first-floor level may be set at the minimum allowed above grade to meet code requirements.

## ATTACHMENT 1

- i. For a hillside property, a stepped foundation is required where the average slope beneath the proposed structure is 10% or greater.
- j. No mechanical equipment shall be located in any required side and rear yards. The placement and operation of the mechanical equipment must be consistent with the City's Noise Ordinance.
- k. No exterior staircases above grade shall be allowed.
- l. Except for pathway lighting, outdoor lighting fixtures shall be downward facing and fully shielded or recessed.
- m. All new utility services and relocated existing utility services are placed underground pursuant to Chapter 12.68 of Municipal Code.

**APPENDIX 2**  
**STANDARDS ADOPTED PURSUANT TO SB 9 AS**  
**APPENDIX D-2 TO THE SFRDG**

1) **Objective Zoning/Subdivision/Design Standards.** SB 9 authorizes the City to impose objective zoning standards, objective subdivision standards, and objective design review standards applicable to structures and parcels created by an urban lot split that do not conflict with SB 9 or preclude the construction of two 800 square foot minimum primary dwelling units. Accordingly, all such existing objective City standards shall apply to SB 9 projects, in addition to any additional objective standards that the City may adopt.

2) **Maximum Units and Lots.** The City shall not approve more residential dwelling units or lots for any SB 9 project than required under state law, as set forth in Appendix 3 of City Council Resolution No. 21- .

3) **Parking.** SB 9 allows the City to choose to require parking consistent with the terms thereof. Accordingly, the City shall require off-street parking of one space per unit, unless the lot is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code, or unless there is a car share vehicle located within one block of the parcel.

4) **Setbacks.** SB 9 allows the City to choose to require setbacks consistent with the terms thereof. Accordingly, the City shall require setbacks of not less than four feet from the side and rear lot lines in all SB 9 projects, except as otherwise specified in SB 9.

5) **Applicant Residency; Short-Term Rental.** SB 9 requires every applicant for a ministerial lot split to provide an affidavit confirming that the applicant intends to reside in one of the SB 9 units for three years. The City shall enforce this requirement. No units created under SB 9 shall be used for short-term rental.

6) **Impact/Development Fees.** Applicants for SB 9 projects shall pay all applicable development impact fees imposed by the City.

7) **Historic Properties.** An SB 9 project may not be located at a property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or at a site that is designated by the City as a historic landmark or listed in the City's historic resource inventory, pursuant to Los Altos Municipal Code Chapter 12.44.

8) **Unavoidable Adverse Impacts.** SB 9 authorizes the Building Official to deny a project upon written findings, based on a preponderance of evidence, that the project will have a specific, adverse impact upon public health and safety or the physical environment for which there is no feasible method to mitigate or avoid. The Building Official shall assess every SB 9 application for

such unavoidable adverse impacts and shall, in consultation with the City Attorney, deny a project if an unavoidable adverse impact is identified. For greater clarity, a project would have a specific, adverse impact on the physical environment if it would have an unavoidable impact on historic resources, as defined in CEQA Guidelines Section 15064.5



**APPENDIX 3**  
**INTERPRETIVE GUIDANCE DOCUMENT**

SB 9 applies in “single-family residential zones.” The term “single-family residential zone” as used in Government Code Sections 65852.21(a) and 66411.7(a)(3)(A) is not defined. Within the City of Los Altos, the term “single-family residential zone” shall be construed to mean an R1 zoning designation.

SB 9 allows for ministerial approval of certain “new” residential dwelling units. The term “new unit” as used in Government Code Section 65852.21(i)(1) is not defined, but provisions of SB 9 appear to assume that a new residential dwelling unit could include a reconstructed residential dwelling unit. Therefore, the term “new unit,” as used in SB 9, shall be construed to mean any of the following:

- (1) A new residential dwelling unit (other than an accessory dwelling unit)<sup>1</sup> proposed to be constructed on previously vacant ground;
- (2) A new residential dwelling unit (other than an accessory dwelling unit) constructed in place of a demolished residential dwelling unit;<sup>2</sup>
- (3) A residential dwelling unit (other than an accessory dwelling unit) reconstructed to the substantial equivalence of new.

As used above, a residential dwelling unit is reconstructed to the “substantial equivalence of new” if any of the following three sets of criteria apply:

- (1) The residential dwelling unit is stripped to the studs and/or foundation and reconstructed;
- (2) A substantial remodel is proposed in connection with a substantial addition so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
  - a. An addition is proposed to an existing residential dwelling unit equal to or greater in size than 50% of the floor area of the existing residential dwelling unit (excluding garages, accessory dwelling units, other accessory structures, crawl spaces, unfinished attics, and basement floor areas);

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<sup>1</sup> Reference to accessory dwelling units here is not meant to exclude construction of such units as allowed under Government Code Sections 65852.2 and 65852.22. Rather, the intent here is merely to define the term “new unit” for purposes of Section 65852.21(i)(1).

<sup>2</sup> Nothing herein is intended to exempt an applicant from the requirements of Government Code Section 65852.21(a)(3)-(5).

- b. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing roof will be demolished, repaired, or replaced, and the entire roof covering will be replaced;
  - c. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing façade will be demolished, repaired, or replaced, the entire façade will be repainted or otherwise resurfaced, and the entire façade for the residential dwelling unit in its completed condition is designed to match;
  - d. All existing floor coverings and plumbing fixtures will be removed and, as applicable, replaced;
  - e. Sprinklers will be installed if not already provided;
  - f. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of existing drywall or other wall coverings will be demolished, repaired, or replaced, and all retained wall covering will be repainted or otherwise resurfaced; and
  - g. All exterior doors and windows will be replaced.
- (3) All the major systems of the home are repaired or replaced so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
- a. All existing plumbing, electrical, and HVAC systems will be replaced or rehabilitated consistent with modern building standards to ensure an estimated remaining physical life of at least 50 years for plumbing and electrical systems and 20 years for HVAC systems; and
  - b. The circumstances described in Item Nos. 2(b) to 2(g) apply.

For greater clarity, a lot developed under SB 9 may contain no more than four total residential dwelling units. These shall be limited to the following:

- (1) On a lot that is not split pursuant to Government Code Section 66411.7 and for which an existing primary residential dwelling unit is retained: one existing primary residential dwelling unit, one new primary residential dwelling unit, one accessory dwelling unit, and one junior accessory dwelling unit, for four units in total.
- (2) On a lot that is not split pursuant to Government Code Section 66411.7 and for which an existing primary dwelling unit does not exist or is demolished or reconstructed: two new primary residential dwelling units, one accessory dwelling unit, and one junior accessory dwelling unit, for four units in total.
- (3) On a lot that is split pursuant to Government Code section 66411.7: not more than two existing primary and/or accessory residential dwelling units (including junior accessory dwelling units) per newly created lot and not more than two new primary residential dwelling units per newly created lot, for an ultimate total of not more than two residential

dwelling units per newly created lot and four residential dwelling units total. In lieu of two new primary residential dwelling units, an applicant may propose one new primary residential dwelling unit together with either a new accessory dwelling unit or a new junior accessory dwelling unit, provided that the applicant submits a written statement with the application for the housing development project indicating the applicant's understanding that providing the accessory dwelling unit or junior accessory dwelling unit will prevent the applicant from constructing a second primary residential dwelling unit. It is the intent of this provision that not more than four units may be constructed per original lot.

## Approved Plate Heights through DRC Public Hearing in 2021

Project No.	DRC Approval Date	1st-Story Plate Height	2nd-Story Plate Height	Notes
SC21-0034	11/17/2021	10'	8'	Project consists of a new two-story house. Plate heights were approved with consideration of neighborhood compatibility and integration and design mitigations.
SC21-0032	11/17/2021	9'	9'	Project consists of a new two-story house.
SC21-0012	10/20/2021	9'-6"	9'	Project consists of a new two-story house.
SC21-0010	10/20/2021	9'-6"	8'-6"	Project consists of a new two-story house.
SC21-0006	8/4/2021	8'	7'	Project consists of a second story addition to a one-story house.
SC21-0001	8/4/2021	9'	8'	Project consists of a first and second story addition and remodel to an existing two-story residence.
SC21-0006	6/2/2021	8'	8'	Project consists of a first and second story addition and remodel to an existing two-story residence.
SC21-0003	6/2/2021	9'	9'	Project consists of a new two-story house.
SC21-0004	6/2/2021	8'-6"	8'	Project consists of a first and second story addition and remodel to an existing two-story residence.
SC20-0016	5/19/2021	9'	8'-1"	Project consists of a first and second story addition and remodel to an existing two-story residence.
SC21-0021	5/19/2021	8'	8'	Project consists of a first and second story addition.
SC21-0002	5/19/2021	8'	8'	Project consists of a second story addition to a one-story house.
SC21-0015	5/5/2021	9'-4"	8'	Project consists of a first and second story addition and remodel to an existing two-story residence.
SC21-0019	3/17/2021	9' on sides; 18' at highest	8' on sides; 11'-6" at highest	Project consists of a new two-story house. Various plate heights are driven by the modern shed roof forms.
SC20-0004	2/3/2021	8'-6"	8'	Project consists of a first and second story addition and remodel to an existing two-story residence.
SC20-0014	1/6/2021	8'	8'	Project consists of a first and second story addition and remodel to an existing two-story residence.



**RESOLUTION NO. 2021-57**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ESTABLISHING OBJECTIVE STANDARDS FOR SINGLE FAMILY  
RESIDENCES TO IMPLEMENT SENATE BILL 9**

**WHEREAS**, on September 16, 2021, the Governor signed Senate Bill 9 (Stats. 2021, Ch. 162) (“SB 9”); and

**WHEREAS**, SB 9 allows for streamlined ministerial approval for certain residential dwelling units in single-family residential zones; and

**WHEREAS**, the purpose of SB 9 is to address California’s affordable housing crisis by promoting small-scale neighborhood residential development to provide for increased housing opportunities; and

**WHEREAS**, SB 9 requires the City to apply objective design standards to residential dwelling units approved pursuant to the legislation and prohibits discretionary design review for such units; and

**WHEREAS**, the City of Los Altos has adopted Single-Family Residential Design Guidelines (the “SFRDG”) pursuant to Section 14.76.020 of the Los Altos Municipal Code; and

**WHEREAS**, to implement SB 9, it is necessary or convenient that the City Council amend the SFRDG to specify objective design criteria applicable to new single-family homes; and

**WHEREAS**, SB 9 allows cities to impose certain standards for projects approved under that legislation, which the City Council desires to adopt; and

**WHEREAS**, certain ambiguities in SB 9 require resolution pending guidance from the judiciary and the Department of Housing and Community Development.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Los Altos, as follows:

1. Effective January 1, 2022, the SFRDG are hereby amended to include as APPENDIX D-1 thereof the objective single-family design guidelines (the “Objective Standards”) attached to this Resolution as **Appendix 1**. After January 1, 2022, applications to remodel existing single-family residences and applications to construct new single-family residences not subject to approval under SB 9 shall continue to be subject to the SFRDG. Applications to construct new single-family residences subject to approval under SB 9 shall comply with the Objective Standards. Applicants for projects subject

to approval under SB 9 are strongly encouraged to comply with all provisions of the SFRDG to ensure high quality design and neighborhood compatibility.

2. Nothing in this Resolution or its appendices is intended to preclude the application to SB 9 projects of: building codes, state and local rules with respect to accessory dwelling units and junior accessory dwelling units, or other laws generally applicable to housing development projects of one to four units.
3. As soon as practicable, Staff is directed to hold one or more study sessions with the Planning Commission and with the Design Review Commission to obtain feedback concerning the Objective Standards from both commissions and from the public. Relying on such feedback and the experience of Staff in implementing SB 9, Staff is hereby directed to return to the City Council no later than May 2022 to report on the implementation of SB 9 and to recommend any amendments to the Objective Standards.
4. SB 9 authorizes local agencies to impose certain standards and requirements outlined in **Appendix 2** to this Resolution. Those standards and requirements are hereby adopted, and the SFRDG is hereby amended to incorporate the standards as APPENDIX D-2 thereof.
5. SB 9 contains certain ambiguities that require interpretation. Pending further guidance from the Department of Housing and Community Development and the judiciary, Staff are hereby directed to follow the guidance included in the interpretive guidance document attached as **Appendix 3** to this Resolution.
6. The City Council hereby finds that the adoption of this Resolution is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15061(b)(3) (Common Sense Exemption) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment), in that the regulations hereby imposed are intended to preserve scenic quality for the City of Los Altos by establishing design guidelines to protect the existing community character, and because it can be seen with certainty that the adoption of the regulations hereby imposed will not have a significant effect on the environment (or that any such effect is wholly speculative), and none of the circumstances in CEQA Guidelines Section 15300.2 applies.
7. In adopting this Resolution, the City Council intends that it be construed to be consistent with the state and federal constitutions and with applicable state housing laws, including SB 9. If any section, sentence, clause, or phrase of this Resolution (including its appendices), is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions hereof.
8. Any person wishing to challenge the validity of any provision of this Resolution (including its appendices), whether facially or as applied, may, if aggrieved by such provision, appeal to the City Council pursuant to Chapter 1.12 of the Los Altos

Municipal Code. As used herein, a person is “aggrieved” if, (a) a provision of this Resolution would prevent the individual from seeking approval of a housing development project for which the individual would like to apply, and (b) in the opinion of the individual, the challenged provision is invalid or unconstitutional. If the City Council grants an appeal a facial challenge, then it shall direct staff to propose appropriate amendments to this Resolution, consistent with the City Council’s decision on the appeal. If the City Council grants an as-applied challenge, then it may allow an exception to standards to the limited extent necessary to avoid the invalidity or unconstitutionality.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the \_\_\_\_ day of \_\_\_\_, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
, MAYOR

Attest:

\_\_\_\_\_  
Andrea Chelemengos, MMC, CITY CLERK



**APPENDIX 1  
OBJECTIVE STANDARDS ADOPTED AS**

**APPENDIX D-1 TO THE SFRDG**

**Objective Standards for Single-Family Residential Zone**

It is intent that the following standards shall not be applied to preclude a housing development project allowed under SB9. As used here, a residential dwelling unit includes living space only and not parking or accessory structures.

**1. Definition – any term not defined in this section has the meaning given in the City Municipal Code unless otherwise specified.**

“Secondary front lot line” means a lot line abutting a street which is not a front lot line.

“Plate height” means the vertical distance measured from the top of the finished floor to the top of the plates.

“Exterior finish” refers to the exterior façade of a house, excluding the roofs, trim, windows, doors, and shutters.

“Exterior trim” refers to the finish materials on the exterior of a building, such as moldings applied around openings (window trim, door trim), siding, windows, exterior doors, attic vents, and crawl space vents.

“Lines of sight” means with a 60-degree angle beginning at the starting point, 30 degrees to the left and 30 degrees to the right in horizontal perspective.

“High-quality transit corridor” means corridor with fixed route bus service with service intervals no longer than fifteen minutes during the morning and afternoon peak commute hours.

“Major transit stop” means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

**2. SB 9 – Development Standards**

**A. Lot Split and Minimum Site Area**

An existing parcel shall not be subdivided into more than two parcels. The smallest subdivided parcel shall not be less than forty percent (40%) of the original parcel, and both newly subdivided parcels each shall be no smaller than one thousand and two hundred (1,200) square feet.

**B. All development standards under Government Code Section 66411.7 are hereby adopted.**

**C. Site Frontage and Site Width**

- a. The minimum width of the access corridor for each flag lot shall be twenty (20) feet, and shall provide direct access to a public or private street.
- b. Easements for the provision of public services and facilities and egress and ingress are required.

**D. Coverage.** The following coverage standards apply unless they would preclude a housing development project allowed under SB 9.

- a. The maximum coverage for all structures in excess of six feet in height shall be thirty-five (35) percent of the total area of the site where the height of one-story development does not exceed twenty (20) feet.
- b. A minimum of fifty (50) percent of the required front yard area shall be a combination of pervious landscape material and landscape.
- c. On sites where the lot coverage exceeds thirty (30) percent, two-story structures shall not be allowed.

**E. Floor Area Ratio.** The following coverage standards apply unless they would preclude a housing development project allowed under SB 9.

- a. For lots with a net site area not exceeding eleven thousand (11,000) square feet, the maximum floor area shall be thirty-five (35) percent of the net site area.
- b. For lots with a net site area exceeding eleven thousand (11,000) square feet, the maximum floor area shall be three thousand eight hundred fifty (3,850) square feet plus ten (10) percent times the net site area minus eleven thousand (11,000) square feet.

**F. Setbacks.**

- a. Except as noted below, the minimum setbacks shall be as follows:

<b>Front*</b>	
<b>First Story</b>	25 feet
<b>Second Story</b>	30 feet
<b>Secondary Front*</b>	
<b>First Story</b>	10 feet
<b>Second Story</b>	13 feet
<b>Side</b>	

<b>First Story</b>	No less than 4 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the setbacks to be at least 10 feet from the side property lines.
<b>Second Story*</b>	No less than 11.5 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the second story setback to be at least 17.5 feet from the side property lines.
<b>Rear</b>	No less than 4 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the rear setback to be at least 10 feet from the rear property line.

- b. No architectural features (i.e. cantilevers, bay windows, and/or any other architectural projections) shall be allowed within the side and rear required setback areas except for 12-inch maximum eaves with four-inch maximum gutters.
- c. Notwithstanding these rules, the applicant shall be allowed to construct within the dimensions of an existing legal building.

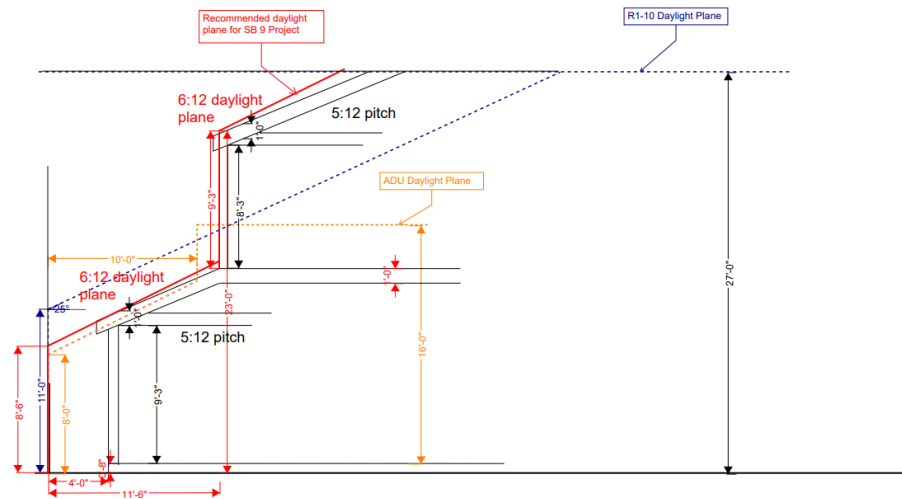
\*Unless a housing development project allowed under SB 9 is precluded.

**G. Height of Structures**

No structure shall exceed two stories or twenty-seven (27) feet in height from the natural grade. On flag lots the height of structures shall be limited to one story and twenty (20) feet in height. Basements shall not be considered a story. When the lot coverage exceeds or is proposed to exceed thirty (30) percent, the maximum height of structures shall be twenty (20) feet.

**H. Daylight Plane**

- a. No portion of any residential units shall extend above or beyond a daylight plane as follows unless a housing development project allowed under SB9 is precluded.
- b. The daylight plane starts at a height of eight feet and six inches (8'-6") at the property line and proceeds inward at 6:12 slope. At eleven feet and six



The daylight plane starts at a height of eight feet and six inches (8'-6") at the property line and proceeds inward at 6:12 slope. At eleven feet and six inches from the property line, the daylight plane increase to twenty three feet (23') and proceeds inward at 6:12 slope. All appurtenances, including chimneys, vents and antennas, shall be within the daylight plane. The daylight plane is not applied to a side or rear property line when it abuts a public alley or public street. However, the daylight plane shall not be enforced if it prohibits two single-family units with 4-foot rear and side-yard setbacks and 800 square feet each in floor area .

## I. Basements.

Basements shall be regulated as follows:

- a. Basements shall not extend beyond the floor area of the first floor of the main or accessory structure above;
- b. Light wells, ingress and egress wells, patio wells, and other similar elements shall not be permitted within a required setback yards.
- c. Light wells, ingress and egress wells, patio wells, and other similar elements shall utilize vertical retaining walls. Contour graded slopes, which expose the basement as a story, are prohibited.
- d. Light wells, ingress and egress wells, patio wells, and other similar elements shall be at least seventy-five (75) percent open in area to light and air above.

## J. Outdoor kitchen, barbeques, fireplaces and swimming pools.

Outdoor kitchen barbeques, fireplaces, and swimming pools shall be subject to zoning standards of the underlying zoning district.

**K. Parking.**

- a. One covered parking for each unit with minimum dimensions of nine (9) feet in width and eighteen (18) feet in depth is required. Uncovered parking shall be allowed only to the extent necessary to facilitate the construction of two units that each is 800 square feet in size.
- b. No parking is required in either of the following instances:
  - 1) The subject parcel is located within one-half mile walking distance of either a high-quality transit corridor or a major transit stop.
  - 2) A car share vehicle program is located within one block of the parcel.

**L. Signs.**

Signs shall be subject to zoning standards of the underlying zoning district.

**M. Fences.**

Fences shall be subject to zoning standards of the underlying zoning district.

**N. Nonconforming use regulations**

Corrections on nonconforming zoning conditions shall not be required for the ministerial approval of a parcel map application for the creation of a lot split pursuant to SB 9.

**O. Accessory Structures.**

Accessory structures shall be subject to zoning standards of the underlying zoning district.

**3. SB 9 – Objective Design Standards****A. Plate Heights.**

- a. Plate height is limited to 9'-3" for the first floor except for an entry porch may have a maximum plate height of 12' and a garage may have a maximum plate height of 10'.
- b. Plate height is limited to 8'-3" for the second floor.

**B. Second Floor Windows.**

Second floor windows shall be regulated as follows:

- a. On elevations that are facing interior side property lines, a minimum sill height of 4'-6" is required for all second-floor windows.
- b. On elevations that are facing rear property lines adjacent to a neighboring property, a minimum sill height of the California Building Code (CBC) minimum required sill height for egress or light and ventilation shall be provided.

- c. For any windows within ten feet of rear or interior side property lines adjacent to a neighboring property, the maximum second story window size shall be no larger than the CBC minimum required size.

### **C. Balcony and Rooftop Deck.**

Balconies and rooftop decks shall be regulated as follows:

- a. Balconies and/or roof decks are prohibited when facing interior side yards and rear yard adjacent to a neighboring property.
- b. A balcony or a roof deck is allowed only on front elevations facing public and private streets; and a minimum of twenty-five (25) feet side setback shall be provided from the side property lines to the edge of the balcony or roof deck.
- c. The maximum depth for any balconies and rooftop decks shall be four (4) feet.
- d. The maximum size for any balconies and rooftop decks shall be 25 square feet.
- e. Screening devices shall include solid railing walls instead of open railings, and latticework above the required railing height to obscure sight lines from a balcony or a roof deck.

### **D. Screening Vegetation.**

Screening vegetation shall be regulated as follows:

- a. Screening vegetation is required in either of the following situations:
  - 1) Within lines of sight for any proposed balcony and roof deck projected to any side property line, screening vegetation shall be planted.
  - 2) Within lines of sight from each jamb of any windows with a sill height of less than 4'-6" at second floor, screening vegetations shall be planted.
- b. Any required screening vegetation shall be evergreen species reaching to fifteen feet through twenty feet in height at their mature age with permanent irrigation and shall be maintained for the life of the project.
- c. At least twenty-four-inch (24-inch) box screening vegetation shall be planted prior to occupancy of the residence.

### **E. Landscaping**

Onsite landscaping shall be regulated as follows:

- a. Trees selected from the [Street Tree Planting List](#) are required to be planted on site following the standards below:

- 1) For lots five thousand (5,000) square feet in size or greater, at least two, Category II trees shall be planted with at least one, Category II tree planted in the front yard. For each additional five thousand (5,000) square-foot lot size, one more Category II tree shall be planted onsite.
  - 2) For lots with less than five thousand (5,000) square feet in size, at least one, Category II tree or two Category III trees shall be planted onsite.
  - 3) If there are existing trees onsite, an arborist report, prepared by an ISA certified arborist, may be required to determine the equivalent value of existing trees compared to the Street Tree Planting List.
- b. Water Efficiency Landscape Ordinance (WELO) and its submittal requirements apply to the following projects:
- 1) New construction projects with new or rebuilt landscape areas that exceed five hundred (500) square feet.
  - 2) Remodels and/or additions to existing single-family houses with new or rebuilt landscape areas that exceed two thousand and five hundred (2,500) square feet.

**F. Construction Materials and Colors.**

All construction materials shall be long-term (30 years) durability and appearance, as per manufacture's specifications. Specifically, the construction materials shall be subject to the following:

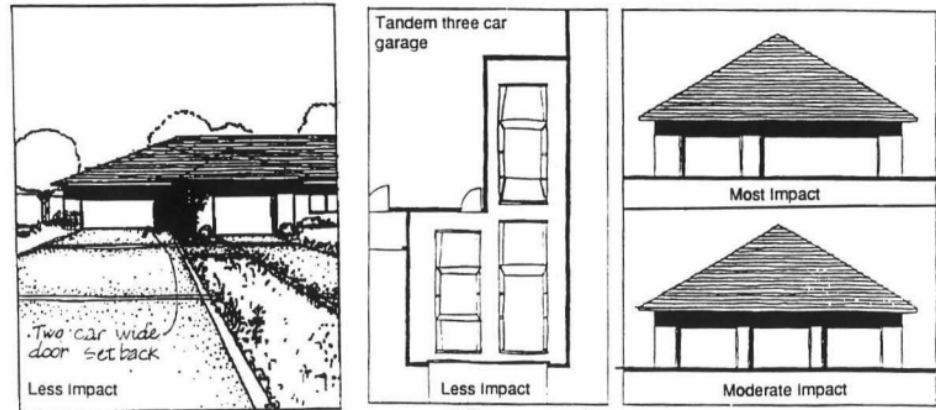
- a. Foam trim with a painted stucco finish is prohibited throughout the structure(s).
- b. Mixing roof materials and colors are not allowed except for curved dormers and shed roof structures.
- c. Exterior finish including wainscoting used for one structure shall be no greater than three different materials. Each material may be a different color, but every part of exterior finish comprised of a single material shall be a single color.
- d. Window and door trims shall be limited to one material and one color. The material and color shall be the same for both windows and door trims.
- e. Architectural detailing shall be incorporated such as window and door trim, belly bands, cornices, shutters, column accents to the entry porch, and railings in an integrated composition.

**G. Site and Building Design.**

The site and building design shall be subject to the following standards to create visual variety and avoid a large-scale appearance:

- a. Driveway shall be designed per the following standards:
  - 1) Each property is prohibited from more than one curb cut or driveway accessing a street unless the subject site is fronting a City's Arterial or Collector road.
  - 2) A curb cut or driveway width connecting to a public or private street shall be no greater than twenty-two (22) feet.
  - 3) For corner lots, driveway connections shall be at least thirty (30) feet from the intersecting corner property lines at the street intersection.
  - 4) If the project impacts a street shoulder, then it shall be improved accordingly per City's Street Shoulder Improvement Policy.
- b. Façade articulation shall be provided with at least six corners on the first floor.
- c. Building entrances shall have a roofed projection (such as a porch) or recess with a minimum depth of at least five feet and a minimum horizontal area of thirty (30) square feet. Any corners within the building entrances shall not count as part of the corners as required above.
- d. Downspout shall be painted to match or accent the exterior finish color.
- e. Attached garage shall be subject to the following standards:
  - 1) Attached garage shall be recessed at least one foot from the front elevation wall plane of the residence.
  - 2) When a three-car attached garage is proposed, visual impact shall be reduced by, (i) using a tandem parking layout inside a two-car-wide garage; (ii) using three single-car-wide garage doors instead of a double and a single garage door; or (iii) setting back one of the doors from the others.





- f. Windows and doors shall either be trimmed or recessed.
- 1) When trimmed, the trim material shall not be less than 3.5" in width by 3/4" in depth when protruding from the wall.
  - 2) When recessed, the building primary siding material shall cover the recessed edge faces and wrap toward the interior face of the window glazing or door face by not less than 2 inches in depth.
- g. The design of roof shall be regulated as follows:
- 1) No more than two types of roof forms shall be used.
  - 2) No more than two roof pitches shall be used.
- h. First floor finished elevation shall be no more than twenty-two (22) inches above existing natural grade on a non-hillside lot. In a flood zone or flood way, the first-floor level may be set at the minimum allowed above grade to meet code requirements.
- i. For a hillside property, a stepped foundation is required where the average slope beneath the proposed structure is 10% or greater.
- j. No mechanical equipment shall be located in any required side and rear yards. The placement and operation of the mechanical equipment must be consistent with the City's Noise Ordinance.
- k. No exterior staircases above grade shall be allowed.
- l. Except for pathway lighting, outdoor lighting fixtures shall be downward facing and fully shielded or recessed.
- m. All new utility services and relocated existing utility services are placed underground pursuant to Chapter 12.68 of Municipal Code.

**APPENDIX 2**  
**STANDARDS ADOPTED PURSUANT TO SB 9 AS**  
**APPENDIX D-2 TO THE SFRDG**

- 1) **Objective Zoning/Subdivision/Design Standards.** SB 9 authorizes the City to impose objective zoning standards, objective subdivision standards, and objective design review standards applicable to structures and parcels created by an urban lot split that do not conflict with SB 9 or preclude the construction of two 800 square foot minimum primary dwelling units. Accordingly, all such existing objective City standards shall apply to SB 9 projects, in addition to any additional objective standards that the City may adopt.
- 2) **Maximum Units and Lots.** The City shall not approve more residential dwelling units or lots for any SB 9 project than required under state law, as set forth in Appendix 3 of City Council Resolution No. 21-\_\_.
- 3) **Parking.** SB 9 allows the City to choose to require parking consistent with the terms thereof. Accordingly, the City shall require off-street parking of one space per unit, unless the lot is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code, or unless there is a car share vehicle located within one block of the parcel.
- 4) **Setbacks.** SB 9 allows the City to choose to require setbacks consistent with the terms thereof. Accordingly, the City shall require setbacks of not less than four feet from the side and rear lot lines in all SB 9 projects, except as otherwise specified in SB 9.
- 5) **Applicant Residency; Short-Term Rental.** SB 9 requires every applicant for a ministerial lot split to provide an affidavit confirming that the applicant intends to reside in one of the SB 9 units for three years. The City shall enforce this requirement. No units created under SB 9 shall be used for short-term rental.
- 6) **Impact/Development Fees.** Applicants for SB 9 projects shall pay all applicable development impact fees imposed by the City.
- 7) **Historic Properties.** An SB 9 project may not be located at a property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or at a site that is designated by the City as a historic landmark or listed in the City's historic resource inventory, pursuant to Los Altos Municipal Code Chapter 12.44.
- 8) **Unavoidable Adverse Impacts.** SB 9 authorizes the Building Official to deny a project upon written findings, based on a preponderance of evidence, that the project will have a specific, adverse impact upon public health and safety or the physical environment for which there is no feasible method to mitigate or avoid. The Building Official shall assess every SB 9 application for

such unavoidable adverse impacts and shall, in consultation with the City Attorney, deny a project if an unavoidable adverse impact is identified. For greater clarity, a project would have a specific, adverse impact on the physical environment if it would have an unavoidable impact on historic resources, as defined in CEQA Guidelines Section 15064.5

**APPENDIX 3**  
**INTERPRETIVE GUIDANCE DOCUMENT**

SB 9 applies in “single-family residential zones.” The term “single-family residential zone” as used in Government Code Sections 65852.21(a) and 66411.7(a)(3)(A) is not defined. Within the City of Los Altos, the term “single-family residential zone” shall be construed to mean an R1 zoning designation.

SB 9 allows for ministerial approval of certain “new” residential dwelling units. The term “new unit” as used in Government Code Section 65852.21(i)(1) is not defined, but provisions of SB 9 appear to assume that a new residential dwelling unit could include a reconstructed residential dwelling unit. Therefore, the term “new unit,” as used in SB 9, shall be construed to mean any of the following:

- (1) A new residential dwelling unit (other than an accessory dwelling unit)<sup>1</sup> proposed to be constructed on previously vacant ground;
- (2) A new residential dwelling unit (other than an accessory dwelling unit) constructed in place of a demolished residential dwelling unit;<sup>2</sup>
- (3) A residential dwelling unit (other than an accessory dwelling unit) reconstructed to the substantial equivalence of new.

As used above, a residential dwelling unit is reconstructed to the “substantial equivalence of new” if any of the following three sets of criteria apply:

- (1) The residential dwelling unit is stripped to the studs and/or foundation and reconstructed;
- (2) A substantial remodel is proposed in connection with a substantial addition so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
  - a. An addition is proposed to an existing residential dwelling unit equal to or greater in size than 50% of the floor area of the existing residential dwelling unit (excluding garages, accessory dwelling units, other accessory structures, crawl spaces, unfinished attics, and basement floor areas);

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<sup>1</sup> Reference to accessory dwelling units here is not meant to exclude construction of such units as allowed under Government Code Sections 65852.2 and 65852.22. Rather, the intent here is merely to define the term “new unit” for purposes of Section 65852.21(i)(1).

<sup>2</sup> Nothing herein is intended to exempt an applicant from the requirements of Government Code Section 65852.21(a)(3)-(5).

- b. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing roof will be demolished, repaired, or replaced, and the entire roof covering will be replaced;
  - c. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing façade will be demolished, repaired, or replaced, the entire façade will be repainted or otherwise resurfaced, and the entire façade for the residential dwelling unit in its completed condition is designed to match;
  - d. All existing floor coverings and plumbing fixtures will be removed and, as applicable, replaced;
  - e. Sprinklers will be installed if not already provided;
  - f. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of existing drywall or other wall coverings will be demolished, repaired, or replaced, and all retained wall covering will be repainted or otherwise resurfaced; and
  - g. All exterior doors and windows will be replaced.
- (3) All the major systems of the home are repaired or replaced so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
- a. All existing plumbing, electrical, and HVAC systems will be replaced or rehabilitated consistent with modern building standards to ensure an estimated remaining physical life of at least 50 years for plumbing and electrical systems and 20 years for HVAC systems; and
  - b. The circumstances described in Item Nos. 2(b) to 2(g) apply.

For greater clarity, a lot developed under SB 9 may contain no more than four total residential dwelling units. These shall be limited to the following:

- (1) On a lot that is not split pursuant to Government Code Section 66411.7 and for which an existing primary residential dwelling unit is retained: one existing primary residential dwelling unit, one new primary residential dwelling unit, one accessory dwelling unit, and one junior accessory dwelling unit, for four units in total.
- (2) On a lot that is not split pursuant to Government Code Section 66411.7 and for which an existing primary dwelling unit does not exist or is demolished or reconstructed: two new primary residential dwelling units, one accessory dwelling unit, and one junior accessory dwelling unit, for four units in total.
- (3) On a lot that is split pursuant to Government Code section 66411.7: not more than two existing primary and/or accessory residential dwelling units (including junior accessory dwelling units) per newly created lot and not more than two new primary residential dwelling units per newly created lot, for an ultimate total of not more than two residential

dwelling units per newly created lot and four residential dwelling units total. In lieu of two new primary residential dwelling units, an applicant may propose one new primary residential dwelling unit together with either a new accessory dwelling unit or a new junior accessory dwelling unit, provided that the applicant submits a written statement with the application for the housing development project indicating the applicant's understanding that providing the accessory dwelling unit or junior accessory dwelling unit will prevent the applicant from constructing a second primary residential dwelling unit. It is the intent of this provision that not more than four units may be constructed per original lot.



## **PUBLIC CORRESPONDENCE**

The following is public correspondence received by the City Clerk's Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email [PublicComment@losaltosca.gov](mailto:PublicComment@losaltosca.gov)

**From:** [Andrea Chelemengos](#)  
**To:** [Public Comment](#)  
**Subject:** FW: FW: 127 Avalon-Double Front Lot Comment  
**Date:** Tuesday, December 7, 2021 12:02:06 PM

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**From:** Monica Waldman [REDACTED]  
**Sent:** Tuesday, December 7, 2021 10:50 AM  
**To:** Guido Persicone <[gpersicone@losaltosca.gov](mailto:gpersicone@losaltosca.gov)>  
**Subject:** Re: FW: 127 Avalon-Double Front Lot Comment

Has the City envisioned what to do with double front lots in regards to ADUs and SB9 on double front lots? I live on Solana, a street with homes only on one side of the street facing the backside of the houses in the street next door. We are concerned that homes on N. Avalon will create driveway and house fronts onto our street.

Thank you,  
monica

|



**From:** [Bill Hough](#)  
**To:** [City Council](#); [Public Comment](#)  
**Cc:** [Andrea Chelemengos](#)  
**Subject:** public comment in item 11 on December 14 agenda  
**Date:** Sunday, December 12, 2021 10:03:27 AM

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I oppose all efforts to apply SB9 where it is not required by State law. SB9 is obnoxious legislation and should be enforced as narrowly as possible to avoid the city getting into legal trouble. Anything beyond the bare minimum must be avoided.

Specifically, do not include tear-downs and major rebuilds under SB9 design rules. These should not be included because neighbors and Staff have will have no say as to what gets built.

Do the least amount necessary to comply with the letter of the law. Do not include these two remodel categories since it is not in the best interest of residents.

## OBJECTIVE STANDARDS ITEM # 11 DEC 14 Council Meeting

Dear Council Members

It is very undesirable and not required by SB9 to include remodels of single-family houses in the Objective Standards you are discussing at the Council meeting of Dec. 14, 2021

It appears that Council wants to apply SB9 where there is no lot split, where there is no second house on an existing lot. Of course, this means applying SB9 where SB9 is not required by State law. By declaring tear-downs and major remodels as SB9 eligible, those will be allowed to use the now-being-developed objective standards with no discretionary input from City Staff and zero consideration of the adjoining neighbors or neighborhood.

Please do not consider this.

I have read SB9 many times and I urge you to save property owners and resident's rights to the zoning codes that exist today, that allow keeping the character of our neighborhoods. This includes privacy, set backs and more control of the look and feel of our town.

Sincerely

Roberta Phillips



**From:** [Duane Wong](#)  
**To:** [Public Comment](#)  
**Cc:** [Duane Wong](#); [Lillian Lee](#)  
**Subject:** Safety Concerns and Planning Considerations under SB9 and SDU on Solana Drive Cul-de-sac Block  
**Date:** Monday, December 13, 2021 9:58:33 AM

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Dear Los Altos City Council Members:

My name is Duane Wong. I have been residing with my wife, Lillian Lee, and two young daughters at 133 Solana Drive in Los Altos since June 2000. It is a cul-de-sac block with addresses from 41 to 189 Solana Drive. This Solana cul-de-sac block is a narrow street with houses that face the back fences of houses facing an adjacent North Avalon street.

We have grave safety concerns in the planning considerations under SB9 and SDU. Specifically, allowing gates or a driveway on the back fences of the North Avalon homes will enable North Avalon Home and SDU to dramatically increase North Avalon Home's parking footprints and traffic congestions on the Solana Drive Cul-de-sac block. This would pose a grave safety issue with problematic traffic congestions for the Solana Cul-de-Sac block as it would be difficult for garbage trucks, delivery trucks, fire trucks, and emergency vehicles to get through on this narrow cul-de-sac Solana block.

We have witnessed on a number of occasions when construction crews had parked on both sides of the narrow Solana Cul-de-dac block with resulting safety issues and problematic traffic congestions. Trucks were not able to use any driveway or at the end of Cul-de-sac to back out to turn around, as cars parked along the back fence blocked access to do so. The trucks had to back out on the street which poses safety issues if any emergency vehicle had to get through at that moment. If there were a fire on the Solana Cul-de-sac block, the increased traffic and car density from the N. Avalon parking footprints would create a tremendously dangerous and life threatening situation, with Fire Trucks not being able to freely get to the homes on fire, on a dead end narrow street.

For these safety issues and problematic traffic congestions considerations, We respectfully request that you place restrictions on allowing a driveway or a gate on the back fence, of each lot of the North Avalon Homes, on the Solana Cul-de-sac Block.

Sincerely,

Duane Wong and

Lillian Lee

**From:** [Peter Mills](#)  
**To:** [Public Comment](#)  
**Subject:** Public comment on small narrow, dead end streets and SB-9 subdividing  
**Date:** Monday, December 13, 2021 10:05:42 AM

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Public Comment to Los Altos City Council:

I live on the south end of Solana Dr., a narrow dead end street with houses on the east side, but just a hedge and back fences on the west side. The fences are the rear lot fences for houses on North Avalon. I am writing to the council to consider an important consequence of SB-9 and ask that you incorporate these ideas into the city's ordinances. There are three streets (that I know of) that have the same condition, and the council should implement an ordinance before there are disagreements between neighbors based on someone building houses or ADUs as a result of SB-9. These streets are Solana Dr. (south of Almond Ave.), Westminster Lane, and Yerba Santa Ave. (west of Los Altos Ave.).

1. If SB9 allows subdividing lots on the east side of North Avalon between Edith and Almond, or on the south side of Raquel Lane east of Hacienda Way and backing onto Yerba Santa Ave., or on the east side of Los Altos Ave. south of West Portola that back onto Westminster Lane, the city should require access for both lots and any ADUS be from the current street where the current house has access, with no access on Solana Dr. or Yerba Santa Ave. or Westminster Lane. These three streets are too narrow to give emergency vehicles easy and uninhibited access when there is parking on both sides of the street, along with delivery vehicles, garbage trucks, and construction vehicles.
2. ADUs and subdivision are for the convenience and financial benefit of the owners on N. Avalon, Los Altos Ave., and Raquel Lane and they should not be allowed to inconvenience residents of the small narrow streets of Solana Dr., Westminster Lane, and Yerba Santa Ave. and cause additional congestion and impede emergency vehicles for these residents. The downside of additional density should be born by the homeowners who build the additional density, not by the residents of these small streets.
3. Gates in back fences between green bushes means egress is a hazard for cars and pedestrians.
4. Garbage trucks and other large vehicles have a difficult time turning around at the end of the cul-de-sac right now. Any additional parking will make this even more difficult and lead to damage to parked cars.
5. What is now one house with two cars could become four houses with eight or more cars. Parking and traffic and emergency access on these small streets would be a disaster.

If you have any doubts about the importance of this issue, please call me and I would be happy to walk these streets with you so you can see first hand how important such an ordinance would be. If there are other, similar narrow, "one-sided" streets in Los Altos, they should be included in the ordinance as well.

Sincerely,

Peter Mills

105 Solana Dr.





**DISCUSSION ITEM**  
**AGENDA ITEM # 12**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** Agenda Item # 12 removed from the agenda

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**Item removed from the agenda and will not be considered/discussed at this meeting.**

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City Manager

*CJ*

**Reviewed By:**

City Attorney

*JH*

Finance Director

*SE*

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**DISCUSSION ITEM**

**Agenda Item # 13**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021  
**Subject:** American Rescue Plan Act Expenditures  
**Prepared by:** Jon Maginot, Deputy City Manager  
**Approved by:** Gabriel Engeland, City Manager  
**Attachment(s):** None

**Initiated by:**  
City Council

**Previous Council Consideration:**  
September 21, 2021

**Fiscal Impact:**

The City of Los Altos received a funding allocation of \$7,197,928 in American Rescue Plan Act dollars. The first payment equal to one half of the City of Los Altos' allocation in the amount of \$3,598,964 was received by the City in mid-July 2021 and a second payment of \$3,598,964 will be received in July 2022. Upon receipt of the first payment, these funds were placed in the City's General Fund as lost revenue replacement. A preliminary calculation using the Department of Treasury formula showed that the City lost approximately \$5.7 million in revenue during 2020 and will have lost approximately \$6.1 million of additional revenue during 2021.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to identify projects or programs which can be funded using American Rescue Plan Act dollars?

**Summary:**

- The City will receive approximately \$7.2 million dollars in two payments as part of the American Rescue Plan Act (ARPA)
- The expected revenue loss to the City in 2020 and 2021 is estimated at \$11.8 million dollars
- On September 21, 2021, the City Council accepted the deposit of ARPA dollars into the City's General Fund
- A portion of ARPA dollars have already been identified as needed to "balance" the City's budget and another portion has been identified by Council to be used for specific uses

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City Manager

*GE*

**Reviewed**

City Attorney

*JH*

Finance Director

*JE*

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**Subject:** American Rescue Plan Act Expenditures

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**Staff Recommendation:**

Discuss potential uses of the American Rescue Plan Act dollars and provide direction to staff as necessary



**Subject:** American Rescue Plan Act Expenditures

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### **Purpose**

For the Council to discuss potential uses of American Rescue Plan Act dollars and to provide direction to staff as necessary

### **Background**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden. ARPA includes funds for each city in the Country, including Los Altos. The City has received a funding allocation of \$7,197,928. The first payment equal to one half of the City of Los Altos' allocation in the amount of \$3,598,964 was received by the City in mid-July 2021 and it is anticipated that the City will receive the second payment in mid-July 2022.

On September 21, 2021, the City Council received a presentation on the receipt of ARPA funds and accepted the deposit of the entirety of ARPA dollars into the City's General Fund as lost revenue replacement. At that meeting, Council requested a future agenda item to discuss how to use ARPA funds.

### **Discussion/Analysis**

As previously reported, there are a number of eligible uses for ARPA funds. As the City previously indicated, since the City has identified ARPA funds as lost revenue replacement, the funds received from ARPA can be used to cover most General Fund expenditures.

In response to the COVID-19 pandemic, the City made a number of expenditures for hand sanitizer, masks, air purifiers, additional cleaning and other needed supplies. ARPA funds can be used for these expenditures. This amounted to \$151,730.

The FY 2021/22 – 2022/23 Budget identified the need to use a portion of ARPA funds to make up for lost revenue and “balance” the budget. In addition, as part of the budget process, Council directed staff to include additional funds for several local non-profits. These funds are in addition to General Fund dollars normally contributed to these organizations:

- WOMENSV: \$20,000
- History Museum: \$10,000
- CSA: \$35,000

Staff also recommends the City use \$60,000 of ARPA funds for contributions to the Chamber of Commerce for the promotion of Los Altos businesses. The City provided \$60,000 in funding for the Chamber to support and market local businesses in 2019 and 2020. The Chamber had anticipated receiving these funds in 2021, however, they were not included in the adopted budget.





**Subject:** American Rescue Plan Act Expenditures

Staff further recommends the City use \$350,000 of ARPA funds to implement a new Financial Enterprise system. In 2019, the City began implementation of a new Financial Enterprise system from Central Square. After two plus years, and despite staff's best efforts, it is apparent that the system the City purchased does not meet the needs of the City and a new system is needed.

A breakdown of ARPA funds for FY 2021/22 is below.

<b>ARPA Funds Received</b>	<b>\$3,598,964</b>
Amount used to balance the budget	\$2,680,735
COVID-19 Response	\$151,730
ARPA Funds expended	\$65,000
Chamber of Commerce contribution	\$60,000
New Financial Enterprise system	\$350,000
<b>Remaining Funds</b>	<b>\$291,499</b>

As indicated, the City has approximately \$291,500 of ARPA funds that were not included in the current fiscal year budget or being recommended for specific uses. As these funds have been transferred to the General Fund as lost revenue replacement, they can be used for almost any purpose.

As the City approaches the FY 2021/22 mid-year financial revenue (to occur during the first quarter of 2022), Staff will be able to provide more accurate revenue and expenditure projections. There is a distinct possibility that additional ARPA funds will be needed to ensure that the budget remains balanced. There are several funds which staff has identified as being unbudgeted for coming fiscal years, including:

	<b>Amount Unbudgeted</b>
Dental Fund	\$95,000
Storm Drain Fund	\$24,00
Liability Insurance Fund	\$600,000
Equipment Replacement Fund	\$375,000
<b>Total</b>	<b>\$1,094,000</b>

Staff is not recommending ARPA dollars be transferred to these funds at this time. Rather, this information is provided to highlight the potential for future budgetary needs.

As discussed during the FY 2021/22 budget process, there are a number of projects and programs facing the City for which ARPA funds could be used. Potential uses that could address City priorities include:



**Subject:** American Rescue Plan Act Expenditures

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- Infrastructure improvements – The City has a goal to improve the overall Pavement Condition Index (PCI) of the City and is currently supplementing improvements to City streets using General Fund dollars. A portion of the ARPA funds could be used to free up some of these dollars for other uses. The FY 2021/22 CIP includes \$1.4 million in General Fund dollars for street resurfacing.
- Local business support – At the start of the COVID-19 pandemic, the City provided General Fund dollars as small business grants to local businesses. The City could use a portion of the ARPA funds to do a second grant program. In addition, ARPA funds could be used for improvements to business districts or to implement the Downtown Parklet Program. The City contributed \$250,000 towards small business grants at the beginning of the COVID-19 pandemic.
- Local non-profit assistance – As noted above, throughout the COVID-19 pandemic, the City has provided funding to local non-profits. Additional ARPA funds could be used to provide additional funding to organizations which serve the community such as CSA or CHAC.
- Other capital projects – There are a number of projects in the City’s Capital Improvement Program (CIP) that are priorities for the City to complete and could be funded using ARPA dollars. Generally allowable uses of ARPA funds include investments in water and sewer infrastructure.

Should Council wish to identify specific projects or programs for a portion of the remaining ARPA funds, staff will include these projects and programs in the report on the use of ARPA funds. Should Council not identify additional projects or programs, staff will identify eligible uses for the funds in the report.

#### Ineligible uses of ARPA

The ARPA prohibits recipients from using the funds for deposit into a pension fund. Other ineligible uses include contributions to rainy day funds, payments on outstanding debt, and fees or issuance costs of new debt.

#### **Recommendation**

The staff recommends Council discuss potential uses of American Rescue Plan Act dollars. Should Council identify projects or programs for which American Rescue Plan Act dollars can be used, Council should provide direction to staff to implement those projects and programs.



## **PUBLIC CORRESPONDENCE**

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American Rescue Plan Act Expenditures Item #11 Nov 30 Council Meeting

Dear Council Members

I wish there was a pot of gold at the end of the rainbow.

All funds that are not restricted go into the General Fund. There is no magic pot of money. It is premature to discuss where to spend the money before you receive a report from staff letting you know where we stand financially. We know that our expenditures far exceed our revenues. You have over 60 CIP projects that have already been identified. Before you spend any American Rescue Plan funds, please look at the CIP and decide for example, if you want to pave the roads, fix the sidewalks, address the Grant Park facility electrical and kitchen projects, purchase police cars or any of the fifty some odd projects that need your attention. You might want to add to staff or police services as you have six positions frozen and low morale. You have an obligation to the residents of Los Altos to use common sense, knowing there are tradeoffs. You need to take care of City Business first. I know I don't need to remind you of your fiduciary responsibilities. I am confident that you will be looking at what the city needs, not what would be icing on the cake or pet projects.

Good Government is paramount.

American Rescue Plan Act Expenditures Item # 13 Dec 14,2021 Council Meeting

Dear Council Members

The past eighteen months have brought many challenges to the city and its residents. We are fortunate to have received the American Rescue Plan monies because it is helping balance the budget.

The two hundred and ninety-one dollars identified in the staff report would be wisely spent on Infrastructure and CIP projects already identified as priorities. Core needs must come first. We all know that an electrical upgrade is needed at the Grant Park facility, before a kitchen or air conditioning can be made available. Police and City vehicles need replacement. Our roads and sidewalks need to be repaired.

Unfortunately, I have heard rumors that Council is considering spending the money on a feasibility study for the Los Altos Stage Company. I hope this is not true. The city has over 60 CIP projects that you identified as priorities.

I hope that you will not make a decision until you receive the staff reports on the budget and CIP projects so that this money can be put in context with all the other city needs. Surely you can wait a few weeks, until Staff can get this information to you and the community. If you do make a decision, I hope it will be on infrastructure projects or CIP projects .

Sincerely

Roberta Phillips



**From:** [Couture, Terri](#)  
**To:** [Public Comment](#)  
**Subject:** Public comment Agenda item #13  
**Date:** Sunday, December 12, 2021 1:03:24 PM

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Dear City Council

The City Council approved their priorities for 2021-2023 at their meeting July 13, 2021.

One of the highest priorities was Fiscal Sustainability. With the rescue package you must make sure to use the utmost care and be responsible stewards of this money. The council must delegate it wisely. Any funds not used for the dire shortfalls in the budget, should be used for the CIP.

There are no "funds to play with" and every last dollar is hard earned money that the tax payers paid.

The City Council of Los Altos needs to keep their promise to the citizens of Los Altos.

Sincerely

Terri Couture

**\*Wire Fraud is Real\*. Before wiring any money, call the intended recipient at a number you know is valid to confirm the instructions.** Additionally, please note that the sender does not have authority to bind a party to a real estate contract via written or verbal communication.



**DISCUSSION ITEM**

**Agenda Item # 14**

**AGENDA REPORT SUMMARY**

**Meeting Date:** December 14, 2021

**Subject:** Quarterly Review of Tentative Council Calendar

**Prepared by:** Andrea Chelemengos, City Clerk

**Reviewed by:** Jon Maginot, Deputy City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Tentative Council Calendar dated December 6, 2021

**Initiated by:**

City Council Norms and Procedures

**Previous Council Consideration:**

April 27, 2021

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to make any changes to the Tentative Council Calendar?

**Summary:**

Section 10.8 of the Los Altos City Council Norms and Procedures requires the Tentative Council Calendar to be brought to the City Council each quarter, as a Discussion Item for Council's review, discussion, and possible action. At this time, Councilmembers may request new items be added with the required support from other Councilmembers depending on whether a staff report is required. The Councilmember requesting the item shall state the topic and which Council priority the request aligns to. Council and staff shall agree as to where the new item shall be placed on the Tentative Council Calendar.

Since the Tentative Council Calendar is listed as an informational item on every agenda and each agenda has a section which Council members per the criteria describe above can add agenda items, the Tentative Council Calendar is ever changing.

**Staff Recommendation:**

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City Manager

*GE*

**Reviewed By:**

City Attorney

*JH*

Finance Director

*JE*

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**Subject:** Quarterly Review of Tentative Council Calendar

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Review, discuss and provide direction to staff relative to the Council Tentative Calendar.





City of Los Altos Tentative Council Agenda Calendar  
**December 13, 2021**

All items and dates are tentative and subject to change unless a specific date has been noticed for a legally required Public Hearing. Items may be added or removed from the shown date at any time and for any reason prior to the publication of the agenda eight days prior to the next Council meeting.

Date	Agenda Item (Date identified by Council)	Agenda Section (Consent, Discussion Item - note in red if Public Hearing)	Dept.
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**All 2022 Meeting Dates are tentative pending Council adoption of 2022 City Council Meeting schedule**

January 11, 2022	STUDY SESSION ) <i>joint with PC 330 Distel (1.5 hours)</i>		
	REGULAR COUNCIL MEETING CAFR and Year End		
	Dog Park Options		JChew
January 25, 2022	REGULAR COUNCIL MEETING		
February 8, 2022	REGULAR COUNCIL MEETING		
February 22, 2022	REGULAR COUNCIL MEETING Budget CIP review		
March 1, 2022	SPECIAL MEETING -- COMMISSION INTERVIEWS		
March 8, 2021	REGULAR COUNCIL MEETING		
March 22, 2022	REGULAR COUNCIL MEETING		
April 12, 2022	REGULAR COUNCIL MEETING		
April 26, 2022	REGULAR COUNCIL MEETING		
May 3, 2022	Joint Meeting w/Commissions		
May 10, 2022	REGULAR COUNCIL MEETING		

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	3rd Quarter Report		
May 24, 2022	REGULAR COUNCIL MEETING		
June 14, 2022	REGULAR COUNCIL MEETING		
	Adopt Resolution No. 2022-XX approving the Report of Sewer Service Charges and directing the Filing of Charges for Collection by the Tax Collector	2 Printed Public Hearing - - not less than 10 days - published once a week for two consecutive weeks	
June 28, 2022	REGULAR COUNCIL MEETING		
July 12, 2022	REGULAR COUNCIL MEETING		
August 23, 2022	REGULAR COUNCIL MEETING		
August 30, 2022	Commission Interviews		
September 6, 2022	REGULAR COUNCIL MEETING		
September 20, 2022	REGULAR COUNCIL MEETING		
	Year End tentative report – September (if needed)		
October 11, 2022	REGULAR COUNCIL MEETING		
October 25, 2022	REGULAR COUNCIL MEETING		
November 1, 2022	Joint w/Commissions		
November 15, 2022 in place of 11.08.2022* Election Day	REGULAR COUNCIL MEETING		
	1st Quarter report FY 2021/2022		
November 29, 2022	REGULAR COUNCIL MEETING		
December 6, 2022	REGULAR COUNCIL MEETING		
	CAFR and Year End – 1st meeting December		
December 13, 2022	SPECIAL COUNCIL MEETING - Reorg		

**Future Agenda Topics To Be Scheduled....**

<b>Park in-Lieu Fee Update:</b> Adopt Resolution No. 2021-56 of the City Council of the City of Los Altos modifying Park in-Lieu Fee on the FY 2021/22 Fee Schedule for the City of Los Altos. Continued from the meeting of November 9, 2021. (J. Sandoval)		
<b>El Camino Bike Lanes:</b> Consider and approve Class IIB - Buffered Bicycle Lane Installation on El Camino Real – City Limits between Adobe Creek and ~500-FT South of Rengstorff Avenue as part of Caltrans Street Resurfacing Improvements scheduled for Summer 2022; and find the work categorically exempt from review under the California Environmental Quality Act (“CEQA”) per CEQA Guidelines Exemption. (M. Lee)		
Discuss ARPA Funds allocation		
<b>STUDY SESSION</b> for Community Center Operational Implementation Plan		
<b>Study Session - Community Center post construction review (Tent.)</b>		
<b>STUDY SESSION - Maintenance of Tree Canopy</b>		
Presentation of Proclamation to Michael Handel Proclamation, Retired Los Altos Firefighter	Special Presentation	
Discussion regarding anti-bias training - Diversity and Empathy Training	x	Council Int.
<b>City of Los Altos – Title 14, Zoning Amendment – Public Land/Hillview Property Protection Ordinance</b> <i>Project Manager: Community Development Director Biggs</i>		CD
policy on use of City land by non-profits.		
Los Altos EOC Design Review		
Proposed City policy that modifies the environmental analysis standard for circulation impacts from a Level of Service (LOS) analysis to a Vehicle Miles Traveled (VMT) analysis.	Public Hearing	GP
COVID Safe Meeting Protocols TBD		
Council Strategic Priorities Implementation Plan (Tent.)		
info on Cuesta speed tables		
Council Financial Subcommittee Recommendations: Discuss recommendations of the Council Financial Subcommittee regarding reporting of City financial information (Vice Mayor Enander)		
Museum's plans for a new main exhibition in our permanent 2nd floor gallery		
BMR waitlist process proposal by Alta Housing		
5150 El Camino Road - Modification	Public Hearing?	

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League of California Cities – Role and Representation	Presentation/Discussion	Council Initiated
See Me Flags		ES
Pavement Management Program Update – 2019 Pavement Condition Index - The staff recommends Scenario 5 – Increase Current PCI to 75 by 2026	Discussion Item	JS ES
440 First Street Design Review		CD
4350 El Camino Real Design Review		CD
Healthy Cities Initiative		Rec
Housing Impact vs. Housing in-Lieu Discussion		CD
BAT/Neighborhood Watch program expansion		PD/CMO
Complete Streets Master Plan		ES
Community Engagement program		CMO
Comprehensive multi-modal traffic study (analysis of recent projects projected parking, trip generation, & traffic impacts to actuals; ECR impacts should include adjacent streets)		ES
Off-street EV charging stations in front of homes – include in Reach Codes; refer to Environmental Commission?		Planning
Schedule Joint Los Altos/Los Altos Hills Council meeting (6-9 months: August – October)		
San Francisco PUC permit		ES