AGREEMENT FOR CONSULTANT SERVICES BETWEEN CITY OF TEMECULA AND WILLDAN FINANCIAL SERVICES

Full Cost Allocation Plan
Comprehensive User Fee Study
Development Impact Fee Project

THIS AGREEMENT is made and effective as of **January 13, 2026**, between the **City of Temecula**, a municipal corporation (hereinafter referred to as “City"), and **Willdan Financial Services** a **California Corporation,** (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on **January 13, 2026** and shall remain and continue in effect until tasks described herein are completed, but in no event later than **January 13, 2029**, unless sooner terminated pursuant to the provisions of this Agreement.

The City may, upon mutual agreement, extend the contract for two (2) additional one (1) year terms. In no event shall the contract be extended beyond January 13, 2031.

2. SERVICES

Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE

Consultant shall faithfully and competently exercise the ordinary skill and competence of members of their profession. Consultant shall employ all generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. PAYMENT

a. The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B, other than the payment rates and schedule of payment, are null and void. This amount shall not exceed **One Hundred Thousand Dollars and No cents ($ 100,000.00)** for the total term of this agreement unless additional payment is approved as provided in this Agreement.

b. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager . Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

c. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars ($50) in such form as approved by the Director of Finance.

5. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City, pursuant to Section entitled **"PAYMENT"** herein.

6. DEFAULT OF CONSULTANT

a. The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

b. If the City Manager or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

7. OWNERSHIP OF DOCUMENTS

a. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of

City or its designees at reasonable times to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts there from as necessary, and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. <u>INDEMNIFICATION</u>

The Consultant agrees to defend, indemnify, protect and hold harmless the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency.

9. <u>INSURANCE REQUIREMENTS</u>

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

a. <u>Minimum Scope of Insurance</u>. Coverage shall be at least as broad as:

1) Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operation, property damage, bodily injury, and personal & advertising with limits no less than One Million ($1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 05 09 or 25 04 05 09) or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, covering hired, (Code8) and non-owned autos (Code 9), with limits no less than One Million ($1,000,000) per accident for bodily injury, including death, of one or more persons, property damage and personal injury.

3) Workers’ Compensation: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than One million

($1,000,000) per accident for bodily injury or disease. In accordance with the provisions of Labor Code Section 3700, every Consultant will be required to secure the payment of compensation to it's employees. Pursuant to Labor Code Section 1861, Consultant must submit to City the following certification before beginning any work on the Improvements:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

By executing this Agreement, Consultant is submitting the certification required above.

The policy must contain a waiver of subrogation in favor of the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers.

4) Professional Liability (Errors and Omissions): One million ($1,000,000) per occurrence and in aggregate. Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

b. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared and approved by the Risk Manager.

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

1) The City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant's products and completed operations of the Consultant; premises owned, occupied or used by the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant Insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). The coverage shall contain no special limitations on the scope of protection afforded to the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers.

2) For any claims related to this project, the Consultant insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it. This also applies to any Excess or Umbrella liability policies.

3) The Consultant may use Umbrella or Excess Policies to provide the limits as required in this agreement. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability Insurance.

4) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect the indemnification provided to the City of Temecula, the Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers.

5) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6) If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the consultant.

7) If insurance coverage is canceled or, reduced in coverage or in limits the Consultant shall within two (2) business days of notice from insurer phone, fax, and/or notify the City via certified mail, return receipt requested of the changes to or cancellation of the policy.

8) Unless otherwise approved by City, if any part of the Services and Tasks is subcontracted, the Minimum Insurance Requirements must be provided by, or on behalf of, all subcontractors even if city has approved lesser insurance requirements for Consultant, and all subcontractors must agree in writing to be bound by the provisions of this section.

d. Acceptability of Insurers. Insurance required above, except for workers' compensation insurance, must be placed with insurers with a current A.M. Best rating of A-:VII or better, unless otherwise acceptable to the City. Self-insurance shall not be considered to comply with these insurance requirements.

e. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements, or copies of the applicable policy language affecting coverage required by this clause. All certificates and endorsements and copies of the Declarations & Endorsements pages 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 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.

f. Special Risks or Circumstances. The 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.

10. INDEPENDENT CONTRACTOR

a. Consultant is and shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

11. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

12. RELEASE OF INFORMATION

a. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents or subcontractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

b. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

13. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

Mailing Address: City of Temecula
Attn: City Manager
41000 Main Street
Temecula, CA 92590

To Consultant: Willdan Financial Services
Chris Fisher
27368 Via Industria Suite 200
Temecula, CA 92590

14. ASSIGNMENT; CONSULTANT WORK WITH ITS EMPLOYEES; SUBCONTRACTS

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Consultant shall perform all work under this agreement with its own employees unless City Manager approves in writing a subcontractor prior to start of subcontractor's work. Consultant shall not retain independent contractors to perform work for it under this Agreement. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Council and the Consultant.

15. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

16. GOVERNING LAW

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Temecula. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

17. PROHIBITED INTEREST

No officer, or employee of the City of Temecula that has participated in the development of this agreement or its approval shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the City that no officer or employee of the City of Temecula that has participated in the development of this agreement or its approval has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, the proceeds thereof, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

18. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

19. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder. The City Manager is authorized to enter into an amendment on behalf of the City to make the following non-substantive modifications to the agreement: (a) name changes; (b) extension of time; (c) non-monetary changes in scope of work; (d) agreement termination.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF TEMECULA

By: ________________________________

Jessica Alexander, Mayor

ATTEST:

By: ________________________________

Randi Johl, City Clerk

APPROVED AS TO FORM:

By: Signed by: Peter M. Thorson C343357EB2E34B5...

Peter M. Thorson, City Attorney

WILLDAN FINANCIAL SERVICES

By: Signed by: Robert Fisher 1EC90C000B214CF...

Robert Fisher, Vice President – Group Manager

By: Signed by: Rebekah Smith D6A765E4A9C043E...

Rebekah Smith, Assistant Secretary

CONSULTANT

Willdan Financial Services
Chris Fisher
27368 Via Industria Suite 200
Temecula, CA 92590
(951) 587-3528
cfisher@willdan.com

07/29/2025

EXHIBIT A

Tasks to be Performed

The specific elements (scope of work) of this service include:

All tasks to be performed are per the proposal provided by the Consultant attached hereto and incorporated herein as though set forth in full.

EXHIBIT B

Payment Rates and Schedule

Cost for services shall be as described in Consultant's proposal submitted in response to the RFP, attached hereto and incorporated herein; except that the pricing therein is modified by Consultant's written election to match the lowest-cost proposal pursuant to Temecula Municipal Code §3.30.050(B), to match the lowest-cost proposal. Accordingly, the total cost of services shall not exceed One Hundred Thousand Dollars ($100,000.00) for the total term of the Agreement, unless additional payment is approved as provided in the Payment section of this Agreement.

City of Temecula, CA

Proposal

Full Cost Allocation Plan, Comprehensive User Fee Study and Development Impact Fee Study

WILLDAN
FINANCIAL SERVICES

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WILLDAN
FINANCIAL SERVICES

October 1, 2025

Ms. Tina Rivera
Purchasing Administrator
City of Temecula
41000 Main Street
Temecula, California 92590

Re: Proposal to Conduct a Full Cost Allocation Plan, Comprehensive User Fee Study, & Development Impact Fee Study for the City of Temecula

Dear Ms. Rivera:

Municipalities throughout California are constantly challenged to do more with less. As cities are faced with limited financial resources to address competing priorities, they strive to maintain high standards of service to their communities. Processes and staffing often evolve as staff seek efficiencies and more cost-effective service models; or sometimes practices change out of necessity in response to events such as the recent pandemic.

Considering this, ***it is critical for the City of Temecula ("City") to ensure that fees for requested services reflect current practices, account for the true cost of providing City services, incorporate provision for overhead rates and costs related to indirect support, and ensure maximum appropriate cost recovery, so that the revenues generated by fees cover the cost of those services to the greatest extent possible.*** City Staff, and ultimately the City Council, need a clear understanding of standards, service levels and the associated costs.

Likewise, Development Impact Fees should reflect current community planning and City policy objectives, both for planned development and the facilities necessary to accommodate it; so that growth pays its own way, community standards are maintained, and current residents and businesses are not negatively impacted. Impact fees also need to be developed in compliance with the Mitigation Fee Act and with attention to the effects of new legislation such as AB 516 and AB 602, so that they are defensible and transparent. Willdan would also like to affirm our understanding of the recent ***Sheetz v. County of El Dorado*** Supreme Court decision and subsequent state court decision. The current status of *Sheetz* is that the state court has upheld the El Dorado County fee program as compliant with federal takings law. The upshot of Sheetz is an increase focus on nexus and proportionality, which have always been our watchwords.

Recognizing this, the City is soliciting a proposal for a Comprehensive User Fee Study, Full Cost Allocation Plan, and Development Impact Fee Study. Following are specific advantages that Willdan Financial Services ("Willdan") brings to the City for these studies:

Willdan will work with the City to create new Cost Allocation Plan, User Fee, and Impact Fee models that provides the benefit of a fresh approach and new perspectives.

Part of the Community/Local Vendor — Willdan Financial Services has been a part of the Temecula community since its establishment in 1988. Our headquarters is located less than five miles from City Hall. A number of our team members are residents of Temecula, which enriches our engagement with the community. This local presence and connection to the community give our team a deep understanding and knowledge of the local area, this allows us to leverage our insights and knowledge, enabling us to contribute effectively to our partnership with the city.

Extensive Local Experience with Similar Projects, Direct Experience in Southern California, Ongoing Related Experience in Temecula — Willdan is the leading firm providing these types of studies in California. We have worked successfully with numerous cities like and close to Temecula on Fee Study projects, with objectives very similar to those for this study. ***Twenty Seven (27) years of experience working on similar efforts allows us to bring an unmatched understanding of City service models, processes and staffing and provide valuable perspective and insight from local cities' approaches to fees and policies on fee setting and subsidies – which also helps us conduct meaningful and efficient fee comparisons***. In addition, Willdan Engineering is working with the City on an Engineering and Traffic survey, which may help inform our study of the related impact fees.

Recent related studies include the Cities of Murrieta, Lake Elsinore, Canyon Lake, Corona, Norco, Ontario, Palm Desert, Claremont, Chino Hills, Chino, Pomona, Eastvale, Irvine, South Pasadena, Los Alamitos, Bellflower, Lynwood, Tustin, Stanton, Fountain Valley, Burbank, El Monte, Montebello, West Hollywood, Arcadia, Cudahy, Lomita, and Fontana.

Collaborative Approach, Commitment to Support and User-friendly Models and Reports — Willdan prides itself on working closely with City staff to develop and explain an approach that is targeted toward your specific objectives. ***This is a distinct advantage we will bring in our approach with the City of Temecula. A collaborative approach and dedicated support ensures we clearly understand your goals and challenges, and just as importantly, you understand and are comfortable with the process, assumptions, key drivers, and the results.***

Our Cost Allocation methodologies and models have been reviewed and approved by Cognizant Agencies such as the US Army and recently, the US Department of Housing and Urban Development, providing evidence of our thorough and defensible approach to the development of Cost Allocation strategies.

We create user-friendly Excel-based models that the City will retain and conduct our analysis and develop the model collaboratively with City staff. Rather than using an inflexible proprietary software program, we construct our models from the ground up, mirroring the City's budget format wherever possible. As a result, ***the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation.***

Created directly from the models, our reports clearly and graphically illustrate full and recommended levels of cost recovery and projections of revenue for fee programs, break down the costs into direct and indirect overhead categories, and present the fee methodologies. Our models and project approach are geared toward delivering work on schedule and presenting results at public meetings and council workshops.

Our team is excited about this opportunity to serve the City of Temecula. To discuss any aspect of our proposal, please contact me; my contact information is provided in the table below.

Willdan Financial Services
Proposal Contact
Chris Fisher
Vice President / Director
27368 Via Industria, Suite 200 | Temecula, CA 92590
Tel #: (951) 587-3500 | Fax #: (951) 587-3510
Email: CFisher@Willdan.com

As a Vice President of Willdan Financial Services, I am authorized to bind the firm to the terms of this proposal, as well as the subsequent agreement.

Respectfully,

WILLDAN FINANCIAL SERVICES

Chris Fisher
Vice President / Director

Qualifications and Experience

Firm Profile

Willdan Financial Services is an operating division within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly traded company (WLDN). WGI, through its divisions, provides professional technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its surrounding communities.

A financially stable company, Willdan has approximately 1,770 employees working in more than a dozen states across the U.S. Our employees include a number of nationally recognized Subject Matter Experts for all areas related to the broadest definition of connected communities—***six of whom are committed to contribute their expertise throughout the duration of the City of Temecula's Full Cost Allocation Plan engagement, Comprehensive User Fee Study, & Development Impact Fee Study.***

Willdan has solved economic, engineering and energy challenges for local communities and delivered industry-leading solutions that have transformed government and commerce. Today, we are leading our clients into a future accelerated by change in resources, infrastructure, technology, regulations, and industry trends.

Willdan Financial Services

Established on June 24, 1988, Willdan Financial Services, is a national firm and is one of the largest public sector economic and financial analysis consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of infrastructure challenges.

Our staff of over 80 full-time employees support our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

Willdan assists local public agencies by providing the following services:

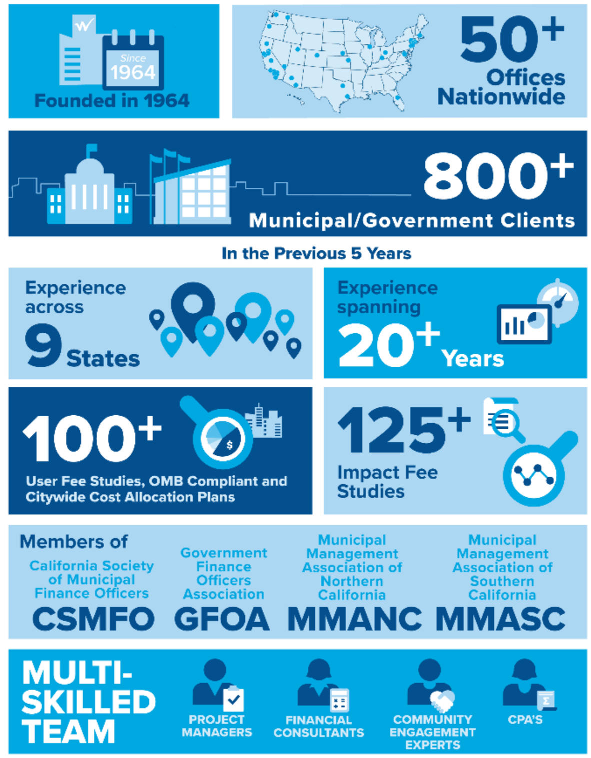
Willdan Financial Services

Primary Services

- User fee studies;
- Cost allocation studies;
- Utility rate and cost of service studies;
- Real estate economic analysis;
- Feasibility studies;
- Municipal Advisory;
- Arbitrage and Continuing Disclosure Services;
- Economic development strategic plans;
- Development impact fee establishment and analysis;
- District Administration Services;
- Property tax audits;
- Tax increment finance district formation and amendment;
- Housing development and implementation strategies;
- Debt issuance support; and
- Long-term financial plans and cash flow modeling.

Firm Experience

Willdan has provided Development Impact Fee, User Fee, and Cost Allocation Plan services to municipal clients for 27 years; and has prepared comprehensive impact fee studies, user fee studies, as well as cost allocation plans, and OMB compliant cost allocation plans for clients throughout California, and the United States. Since 1998, we have developed the expertise to successfully integrate this service into the Financial Consulting Services group's primary functions.



Willdan's Financial Consulting Services staff has assisted well over 100 California government agencies with the development and/or update of all fee types. Each project has required defensible documentation and thorough coordination of fee program changes for different agency departments and stakeholders within the business community. In some cases, Willdan has been required to negotiate fees with stakeholders and, on occasion, defend them in meetings and public forums.

We are particularly strong in advising our clients on the advantages and disadvantages of different fee schedule structures (Citywide versus multiple-fee districts/zones; more versus fewer land-use categories; etc.) and methods of fee calculation that are based on the City's and stakeholder priorities and applicable regulations that comply with Propositions 26 and 218.

Our record of success within the industry provides assurance of the professionalism and capability we will bring to this engagement. A team composed of project managers and analysts develop and/or update user fee studies, cost allocation plans and development impact fees. Willdan has extensive experience with the range of fees charged in the region and the state, and the typical pros, cons, and challenges of each, both in implementation and management. Willdan will bring its expertise to the City's process of considering financial, practical and policy issues in deciding on its future fee program.

Firm Distinctiveness

Established in 1988, Willdan is a team of over 80 professionals who provide essential financial consulting services throughout California, and the United States. Willdan has provided the requested services to municipal clients for over two decades; and is the only firm providing these types of consulting services that also has a long history of providing contract staff support to public agencies for the delivery of municipal services. Willdan is the only firm providing these types of consulting services that also have a long history of providing contract staff support to public agencies for the delivery of municipal services. We are uniquely qualified to conduct the City of Temecula study.

Staff Continuity

Mr. Fisher has been assigned to serve as the City's representative; he has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous fee studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups.

It is important to note that Mr. Fisher has been with Willdan for 26 years, ensuring the City of Temecula of continuity and dedication in staffing during the completion of the project.

Project Dedication

Willdan has assembled a project team of six (6) subject matter experts within the Financial Consulting Services group, to conduct the City of Temecula Fee Study engagement. This team has coordinated or participated in numerous public stakeholder and staff workshops regarding fees and cost of service-based charges. Willdan's Financial Consulting Services group is composed of a team of over 30 senior-level professional consultants. While each member of the project team currently has work in progress with other clients, the workload is at a manageable level with sufficient capacity to meet the needs of the City specific to the schedule and budget for this engagement.

Community Investment

Much of our success in developing impactful programs and studies is due to our experiences in meeting with citizen / stakeholder groups and elected officials. Our ability to explain technical information in a concise, understandable manner is a fundamental reason for our high degree of success. Willdan staff takes the time to ***include and inform the Community***.

Project Manager / Key Staff

Our management and supervision of the project team is very simple: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Key Project Team

City of Temecula Project Team		
Key Team Member	**Project Role**	**Responsibility to the Engagement**
Chris Fisher **Vice President/Director**	Principal-in-Charge	▪ Ensure client satisfaction, flow of communication, and oversight of the project ▪ Technical guidance; ▪ Project oversight; ▪ Quality assurance & control; and ▪ Meeting and presentation attendance.
Tony Thrasher **Principal Consultant**	Cost Allocation Plan & User Fee Study Project Manager	▪ Task oversight; ▪ Model development; ▪ Produce key elements of the analyses; ▪ Responsible for project deliverables; ▪ Report preparation and evaluation; and ▪ Meeting and presentation attendance.
Priti Patel **Project Manager**	Cost Allocation Plan & User Fee Study Lead Analyst	▪ Collect, interpret, and analyze key data; ▪ Assistance with model development; ▪ Peer review; and ▪ Report preparation.
Samantha Labitan **Senior Analyst**	Cost Allocation Plan & User Fee Study Analytical Support	▪ Collect, interpret, and analyze key data; ▪ Assistance with model development; ▪ Peer review; and ▪ Report preparation.
James Edison, JD, MPP **Managing Principal**	Development Impact Fee Study Project Manager	▪ Ensure client satisfaction, flow of communication, and management of the project; ▪ Technical guidance; ▪ Project oversight; and ▪ Quality assurance & control.
Carlos Villarreal, MPP **Principal Consultant**	Development Impact Fee Study Lead Consultant	▪ Collect, interpret, and disseminate key data; ▪ Report preparation; and ▪ Meeting and presentation attendance

Resumes

Resumes for Willdan's project team are presented on the following pages.

Chris Fisher

Principal-in-Charge

Education

San Francisco State University, Bachelor of Science, Finance

Areas of Expertise

Cost of Service Analyses

Multi-disciplinary Team Management

Special District Formations

Client Presentations

Proposition 218

Affiliations

California Society of Municipal Finance Officers

Municipal Management Association of Northern California

California Municipal Treasurers Association

26 Years' Experience

Mr. Chris Fisher, Vice President / Director of Willdan's Financial Consulting Services group, will serve as Technical Advisor for the City of Temecula's engagement. He will also share his extensive knowledge related to cost-of-service principles with members of the project team.

Mr. Fisher joined Willdan in April of 1999, and during that time has managed an array of financial consulting projects for public agencies in California, Arizona, Colorado, Texas, and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working on these projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety.

Select Related Experience

Mr. Fisher was, or is currently serving as, the technical advisor for the following select multi-disciplined cost of service fee studies (Cost Allocation Plan, User Fee Study, and Development Impact Fee Study) engagements; this is due to his extensive experience managing multi-disciplinary teams, his primary responsibilities include planning, overseeing, supporting, and coordinating the project team, and maintaining client contact and satisfaction through all phases of the studies.

- City of Arroyo Grande, CA
- City of Atwater, CA
- City of Bellflower, CA
- City of Chino Hills, CA
- City of Cudahy, CA
- City of El Monte, CA
- City of Fillmore, CA
- City of Gilroy, CA
- City of Hayward, CA
- City of Hughson, CA
- City of Irwindale, CA
- City of Laguna Hills, CA
- City of Lake Elsinore, CA
- City of McFarland, CA
- City of Murrieta, CA
- City of Pacifica, CA
- City of Pismo Beach, CA
- City of Pittsburg, CA
- City of Pomona, CA
- City of Richmond, CA
- City of Rosemead, CA
- City of San Bruno, CA
- City of San Fernando, CA
- City of San Jacinto, CA
- City of San Marcos, CA
- City of Santa Paula, CA
- City of St. Helena, CA
- City of Twenty-Nine Palms, CA
- County of San Benito, CA
- Town of Apple Valley, CA

City of West Hollywood, CA — Comprehensive User Fee Study and Cost Allocation Plan: Mr. Fisher is the principal-in-charge for the City's Comprehensive User Fee Study and Cost Allocation Plan engagement, managing the overall execution of the project, providing technical guidance and quality control.

City of Burbank, CA — Comprehensive Citywide User Fees and Charges Study: Mr. Fisher oversaw the City's recently completed Citywide User Fees and Charges Study.

City of Pomona, CA – Master Fee Schedule Update: Mr. Fisher was the principal-in-charge for the City's master fee schedule update and update of the development impact fees. Mr. Fisher provided quality control and served as the primary contact with the City.

City of Murrieta, CA — Cost Allocation & OMB Compliant Plan and Comprehensive User Fee Study: Mr. Fisher served as the project manager on the City's fee study. The primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds. ***The City recently re-engaged Willdan to conduct an update to the Cost Allocation Plan and User Fee Study.***

City of Irvine, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study: Willdan completed a cost allocation plan and user fee study for the City of Irvine. Mr. Fisher managed and provided quality assurance to this project, ensuring the accuracy of the models, as well as the final reports. He also presented the results to the City's Finance Commission and to the City Council.

Tony Thrasher

Project Manager – Cost Allocation Plan and User Fee Study

Education

Bachelor of Science in Economics; California State Polytechnic University, Pomona

Areas of Expertise

Cost Allocation Plans

Fiscal Analysis for User Fees and Rates

District Administration Services

Utility Rate Studies

15 Years' Experience

Due to his cost allocation and user fee analyses experience, Mr. Tony Thrasher has been selected to serve as Project Manager for the City's engagement. Mr. Thrasher is a Principal Consultant within the Financial Consulting Services group, whereby his responsibilities include managing projects and conducting fiscal analyses for cost allocation plans, user fees, and utility rate studies.

Mr. Thrasher's prior employment was as a financial analyst working in bond, equity, and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis, and forecasting.

Select Related Experience

City of Chino Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher is the project manager for the City's Cost Allocation Plan and Comprehensive User Fee Study. He is working directly with the City contact throughout the engagement.

City of Indian Wells, CA — User Fee Study: Mr. Thrasher served as the technical project manager for the City's Administrative, Building, Planning and Public Works Departments. The study involved the identification of existing and potential new fees, fee schedule restructuring, data collection and analysis, orientation and consultation, quality control, communication and presentations, and calculation of individual service costs cost recovery levels.

City of Palm Desert, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher served as the technical project manager for the City's full cost allocation plan and user fee study. He was directly responsible for the creation of both models for the study, gathering and verification of the data, managing the analysts working to support him and presenting results to City staff and the City Council.

City of San Marcos, CA — Cost Allocation Plan, Indirect Cost Rate Proposals and Comprehensive User Fee Study: Mr. Thrasher is the project manager for the City of San Marcos' full and OMB compliant cost allocation plan, preparation of Indirect Cost Rate proposals, and Comprehensive User Fee Study engagement. He was the primary in developing the model, which contains all City personnel and expenditures broken down into the ICRP tables.

City of Pomona, CA – Master Fee Schedule Update: Mr. Thrasher served as the project manager for the master fee schedule update portion of the City of Pomona's engagement, which also included an update of the development impact fees. Mr. Thrasher was responsible for the development of models and reports and coordinating analytical support.

City of Irvine, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study: Serving as the project's analyst, Mr. Thrasher provided analytical support; and designed micro-level allocation models to ensure full-cost recovery for public safety, public works, community development, community services, and administrative departments.

City of Eastvale, CA — Cost Allocation Plan and User Fee Study: Mr. Thrasher was the assigned project manager who worked directly with the City on this project, overseeing the analytical team, developing the cost allocation and fee models, and delivering results to City management and Council.

City of West Hollywood, CA — Comprehensive User Fee Study and Cost Allocation Plan: As the project manager for City's Comprehensive User Fee Study and Cost Allocation Plan engagement, Mr. Thrasher is overseeing the project analysts and is heavily involved in the analysis, development of models, preparation of reports and delivery of results.

City of Burbank, CA — Comprehensive Citywide User Fees and Charges Study: Mr. Thrasher was the project manager for the City's recently completed study, He directed the preparation of the model and reports and was responsible for the delivery of results to the City.

City of San Fernando, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher was the project manager for the City's cost allocation plan, OMB compliant plan and comprehensive user fee study engagement. ***Willdan has recently, through a competitive bid, been re-selected to update the cost allocation plan.***

Priti Patel

Lead Analyst – Cost Allocation Plan and User Fee Study

Education

Bachelor of Arts; Business Management, Information Systems and International Business, University of Cincinnati

Areas of Expertise

Cost Allocation Plans

User Fee Studies

Proposition 218

11 Years' Experience

Ms. Priti Patel is a Project Manager in the Financial Consulting Services group. She plays a crucial role in the project team by conducting utility rate analyses, fee studies, cost allocation plans, monitoring Proposition 218 compliance, and establishing special districts. Ms. Patel is responsible for coordinating and performing activities related to Cost Allocation Plans and User Fee Studies. This includes integrating and adjusting databases, analyzing revenues and expenditures, and preparing documentation. Additionally, she regularly interacts with clients as part of her responsibilities.

Ms. Patel joined Willdan as an analyst with the District Administration Group, while with DAS she performed research and analysis needed for local government financial issues related to district administration, including document data entry and updating, database management, research and report preparation. She also provided general information on questions pertaining to Assessment Districts and special taxes (such as Mello-Roo's Pools), as well as the status of property delinquencies.

Select Related Experience

City of West Hollywood, CA — Comprehensive User Fee Study and Cost Allocation Plan: Ms. Patel is serving as the primary financial analyst for City of West Hollywood's Fee Study engagement. Ms. Patel has been instrumental in collecting the necessary data and collaborating with the City and Willdan senior project team members in conducting the study, including development of the model, researching similar fees in comparable cities and preparation of reports.

City of Burbank, CA — Comprehensive Citywide User Fees and Charges Study: Ms. Patel provided analytical support and gathered budget and allocation basis data for this engagement. She also assisted in the development of the financial model.

City of San Fernando, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel provided support to senior team members in the preparation of the cost allocation plan, OMB compliant plan and comprehensive user fee study engagement.

City of Palm Desert, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel was assigned as the analyst to the City of Palm Desert's full cost allocation plan and user fee study. She supported the project manager by gathering necessary data, preparing the initial draft models and reports, and working directly with City Staff to refine and update results during review iterations.

City of Indian Wells, CA — User Fee Study: Ms. Patel served as the analyst for the City's user fee study for the Administrative, Building, Planning and Public Works Departments. She led the analytical efforts by developing the User Fee model and report and gathering and evaluating the data necessary for the study. She also participated in the on-site interviews with Staff to discuss service delivery processes.

City of Chino Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Providing analytical support in the preparation of a cost allocation plan and comprehensive fee study, Ms. Patel worked to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She is also assisting in the preparation of user-friendly Excel-based models that City staff can easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

City of Chino, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel provided analytical support in the preparation of a full cost allocation plan and fee study for the development of a master list of fees. She prepared and presented the models, results, findings and reports.

City of National City, CA — Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Ms. Patel provided analytical support in the preparation of this study, her primary duties included development of the models, finalizing model figures and results, and generating reports.

City of Yucaipa, CA — Cost Allocation Plan and Comprehensive User Fee Study: Provided analytical support in the preparation of a Cost Allocation Plan and OMB compliant cost allocation plan and comprehensive fee study for the development of a master list of fees.

Samantha Labitan

Analytical Support – Cost Allocation Plan and User Fee Study

Education

University of California, Santa Barbara

Bachelor of Arts, Mathematics

Areas of Expertise

Cost Allocation Plans

User Fee Studies

Benefit/Maintenance Assessment Districts

Community Facilities Districts

Local Improvement Districts

8 Years' Experience

Ms. Samantha Labitan is a Senior Analyst within Willdan's Financial Consulting and District Administration Services groups. Ms. Labitan provides analytical support under the guidance of the project team. Her primary function is to support project managers and senior analysts with cost allocation plans and user fee studies**.** She specializes in analysis for a variety of clients, including cities, water districts, public utilities, and school districts.

She regularly speaks with individuals representing title companies, real estate agencies, and appraisal firms, together with staff from cities and counties. Willdan's proprietary computer system allows him to readily access the owner's name, the Assessor's Parcel Number, existing and future taxes or assessments, and more; thus, enabling expedient service. Community Facilities Districts, Local Improvement Districts, Landscape and Lighting Districts, and County Service Areas are some of the special districts she administers.

Select Related Experience

City of Lynwood, CA — Cost Allocation Plan & OMB Compliant Cost Allocation Plan and User Fee Study: Ms. Labitan provided support to the project team specific to the preparation of a comprehensive fee study, full and OMB compliant cost allocation plan. Ms. Labitan worked in tandem with the project managers to identify and account for direct and indirect costs, along with changes in staffing, structure, and service delivery methods. ***The City has recently hired Willdan to conduct updated studies.***

City of West Hollywood, CA — Cost Allocation Plan and Comprehensive User Fee Study: For this project, Ms. Labitan provided analytical support. Primary duties include gathering and verifying necessary data, finalizing model figures and generating reports.

City of San Fernando, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Labitan is currently providing support to senior team members in the preparation of a cost allocation plan, OMB compliant plan and comprehensive user fee study.

City of Blythe, CA — Full and OMB Compliant Cost Allocation Plan: Ms. Labitan served as the analyst in the preparation of a full and OMB compliant cost allocation plan, for the City of Blythe engagement.

City of El Centro, CA — Full & OMB Compliant Cost Allocation Plan and User Fee Study: Ms. Labitan served as the analyst in the preparation of a full & OMB compliant Cost Allocation Plan and Comprehensive User Fee Study, for the City of El Centro engagement.

City of Gilroy, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Labitan worked on the team for the City's fee study project, providing analytical support, gathering data, working with staff to make refinements, and developing cost allocation and fee models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.

City of Los Banos, CA — Full & OMB Compliant Cost Allocation Plan and Comprehensive User Fee Study: Ms. Labitan provided analytical support to the project team for the City's comprehensive fee study, full and OMB compliant cost allocation plan.

City of Richmond, CA — Cost Allocation Plan & User Fee Study: As analytical support, Ms. Labitan provided assistance to the project team. Primary duties included gathering and verifying necessary data, finalizing model figures and generating reports.

City of Pismo Beach, CA — Comprehensive User Fee Study: Ms. Labitan is currently serving in the capacity of assistant analyst for the City's comprehensive fee study.

City of Goleta, CA — Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study: Ms. Labitan provided analytical support to the project team for the City's comprehensive fee study, full and OMB compliant cost allocation plan.

City of Brighton, CO — Cost Allocation & OMB Compliant Plan: Ms. Labitan is providing analytical support for the City's cost allocation plan.

James Edison, JD, MPP

Project Manager – Development Impact Fee Study

Education

Juris Doctorate, Boalt Hall School of Law, University of California, Berkeley

Master of Public Policy, Richard and Rhoda Goldman School of Public Policy, University of California, Berkeley

Bachelor of Arts, magna cum laude, Harvard University

Professional Registrations

Member of State Bar, California

Affiliations

Council of Development Finance Agencies

CFA Society of San Francisco

Congress for the New Urbanism

Urban Land Institute

Seaside Institute

International Economic Development Council

27 Years' Experience

Mr. James Edison, a Willdan Financial Services Managing Principal, specializes in the nexus between public and private, with expertise in public-private partnerships, and the benefits of economic development to municipalities and state, provincial, regional, and national governments. He possesses deep expertise in land use economics, with a specialty in finance and implementation, including fiscal impact and the public and private financing of infrastructure and development projects, both in the U.S. and internationally. Mr. Edison's public-sector experience includes local and regional economic impact studies; fiscal impact evaluations; new government formation strategies; and the creation of impact fees, assessments, and special taxes to fund infrastructure and public facilities. He has conducted numerous evaluations of the economic and fiscal impact of specific plans and consulted on a wide variety of land use planning topics related to community revitalization and the economic and fiscal impacts of development.

As a former bond attorney, Mr. Edison understands the legal underpinnings and technical requirements of public financing instruments and has advised both public and private clients on the use of individual instruments, and the interaction between those instruments and the needs of developers and project finance.

Select Related Experience

County of Riverside, CA – Comprehensive Impact Fee Update: Mr. Edison led the effort to establish a comprehensive fee program for the County, including facilities fees for fire, police, parks, criminal justice, libraries, and traffic. He prepared the technical and analytical documents necessary to calculate the fee and establish the necessary nexus to collect it, as well as presented the fees during public hearings to the County Board of Supervisors. Mr. Edison is the project manager on the County's current impact fee update.

City of Murrieta, CA – Master Facilities Plan and Development Impact Fee Calculation Report Update: Mr. Edison served as the principal-in-charge of the City's study to update their Master Facilities Plan and Development Impact Fee Calculation Report, to ensure that new development pays the capital costs associated with growth.

City of Moreno Valley, CA – Comprehensive Development Impact Fee Study: Mr. Edison was the principal-in-charge for the City's comprehensive impact update. Fee categories included arterial streets, traffic signals, interchanges, parks, recreation, fire, police, library, corporation yard, maintenance equipment, and animal shelter facilities.

City of Carpinteria, CA – Development Impact Fee Update: Mr. Edison was the project manager for the City of Carpinteria's Development Impact Fee update study engagement. The study included updates to the following fees: highways and bridges, streets and thoroughfares, traffic control, parking, storm drain, general government, aquatic, park and recreation, and open space. The City has engaged Willdan again to update their impact fees.

City of McFarland, CA – Impact Fee Study Update: Mr. Edison was the principal-in-charge and technical advisor on the update to the City's development impact fee program. The study included the following facility fee categories; general government, law enforcement, park and recreation, fire protection, water, sewer, storm drain, and traffic.

City of Manteca, CA – Fire Impact Fee Update: Mr. Edison served in the capacity of project manager for the update of the City's fire services impact fee program.

City of Fillmore, CA – North Fillmore Specific Plan Nexus Study: Mr. Edison is currently assisting the City with an analysis of development impact fees needed to finance public facilities necessary for the development of the North Filmore Specific Plan. Public facilities included in this analysis include water, sewer systems, recycled water, and streets.

City of Pismo Beach, CA – Development Impact Fee Update: Mr. Edison served in the role of principal-in-charge of an update to the City's impact fee program. The program included the following facilities: police, fire protection, park and recreation improvements, water system improvements, wastewater, traffic, and general government/administrative facilities. Prior to fee program adoption, a stakeholder meeting was held to inform the public about the project, and to solicit feedback from the development community.

Carlos Villarreal, MPP

Lead Consultant – Development Impact Fee Study

Education

Master of Public Policy, Richard and Rhoda Goldman School of Public Policy, University of California, Berkeley

Bachelor of Arts, Geography, University of California, Los Angeles; Minor in Public Policy and Urban Planning

Areas of Expertise

Fiscal Impact Analyses

Development Impact Fees

Public Facilities Financing Plans

GIS Analysis

19 Years' Experience

Mr. Villarreal is a Principal Consultant in the Financial Consulting Services group of Willdan Financial Services. He is proposed to serve in the role of lead analyst for the City of Temecula's engagement due to his experience documenting nexus findings for development impact fees, preparing capital improvement plans, facilitating stakeholder involvement, and analyzing the economic impacts of fee programs. He has supported adoption of fee programs funding a variety of facility types, including, but not limited to transportation, parks, library, fire, law enforcement and utilities.

Select Related Experience

City of Upland, CA – Impact Fee Study Update: Conducted a study to update the City's impact fee program, including general government, regional transportation, water, sewer, storm drain and park fees. Traffic fees were established within the San Bernardino Associated Governments' (SANBAG) guidelines to provide a local funding source for improvements of regional significance.

City of Moreno Valley, CA – Comprehensive Development Impact Fee Study: Mr. Villarreal served as the project manager for the City's comprehensive impact update. Fee categories included arterial streets, traffic signals, interchanges, parks, recreation, fire, police, library, corporation yard, maintenance equipment, and animal shelter facilities. In 2022 the City added a public arts fee and workforce development facility fee.

County of Riverside, CA – Comprehensive Impact Fee Update: Mr. Villarreal served as the lead analyst in the effort to establish a comprehensive fee program for the County, including facilities fees for fire, police, parks, criminal justice, libraries, and traffic. He assisted in the preparation of the technical and analytical documents necessary to calculate the fee and establish the necessary nexus. Mr. Villarreal is once again serving on the project team to update the County's impact fees.

City of Carpinteria, CA – Development Impact Fee Update: Mr. Villarreal served in the role of lead analyst to update the City of Carpinteria's impact fees, which included highways and bridges, streets and thoroughfares, traffic control, parking, storm drain, general government, aquatic, park and recreation, and open space. The City has engaged Willdan again to update their impact fees and Mr. Villarreal is serving in the role of project manager.

City of McFarland, CA – Impact Fee Study Update: Mr. Villarreal served as project manager updating the City's development impact fee program. The study comprehensively updated the City's fee program, incorporating new facility master planning and infrastructure costs necessary to facilitate expected development in the City through 2040. The fees were adopted by the City Council in 2020.

City of Pismo Beach, CA – Development Impact Fee Update: Mr. Villarreal served in the role of project manager for the City's impact fee project. The program included: police, fire protection, park and recreation improvements, water system improvements, wastewater, traffic, and general government/administrative facilities. Prior to fee program adoption, a stakeholder meeting was held to inform the public about the project, and to solicit feedback from the development community.

County of Stanislaus, CA – Impact Fee Study Update: Mr. Villarreal served in the role of project manager for a study updating the County's existing impact fee program. The program includes a range of facilities, like public protection, library, and parks. The study also included a transportation facilities impact fee, with different fees calculated for two zones in the County. Considerable stakeholder outreach was an integral component of this project.

City of Oroville, CA – Impact Fee Study Update: Mr. Villarreal served as project manager for a study updating the City's development impact fee program, including parks, law enforcement, general government, fire suppression, and traffic facilities. The fee program was adopted by the City Council in 2015. The City has engaged Willdan again to update the 2015 study, and Mr. Villarreal served in the role of project manager.

City of Santa Clara, CA – Parks Fee Update: As assistant project manager to Mr. Edison, Mr. Villarreal collected the necessary data to update the City's park impact fee. This project included a demographic analysis and estimation of the cost of acquiring and improving public park land.

References

Below are recent project descriptions, including client contact information, that are similar in nature to those requested by the City of Temecula engagement.

Combined Studies

City of Murrieta, CA

Comprehensive User Fee Study, Full & OMB Cost Allocation Plan, & Development Impact Fee Study

Willdan was engaged by the City of Murrieta to complete a full and OMB compliant cost allocation plan, comprehensive user fee study and development impact fee study. Our primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds, which are based on tailored and well thought out allocation factors. For the comprehensive user fee study, the primary objective was to ensure that fees for requested services were calculated to account for the full cost of providing the services, and set appropriately, given City policy and financial objectives.

For the impact fee study Willdan developed a technically defensible fee justification based on the reasonable relationship and deferential review standards; provided a schedule of maximum-justified fees by land use category; engaged stakeholders to facilitate public support for the impact fee; and provided comprehensive documentation of all assumptions, methodologies, and results, including findings required by the Mitigation Fee Act

Client Contact: Javier Carcamo, Finance Director
1 Town Square, Murrieta, CA 92562
Tel #: (951) 461-6090 | Email: jcarcamo@murrietaca.gov

City of San Marcos, CA

Comprehensive User Fee Study, Full & OMB Cost Allocation Plan, Indirect Cost Rate Proposals, Development Impact Fee Update

Willdan was engaged by the City of San Marcos to complete a full and OMB compliant cost allocation plan and preparation of Indirect Cost Rate proposals. Our primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds, which are based on tailored and well thought out allocation factors. Models were created, which contained all City personnel and expenditures broken down into the ICRP tables that are needed for a report; once approved individual ICRP's will be created for each department individually.

The impact fee study centered upon the review and update of multiple fee categories, in addition to adding several new fee categories for the City. Willdan prepared the study and presented the results at several City Council workshops prior to a public hearing where the program was adopted in 2022.

Client Contact: Jeffrey Jorgenson, Accountant
3 Civic Center Drive, San Marcos, CA 92069
Tel #: (760) 744-1050, ext. 3123 | Email: jjorgenson@san-marcos.net

City of Pismo Beach, CA

Development Impact Fee Study and Full & OMB Compliant Cost Allocation Plan, Comprehensive User Fee Study

Willdan assisted the City of Pismo Beach with an update to their impact fee program. The program included the following facilities: police, fire protection, park and recreation improvements, water system improvements, wastewater, traffic, and general government/administrative facilities. This project was warranted due to the amount of time that had elapsed since the prior update, coupled with the adoption of new and revised public facility master plans that complemented the updated impact fees. Prior to fee program adoption, Willdan held a stakeholder meeting to inform the public about the project, and to solicit feedback from the development community.

Additionally, Willdan worked on a User Fee Study for the City. Willdan has reviewed and analyzed existing user fee programs and made recommendations for updates and/or new fees based on this review, our experience, and consultation with City Staff. We developed a comprehensive cost of service model and analysis model that will calculate the full cost of services for which fees are charged and serve as the basis for fee-setting discussions.

Client Contact: Nadia Feeser, Administrative Services Director
760 Mattie Road, Pismo Beach, CA 93449
Tel #: (805) 773-7010 | Email: nfeeser@pismobeach.org

City of Chino Hills, CA

Full Cost Allocation Plan and Comprehensive User Fee Study

The City of Chino Hills engaged Willdan to complete a comprehensive Cost Allocation Plan and Comprehensive User Fee Study. Willdan staff met with City staff to verify the City's objectives for the study, independently gathered most of the necessary data for the development of the CAP model and methodology and worked directly with City staff to gather additional detail or clarify information where necessary. We worked with City staff to understand the various functions served by indirect staff in various City departments, and which operating departments or funds they served. We worked directly with City staff to develop and verify allocation bases and make adjustments through several iterations of the CAP model, as necessary.

We developed a cost-of-service analysis and model that updated existing fees and incorporated new fees and used it to create an updated comprehensive fee schedule.

Willdan is currently providing an update to the User Fee Study and Cost Allocation Plan.

Client Contact: Christa Buhagiar, Finance Director
14000 City Center Drive, Chino Hills, CA 91709
Tel. #: (909) 364-2642 | Email: cbuhagiar@chinohills.org

City of Eastvale, CA

Comprehensive User Fee Study and Full & OMB Cost Allocation Plan

Through competitive bid, the City of Eastvale engaged Willdan Financial Services to conduct a comprehensive study of the City's user fees, as well as the preparation of a Full and OMB compliant Cost Allocation Plan.

Our primary objective for the cost allocation study was to ensure that general government costs are fairly and equitably allocated to appropriate programs and funds, based on tailored and well thought out allocation factors. The Cost Allocation Plan was also created to develop OMB compliant overhead allocations and indirect rates.

Willdan is currently wrapping up the Comprehensive User Fee Study. The Cost Allocation Plan and primary User Fee Study are complete. We are working with the City to incorporate some minor adjustments and conduct meetings with local stakeholder groups, Willdan developed the Cost Allocation Plan and model, reviewed and analyzed existing user fee programs, and working collaboratively with staff, made suggestions as necessary for additions to the City's fee schedule for activities for which fees were not currently being charged.

Client Contact: Amanda Wells, Finance Director/ City Treasurer
12363 Limonite Ave. Suite 910, Eastvale, CA 91752 |
Tel #: (951) 703-4430 | Email: finance@eastvaleca.gov

City of Burbank, CA

Comprehensive User Fee Study

In Spring of 2023 Willdan completed a comprehensive master user fee study for the City of Burbank. Burbank is a large, diverse city with a full range of municipal services. We worked with City staff to gather the necessary data to incorporate appropriate central service overhead factors from the City's current Cost Allocation Plan into this analysis. Following this, we analyzed the current fee schedule, developed a detailed cost-of-service analysis, and calculated the full cost of providing services for which fees are charged.

We also evaluated opportunities to implement new fees and eliminate obsolete ones. Finally, we conducted fee comparisons with other local municipal agencies and worked with City Staff to develop fee-setting recommendations that incorporated policy guidelines and presented these to the City Council for adoption.

Willdan updated many of the fee programs and their structures. Final master fee recommendations were made to address the City's goal to maximize the recovery of the costs of providing services, to the best extent possible, including overhead. The final steps of the process included a detailed presentation to the City Council, and delivery to the City of the fee model for their future use.

Client Contact: Justin Hess, City Manager
275 East Olive Avenue Burbank, CA 91502
Tel #: (818) 238-5800| Email: jhess@burbankca.gov

City of Moreno Valley, CA
Development Impact Fee Study

Willdan was retained to perform a comprehensive update the City's impact fee program in 2020. The City's fee program included a variety of impact fee categories including: arterial streets, traffic signals, interchanges, parks, recreation, fire, police, library, corporation yard, maintenance equipment, and animal shelter facilities. The nexus study justified fees that were significantly higher than the City's current fees, partially because the fees had not been comprehensively updated in some time.

Willdan worked with City staff to recommend a phased approach to implementing the fees, so that the City could increase its fees on a regular schedule, so that developers could have certainty about what the fees would be in the near future

Upon completion of the comprehensive update, Willdan was retained again to create a fee to fund workforce development facilities and a public arts impact fee, which were both adopted by the City in late 2022.

Client Contact:	Michael Lloyd, PE, Public Works Director 14177 Frederick Street, Moreno Valley, CA 92553 Tel #: (951) 413-3100 | Email: michaell@moval.org

County of Riverside, CA
Development Impact Fee Study

Willdan assisted the County of Riverside with an update of its comprehensive impact fee program in 2014. The fee categories were broad and diverse including countywide facilities such as jail detention facilities and county parks and trails; unincorporated only facilities such as fire stations and libraries; and County planning area specific facilities including storm drain and traffic improvements. Other facilities needed to be differentiated between the Eastern and Western portions of the County due to separation by distance, as well as varying level of facilities by region.

The process was lengthy, involving significant efforts to inform staff of methodological differences between the Willdan methodology and the methodology of the previous consultant.

Willdan was again selected in October 2019, through competitive bid, to update the County's development impact fees for 2030 and is currently engaged in this effort.

Client Contact:	Serena Chow, Administrative Services Manager II 4080 Lemon Street, Riverside, CA 92501 Tel #: (951) 955-6619 | Email: schow@rivcoeda.org

City of Cudahy, CA
Development Impact Fee Update

The City of Cudahy charges a wide range of development impact fees to new development. The City sought to comprehensively update its impact fee program for potential changes in demographics, growth projections, project costs and facility standards. The resulting fees funded new development's share of planned facilities, while not overburdening development with unnecessary costs.

Willdan developed a technically defensible fee justification based on the reasonable relationship and deferential review standards; provided a schedule of maximum-justified fees by land use category; engaged stakeholders to facilitate public support for the impact fee; and provided comprehensive documentation of all assumptions, methodologies, and results.

Client Contact:	Joshua Calhoun, CPA, Finance Director 5220 Santa Ana Street, Cudahy, CA 90201 Tel #: (323) 773-5143 | Email: jcalhoun@cityofcudahyca.gov

Similar Studies

Listed in the table below, is an abbreviated list of the public agencies in which similar services are currently in progress, or have been completed, in the previous five years by the project team included within this submission.

Willdan Financial Services 5 Year Cost of Services Study Experience			
Agency	Impact Fee Study	Cost Allocation Plan	User Fee Study
City of Arroyo Grande, CA	◆	◆	◆
City of Atwater, CA	◆	◆	◆
City of Alameda, CA	◆		
City of Amarillo, TX		◆	
City of Arcadia, CA	◆	◆	◆
City of Aurora, CO		◆	◆
City of Barstow, CA		◆	◆
City of Bellflower, CA	◆	◆	◆
City of Belmont, CA			◆
City of Blythe, CA		◆	◆
City of Brea, CA	◆	◆	◆
City of Capitola, CA		◆	◆
City of Carpinteria, CA	◆		
City of Cerritos, CA		◆	◆
City of Chino Hills, CA	◆	◆	◆
City of Claremont, CA		◆	◆
City of Commerce, CA	◆		
City of Commerce City, CO	◆		◆
City of Compton, CA	◆	◆	◆
City of Corona, CA	◆	◆	◆
City of Cudahy, CA	◆	◆	◆
City of Dinuba, CA		◆	◆
City of Eastvale, CA		◆	◆
City of El Centro, CA			◆
City of El Cerrito, CA		◆	◆
City of El Monte, CA	◆	◆	◆
City of Emeryville, CA	◆		
City of Encinitas, CA		◆	◆
City of Fillmore, CA	◆	◆	◆
City of Fontana, CA		◆	◆
City of Fountain Hills, AZ			◆
City of Fullerton, CA			◆

Willdan Financial Services 5 Year Cost of Services Study Experience			
Agency	Impact Fee Study	Cost Allocation Plan	User Fee Study
City of Fremont, CA	◆		
City of Galt, CA	◆	◆	
City of Georgetown, TX		◆	
City of Gilroy, CA	◆	◆	◆
City of Hayward, CA	◆	◆	◆
City of Hughson, CA	◆	◆	◆
City of Hollister, CA	◆	◆	◆
City of Indian Wells, CA	◆		◆
City of Irvine, CA	◆	◆	◆
City of Irwindale, CA	◆	◆	◆
City of La Mesa, CA	◆		
City of Laguna Hills, CA	◆	◆	◆
City of Lake Elsinore, CA	◆	◆	◆
City of Lindsay, CA	◆	◆	◆
City of Los Angeles, CA			◆
City of Los Banos, CA		◆	◆
City of Lomita, CA	◆	◆	◆
City of Lynwood, CA	◆	◆	◆
City of McFarland, CA	◆	◆	
City of Manteca, CA		◆	◆
City of Mission Viejo, CA			◆
City of Montebello, CA		◆	◆
City of Monterey, CA		◆	
City of Morgan Hill, CA	◆		
City of Mountain View, CA		◆	◆
City of Murrieta, CA	◆	◆	◆
City of Napa, CA		◆	◆
City of National City, CA		◆	◆
City of Norco, CA	◆	◆	◆
City of North Port, FL	◆		◆
City of Oroville, CA	◆	◆	
City of Pacifica, CA	◆	◆	◆
City of Palm Desert, CA		◆	◆
City of Patterson, CA		◆	◆
City of Petaluma, CA	◆	◆	◆

Willdan Financial Services 5 Year Cost of Services Study Experience			
Agency	Impact Fee Study	Cost Allocation Plan	User Fee Study
City of Pismo Beach, CA	◆	◆	◆
City of Pittsburg, CA	◆	◆	◆
City of Pomona, CA	◆		◆
City of Rancho Mirage, CA	◆		
City of Richmond, CA	◆	◆	◆
City of Rosemead, CA	◆	◆	◆
City of St. Helena, CA	◆	◆	◆
City of San Bruno, CA		◆	◆
City of San Fernando, CA	◆	◆	◆
City of San Jacinto, CA	◆	◆	◆
City of San Marcos, CA	◆	◆	◆
City of Santa Cruz, CA		◆	
City of Twenty-Nine Palms, CA	◆	◆	◆
City of Union City, CA		◆	◆
City of Upland, CA	◆	◆	◆
City of Watsonville, CA		◆	◆
City of West Hollywood, CA		◆	◆
City of West Sacramento, CA		◆	◆
City of Yucaipa, CA		◆	◆
County of Mono, CA			◆
County of Riverside, CA	◆		
County of Sacramento, CA	◆		
County of San Benito, CA	◆		◆
County of San Diego, CA	◆		
County of Stanislaus, CA	◆		
County of Tulare, CA	◆		
Housing Authority of the City of Alameda, CA		◆	
Housing Authority of the County of San Bernardino, CA		◆	
Town of Apple Valley, CA	◆	◆	◆
Town of Loomis, CA	◆		
Town of Paradise Valley, AZ			◆
Town of San Anselmo, CA		◆	◆

Subcontractors

Willdan will not require the assistance of a subconsultant to conduct the scope of services included in our proposal.

License

Willdan Financial Services maintains all necessary licenses to conduct business in the state of California. Provided below is a copy of our City of Temecula Business License.

BUSINESS LICENSE CERTIFICATE

The person, firm or corporation named below is hereby granted this certificate pursuant to the provisions of the City Business License Ordinances of the City of Temecula, California, to engage in, carry on or conduct in the City of Temecula, California, the business, trade, calling, profession, exhibition or occupation described below for the period indicated. This license is permission only, and is issued without verification that the license is subject to or exempt from licensing by the State of California, nor shall such issuance be deemed a waiver of the City of Temecula of past or future violations of such laws or ordinances.

CITY OF TEMECULA

Finance Department
41000 Main Street
Temecula, CA 92590

BUSINESS NAME: Willdan Financial Services

BUSINESS LOCATION: 27368 Via Industria Ste, 200, Temecula, CA 92590

DESCRIPTION: Financial

BUSINESS OWNER: Mark Risco

WILLDAN FINANCIAL SERVICES
27368 VIA INDUSTRIA, 200
TEMECULA, CA 92590

Business License Number: 004293
License Fee: $35.00
Effective Date: October 22, 2024
Expiration Date: January 31, 2026
Fees paid in accordance with City Ordinance

TO BE POSTED IN A CONSPICUOUS PLACE

NOT TRANSFERABLE and NON-REFUNDABLE

DIR

Willdan Financial Services does not conduct construction related projects; however, our sister company, Willdan Engineering is registered, 1000033392.

Business Safety Record

Willdan Group, Inc. implements a comprehensive multi-level safety program designed to ensure the well-being of all team members. This program is readily accessible through our user-friendly Willdan intranet, where employees can find important safety resources, guidelines, equipment, and tools.

Willdan Financial Services has not encountered any safety issues. Additionally, Willdan Financial Services ensures that all required safety signage is prominently displayed in every office to promote awareness and compliance. To further enhance our preparedness, we conduct regular earthquake, fire, and other disaster related escape drills, allowing our team to practice safe evacuation procedures and respond effectively in case of an emergency.

Litigation

Willdan Financial Services has not been involved with litigation regarding its services in the previous five years.

Conflict of Interest Statement

Willdan Financial Services is not aware of any actual or potential conflict of interest that would have an impact our ability to conduct the scope of services included within this proposal.

Contract Exceptions

Willdan has carefully reviewed the City’s sample agreement and is pleased to confirm that we have no objections to the terms outlined in the RFP. We will be ready to proceed with executing the agreement as presented.

Technical Approach and Timeline

Project Understanding

As one of the only firms combining decades of experience in these three areas of expertise under one roof, without the need for subconsultants, Willdan Financial Services ("Willdan") is confident that we can meet the City of Temecula's ("City") request for services for a Full Cost Allocation Plan ("CAP"), Comprehensive User Fee Study, and a Development Impact Fee Study.

The first objective of this project will be to review, evaluate and update fees and charges for services, evaluate and calculate the full 100 percent cost of providing community services and programs supported by these fees, examine, and verity the relationship between the cost of services and the fees, recommend fees to be charged and cost recovery strategies and best practices, and recommend additional fees where appropriate. These activities will support the goal of providing a well-documented and legally defensible cost of service based User Fee Study that is compliant with the requirements of Propositions 26 and 218, to help maximize the recovery of costs associated with providing these services. Departments to be included in this study include (but are not limited to):

- Planning;
- Building;
- Public Works,
- Fire Protection;
- Law Enforcement;
- Community Services (Parks, Recreation, including Old Town Temecula Community Theater, and sports park(s).

A second directly related objective is to create a CAP that defensibly allocates the cost of indirect overhead support services to operating functions and enterprises, to ensure the City has a basis for applying appropriate overhead rates to calculate the full cost of services, that fees include provision for overhead costs, and so the City has overhead rates that can be used for federal and state grants and reimbursements from other governmental agencies. The overhead allocations determined in this process will be a foundational step in calculating the full cost of services and establishing User Fees.

The final objective is the completion of a study that results in updated impact fees, in accordance with the Mitigation Fee Act, which reflect planned facilities and development in the City, and which are aligned with anticipated impacts of development on the City and its residents.

The end products will include user-friendly Excel-based models, which City staff will retain, and which can be easily updated to add or remove services and/or costs, update budgets in future years, determine the proper allocation of expenditures, and on-going full cost of services provided by the City. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

For these studies, we will meet directly with departmental representatives at the City at the beginning of the project, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the cost allocation plan and user fee study components to maximize efficiencies and ensure adherence to specified timelines.

A key building block of the calculation of updated fees is the development of defensible indirect overhead rates that reflect the cost of support services provided by the City's central service departments to the operating groups that provide end-user services to the public and customers of the City.

Rather than a costly and inflexible proprietary software, which can require expensive licensing fees, Willdan builds models utilizing Excel, from the ground up, employing the City's budget as the gauge. This model, which is then the City's to retain, gives City Staff the control to make on-the-fly adjustments and updates.

The completion of a CAP is a key component and first step in the analysis necessary to calculate the cost of providing services. ***A well thought out CAP ensures that indirect costs associated with central overhead services, such as finance or city clerk, are appropriately allocated to operating departments, and ultimately included as a cost component of fees for services***. We will work collaboratively with City staff to review the City's existing CAP, and evaluate and update existing cost categories, allocation bases and the overall methodology, and discuss with staff changes or modifications they may find valuable. We will identify the overhead support services that are provided to operating departments in Temecula and develop a fair and defensible means of allocating these costs. Our unique model allows us to provide a CAP that will also be compliant with 2 CFR Part 200 Federal regulations related to cost reimbursement and grant funding, formerly known as OMB A-87 and 2 CFR Part 225 guidelines, which have now been superseded by the Omni Circular. The new circular did not completely overhaul the guidelines, and the intent is still the same, but it did add new limitations to consider and incorporate into a compliant CAP.

Our objectives for the User Fee Study will be to ***complete a comprehensive review of the City's User Fees, calculate the full (100%) cost of providing services for which fees are charged, and recommend cost recovery strategies and fee levels that balance full cost recovery with local policies and community dynamics. The final goal will be to arrive at a well-documented and legally defensible fee schedule that complies with Prop 218, Prop 26, and the Mitigation Fee Act***. For the User Fee Study, we will work directly with personnel at the City who provide services and interact directly with residents and customers, to understand the personnel and procedures involved. By carefully examining these processes, we will be able to identify associated costs such as direct staff costs (salaries and benefits) and contract staff costs associated with personnel involved in the activities, and appropriate overhead allocations from both the department and city levels.

For the Development Impact Fee Study, during initial discussions and project kickoff, we will discuss the impacts of recent legislation, including AB 602 and AB 516, and court cases, such as Sheetz, on the City's impact fee programs, and how this new legislation and guidance may affect the adoption, implementation and administration of updated fees.

Willdan will review the previous work prior to the kick-off meeting to determine what has changed in terms of facilities and needs for the fee categories. We will also communicate with the City in advance of the kickoff to determine whether there is any initial policy direction or guidance on new fees. We will update the demographics and present the City with the facilities list and discuss the current status for each fee type. We will work with the City to implement an impact fee program that ensures that new development pays its fair share of infrastructure while being mindful of the impact of fees on development.

For a successful and effective engagement, it is important to have a thorough understanding of specific City policies and objectives, the structure and organization of the City, and the relationships between the central and operating departments. We bring years of successful experience working directly with hundreds of cities throughout California. Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the City include the following:

Public Engagement

Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. While we understand that the City Council and local business community may be generally supportive of increasing fees where necessary, it will be important to present recommendations to them in a way that clearly demonstrates the rationale and supporting analysis.

User-friendly Models and Reports

Willdan prides itself on creating user-friendly Excel-based models that the City can retain and ***conducting our analysis and developing the models collaboratively with City staff.*** With City staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. In the future, as the City assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the models will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities.

The models will be developed to allow the City to run "what-if" scenarios to address possible changes in staffing levels, working hours, etc.

Willdan understands that issues facing the City are unique; consequently, we design our models to match your immediate and desired needs to ensure that end-results exceed staff expectations rather than using an inflexible proprietary software. ***These models are then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.***

Project Methodologies

The following describes our proposed approach, and work plan to conduct a Comprehensive User Fee Study, Cost Allocation Plan, and Development Impact Fee Study.

Full Cost Allocation Plan Methodology

The purpose of this cost allocation plan engagement is to ensure that the City is maximizing the allowable recovery of indirect overhead costs from identified operating departments, as well as enterprise and other chargeable funds.

A sound cost allocation plan is also a foundational element in the development of internal hourly rates, including position billing rates. We will work closely with staff in identifying the proper balance of allocation factors appropriate for the City so that the City has a method of identifying and distributing administrative costs that is fair, comprehensive, well documented, and fully defensible.

We will work collaboratively with City Staff in the development of this model to verify that our assumptions are sound and accurate, given specific City characteristics. Further, we will ensure that appropriate allocation factors are selected for various City functions and enterprises to ensure that the overall allocation strategy is tailored for the City of Temecula. Cost allocation studies should be simple in concept and form.

Our plans are not over-complicated, can be easily understood by non-finance-oriented individuals, and are readily presentable to elected officials, appointed finance committees and the public.

We deliberately design our cost allocation models to quickly and easily transition from a simple model to a progressively more inclusive plan. The logical step-by-step presentation of our plans fosters confidence in their results and facilitates adoption and implementation.

The allocation models utilize an iterative method which is the most accurate allocation methodology. Unlike a direct or "step-down" methodology, an iterative method uses the chosen distribution bases and allocates central service costs iteratively until all allocable costs have been distributed. Using this method, the model can detail the allocation for each central function individually for complete transparency and accountability, while removing bias that might result from the order in which allocations occur in a step-down approach.

A direct methodology is essentially a one-iteration methodology, while a step-down method is typically only two iterations and is less precise and unable to accurately track the allocations from start to finish.

Approach for Managing the Project

Willdan's "hands-on" supervision of Cost Allocation Plan studies, include the following methods:

- **Effective Project Management —** Principal-in-Charge Chris Fisher will manage the entire project with an eye toward high responsiveness, while ensuring that all stakeholders are "on board" with the direction of the project, as well as with the final results. Mr. Fisher will ensure that regular status updates are provided to City staff, conference calls are scheduled, and that in-person meetings are conducted (as necessary).
- **Adherence to Time Schedule —** Willdan recognizes that the use of "timelines" is highly effective in meeting all required deadlines. To keep the project on schedule, there are several tasks that must be completed in a timely manner. Therefore, we will present a project timeline at the kick-off meeting that should be closely followed.

Approach in Communicating with the City

Willdan staff is accustomed to interfacing with local government councils, boards, staff, community organizations, and the public in general in a friendly and helpful manner; we are always mindful that we represent the public agency.

We are sensitive to the need of delivering a quality product, with the highest level of service and professionalism. Therefore, as the work on the project progresses, we understand that it will be necessary for our staff to work closely with you and City personnel. To accomplish this, we employ a variety of tools, including monitoring project status and budget costs; and ensuring effective communication through several options that are based on the City's preferences.

Experience with Development Service Processes

A unique aspect of our firm is our relationship with our Engineering Division. For many agencies throughout California and other Western states, this division provides contracted services in planning, engineering, and building and safety. When conducting cost recovery studies, we regularly consult with our engineering and land-development staff of experts on development-related issues. By working with our planners, engineers, and building officials, we understand development-related agency service procedures and workflow functions, which often make the entire user fee study process smoother for your staff.

Comprehensive User Fee Study Methodology

To comprehensively update fees, the City should develop a comprehensive user fee schedule that accurately accounts for the true cost of providing services. Once the study is complete, the fee study model must be flexible so that the City can add, delete, and revise fees in the future. To meet this goal, we will bring our expertise and unique perspectives to your fee study by approaching the project with these three principles:

1) Defensibility

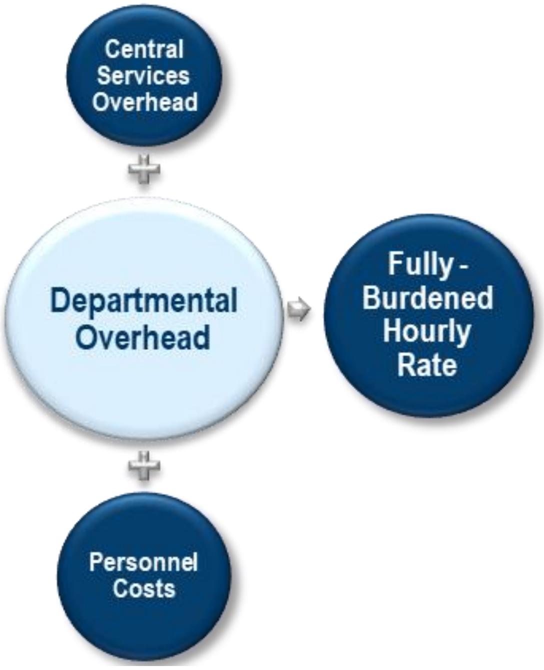
Our user fee projects have not been legally challenged since the inception of this practice area in our firm. We have accomplished this by closely working with legal counsel familiar with user fee studies, our engineering division and with agency staff. In this way, we can tailor the correct approach to ensure full cost recovery combined with a sound and reasonable basis for each user fee you implement.

While Proposition 218 does not directly apply to non-property-related fees, we employ principles from this important constitutional article to make certain that your user fee and rate schedule is developed with fairness, equity, and proportionate cost recovery principles in mind. With the addition of Proposition 26, Willdan will review each analyzed user fee for compliance and appropriateness to ensure continued defensibility.

2) Project and Staff Time

The City must have a sound and technically defensible fee schedule to ensure costs are appropriately recovered, as applicants approach the City for its services. Our standards and approaches serve to get to the issues of your fee study quickly.

Starting with the project kick-off, we will make certain that your staff understands the purpose and scope of the study and its corresponding departmental interview. As Willdan is able to communicate directly with the service providers, this face-to-face interaction provides valuable time estimates.



3) Responsiveness

We take great pride in providing responsive service to our client agencies. Frequent communication is critical to a successful user fee study experience. We will provide a list of data requirements in advance of the project kick-off so that the introductory meeting can focus on the survey input process, answering questions, determining policy goals, and defining next steps in the project. We will follow up weekly with you at each step in the fee study process to make sure that staff “buys in” to the fee study approach and results.

Approach

Our approach to preparing the user fee study and documentation for Temecula includes:

- Close coordination with your staff to devise a consensus approach. Different programs and/or different service delivery methods will necessitate different approaches. We will discuss specific pros and cons with City staff as we determine which methods work best for each fee category;
- Strict adherence to key legal and policy issues with regard to user fees, including the percent of cost recovery that the City seeks to achieve. A user fee shall not be set higher than the reasonable cost of providing a fee-generating service. Our approach provides you with a fee schedule that achieves maximum legal cost recovery while ensuring that each fee is supported by technically defensible documentation; and
- Technical analysis necessary to ensure State compliance, and to anticipate and resolve potential policy issues using a combination of industry standards as well as City specific methods.

As described below, there are two basic approaches to calculating user fees:

Approach 1: Case Study Method

This is also sometimes referred to as a cost build-up approach. Using a time and materials approach, the “Case Study Method” examines the tasks, steps and City staff involved in providing a particular ‘unit’ of service, such as a permit review, and then uses that information to develop estimates of the actual labor and material costs associated with providing a unit of service to a single user. It is often used when a service is provided on a regular basis, and staff and other costs associated with the service can be segregated from available budget data.

A typical case study fee model should comprise the following three general cost layers:

1) Central Services Overhead: This category may involve such costs as labor, services, and supplies that benefit more than one department, division, or project. The exact benefits to specific areas are impossible to ascribe to a single activity.

Examples are purchasing, human resources, and liability insurance. As part of the user fee study, these costs are calculated in the overhead cost review.

2) Department Overhead: This category may include expenses related to such items as office supplies, outside consultants, and membership dues. It may include management, supervision, and administrative support that are not provided to a direct fee-generating service. Typically, these items are charged, on an item-by-item basis, directly to the department, division, or project.

3) Personnel Costs: This category refers to direct salary and benefit costs of staff hours spent on providing a fee-generating service (e.g., on-site building inspector).

Approach 2: Average Cost Method

This is also sometimes referred to as a programmatic approach, because it looks at costs at a program level, and then allocates them to participants on an occurrence basis. By taking total service costs across a substantial sample period (a year) and dividing by the total number of service units delivered over that same period, costs per unit of service is estimated. This approach is useful when services or programs are provided in a more aggregate manner, where it might be difficult to identify a specific sequence of steps associated with one user or participant; or where it is not feasible to cost-effectively segregate costs associated with specific activities.

Development Impact Fee Study Methodology

The City desires to update impact fees to ensure a fair and reasonable fee structure, while meeting the requirements of the California *Mitigation Fee Act* (*California Government Code 66000 to 66025*). The resulting fees will fund new development's share of planned facilities, while not overburdening development with unnecessary costs. Listed below are the development impact fees that are to be updated by this study.

- Traffic Impact and Circulation
- Drainage Infrastructure
- Public and General Facilities
- Sewer and Water Infrastructure
- Public Parks and Open Space
- Technology
- Public Safety Services

Project Objectives

The objective of this project is to establish/update development impact fees pursuant to State law. To accomplish this objective, this study will:

- Develop a technically defensible fee justification, based on the reasonable relationship and deferential review standards;
- Review and facility standards, capital facilities plans and costs, and development and growth assumptions;
- Provide a schedule of maximum-justified fees by land use category; and
- Provide comprehensive documentation of assumptions, methodologies, and results, including findings required by the *Mitigation Fee Act*.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 40 years has steadily undercut the financial capacity of local governments to fund infrastructure. Four dominant trends stand out:

1. The passage of a string of tax limitation measures starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
2. Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses;
3. Steep reductions in Federal and State assistance; and
4. Permanent shifting by the State of local tax resources to the State General Fund to offset deficit spending brought on by recessions.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees, also known as public facilities fees. Assessments and special taxes require approval of property owners or registered voters and are appropriate when the funded facilities are directly related to the developing property. Development impact fees, on the other hand, are an appropriate funding source for facilities that benefit development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Summary of Approach

Willdan's methodology for calculating public facilities fees is both simple and flexible. Simplicity is important so that the development community and the public can easily understand the justification for the fee program. At the same time, we use our expertise to reasonably ensure that the program is technically defensible.

Flexibility is important, so we can tailor our approach to the available data, and the agency's policy objectives. Our understanding of the technical standards established by statutes and case law suggests that a range of approaches are technically defensible. Consequently, we can address policy objectives related to the fee program, such as economic development and affordable housing.

Flexibility also enables us to avoid excessive engineering costs associated with detailed facility planning. We calculate the maximum justifiable impact fee and provide flexibility for the agency to adopt fees up to that amount.

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in an impact fee study include:

- **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
- **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
- **Determine facilities required to serve new development and their costs:** Estimate the total amount and cost of planned facilities, and identify the share required to accommodate new development; and
- **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the public facilities fee schedule.

We discuss key aspects of our approach to each of these steps in the subsections that follow.

Growth Projections

In most cases, we recommend use of long-range market-based projections of new development. By "long-range" we suggest 20 to 30 years to: capture the total demand often associated with major public facility investments; and support analysis of debt financing, if needed. In contrast to build out projections, market-based projections provide a more realistic estimate of development across all land uses. Build out projections typically overestimate commercial and industrial development because of the oversupply of these land uses relative to residential development.

Facility Standards

The key public policy issue in development impact fee studies is the identification of facility standards (second bullet above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Our approach recognizes three separate components of facility standards:

1. **Demand standards** determine the amount of facilities required to accommodate growth. Examples include park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicles-to-capacity (V/C) ratio used in traffic planning;
2. **Design standards** determine how a facility should be designed to meet expected demand, for example park improvement requirements and technology infrastructure for office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates current facility design standards into the fee program to reflect the increasing construction cost of public facilities; and
3. **Cost standards** are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. Cost standards are useful when demand standards were not explicitly developed for the facility planning process. Cost standards also enable different types of facilities to be analyzed based on a single measure (cost or value), useful when disparate facilities are funded by a single fee program. Examples include facility costs per capita, per vehicle trip, or cost per gallon of water per day.

Identifying New Development Facility Needs and Costs

We can take several different approaches to identify facility needs and costs to serve new development. Typically, this is a two-step process: 1) identify total facility needs; and 2) allocate to new development its fair share of those needs. Total facility needs are often identified through a master facility planning process that typically takes place concurrent with or prior to conducting the fee study. Engineered facility plans are particularly important in the areas of traffic, water, sewer, and storm drain due to the specialized technical analysis required to identify facility needs.

There are three common methods for determining new development's fair share of planned facilities costs: 1) the existing inventory method; 2) the planned facilities method; and 3) the system plan method. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized as follows:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method new development funds the expansion of facilities at the same standard currently serving existing development. By definition, the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual Capital Improvement Plan (CIP) and budget process, possibly after completion of a new facility master plan.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when specific planned facilities can be identified that only benefit new development. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This method is appropriate when planned facilities would not serve existing development. Under this method new development funds the expansion of facilities at the standards used for the master facility plan.

System Plan Method

This method calculates the fee based on the ratio of the value of existing facilities plus the cost of planned facilities divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \$/\text{unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that work together to achieve the desired level of service. Police substations, civic centers, and regional parks are examples of similar facilities.

The system plan method ensures that new development does not pay for existing deficiencies. Often, facility standards based on policies such as those found in General Plans are higher than existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities, required to correct the deficiency, to ensure that new development receives the level of service funded by the impact fee.

Calculating the Fee Schedule

At its simplest, the fee schedule uses the cost per unit of demand discussed in the last subsection to generate the fee schedule. This unit cost is multiplied by the demand associated with a new development project to calculate the fee for that project. The fee schedule uses different demand measures by land use category to provide a reasonable relationship between the type of development and the amount of the fee. We are familiar with a wide range of methods for identifying appropriate land use categories and demand measures depending on the particular study.

Related Approach Issues

Funding and Financing Strategies

In our experience, one of the most common problems with impact fee programs and with many CIPs is that the program or plan is not financially constrained to anticipated revenues. The result is a “wish list” of projects that generate community expectations that often cannot be fulfilled. Our approach is to integrate the impact fee program into the local agency’s existing CIPs while encouraging those plans to be financially constrained to available resources. We clearly state the cost of correcting existing deficiencies, if any, to document the relationship between the fee program and the need for additional non-fee funding.

We can also address one of the most significant drawbacks of an impact fee program – the inability to support conventional public debt financing, so projects can be built before all fee revenues have been received.

In collaboration with financial advisors and underwriters, we have developed specific underwriting criteria so that fees can be used to pay back borrowing if another source of credit exists. Typically, this approach involves the use of Certificates of Participation or revenue bonds that are calibrated so that they can be fully repaid using impact fee revenues.

Economic Development Concerns

The development community often is concerned that fees and other exactions will become too high for development to be financially feasible under current market conditions. Local agencies have several strategies to address this concern, including:

- Conducting an analysis of the total burden placed on development, by exactions, to see if feasibility may be compromised by the proposed fees;
- Gathering similar data on the total fee burden imposed by neighboring or competing jurisdictions;
- Developing a plan for phasing in the fees over several years to enable the real estate market to adjust;
- Providing options for developers to finance impact fees through assessments and other types of financing districts; and
- Imposing less than the maximum justified fee.

If less than the maximum justified fee is imposed, we will work with staff to identify alternative revenues sources for the CIP. The CIP should remain financially feasible to maintain realistic expectations among developers, policymakers, and the public.

Stakeholder Participation

Stakeholder participation throughout the study supports a successful adoption process. Our approach is to create consensus first around the need for facilities based on agreed upon facility standards. Second, we seek consensus around a feasible funding strategy for these needs, leading to an appropriate role for impact fees.

Gaining consensus among various groups requires a balanced discussion of both economic development and community service objectives. Often, our approach includes formation of an advisory committee to promote outreach to and input from the development community and other stakeholders. We have extensive experience facilitating meetings to explain the program and gain input.

Program Implementation

Fee programs require a certain level of administrative support for successful implementation. Our final report will include recommendations for appropriate procedures, such as:

- Regularly updating development forecasts;
- Regularly updating fees for capital project cost inflation;
- Regularly updating capital facility needs based on changing demands;
- Developing procedures for developer credits and reimbursements; and
- Including an administrative charge in the fee program.

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Work Plans

Our proposed work plans, described in detail by task, are provided below. We explain how each task will be accomplished and identify associated meetings and deliverables. We want to ensure our scopes of work provides quality and clarity and is responsive to the City's needs and specific local circumstances. We will work in concert with the City to adjust scopes as needed during the course of the studies.

Full Cost Allocation Plan

This proposed scope of services addresses the completion of both the full and OMB compliant versions of the Cost Allocation Plan (CAP). We have noted where activities specific to the OMB compliant plan occur.

Task 1:	Initial Document Request

Objective: Initial due diligence.

Description: Prior to the kick-off call, relevant documentation will be obtained and reviewed. As necessary, specific data may be requested to better understand any changes that have occurred withing the City's internal structure since our completion of the previous CAP. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development.

Our request may include (but is not limited to):

- Detailed budget and accounting data;
- Data related to various allocation bases that may be used in the study and incorporated as part of the methodology, i.e., City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.;
- Prior year's financial data, salary, position, and staffing data;
- Prior cost allocation plan and/or user fee documentation and models; and
- Organizational structure.

Deliverables: **Willdan:** Submit information request to City.

City: Provide requested data to Willdan (prior to Task 2, Kick-off Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.

Task 2:	Kick-off Conference Meeting or Call / Refine Scope

Objective: Confirm project goals and objectives. Identify and discuss policy matters related to the study and determine appropriate fee categories.

Description: Willdan will begin this portion of the project with a discussion of the City's exiting Cost Allocation Plan or methodology if available. We will identify and discuss policy implications typically raised in conjunction with these studies and address data gaps in order to gain a full understanding of the City's goals for the cost allocation plan. We will establish effective lines of communication and processes for information gathering and review. We will also discuss costs that may not be allocable for OMB purposes, and the potential impact on the OMB version of the CAP.

During this call, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project's schedule.

We will obtain and review the current cost allocation methodology and discuss with City staff. The objective of this review is to determine specific areas of focus as they relate to the City's objectives, and to discuss and evaluate current and potential cost categories, allocation factors, and methodology.

Meetings: One (1) project kick-off meeting or conference call to initiate the project, discuss data needs and methodologies and to address policy issues. We would propose conducting the user fee study kick-off during this same call, to maximize efficiency and cost effectiveness of staff and Willdan time.

Deliverables: **Willdan:** If needed, a revised project scope and schedule.

City: Provide further data requirements and select / introduce City's project manager.

Task 3:	Gather Staffing Information and Develop/Update Cost Allocation Plan Model
Description:	This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. This task also focuses on the development of, and/or adjustment of existing, allocation bases, and the development and testing of a model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks based on service provisions and cost categories identified during discussions, staff and functions that can be allocated, their related costs and appropriate allocation criteria. We will develop a model that reflects current practices and service models and structures within the City and identifies the total costs of providing indirect overhead support services and allocates them to operating groups and functions. The model will also be developed to allocate only those costs eligible under Title 2 CFR Part 200. This is accomplished by loading relevant data into the model, identifying which costs are not allocable under the OMB guidelines. The OMB Super Circular compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with Federal OMB regulations. The model will include flexibility to add or delete support service and/or operating groups as changes occur and also the ability to adjust the model and the results annually for inflation, salary, and benefit increases, as well as contract rates. We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss allocation bases, services provided by indirect groups, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology. The model and methodology will produce indirect cost rates and overhead percentages. These rates will be used to develop the fully burdened hourly cost of City Staff and will be suitable for a variety of uses, including incorporation into the User Fee Study's fully burdened personnel rates, billing to CIP projects, and in the OMB Super Circular compliant CAP, to Federal grants.
Meetings:	Online meetings with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.
Deliverables:	**Willdan:** One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB Super Circular compliant cost allocation plan.

Task 4:	Test and Review Cost Allocation Methodology
Objective:	Test and review model and results with City.
Description:	The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. Over the past several years, we have successfully integrated online meetings by using WebEx™ as an element to our approach. This allows us to remotely guide staff through the model review and allows you the opportunity to interactively change inputs and test approaches.
Meetings:	One meeting, conference call or virtual meeting and demonstration with City Staff and Management to review the model, present and discuss initial results, and receive feedback. We will discuss with staff whether an in person meeting is preferable, or if a call/virtual meeting is sufficient for the purposes of the discussion.
Deliverables:	**Willdan and City:** Draft cost allocation plan model review.

Task 5:	Prepare and Present Draft Report and Results
Objective:	Prepare the draft cost allocation report and results.
Description:	This task involves the draft report preparation and presentation to the City for feedback. The cost allocation plan's background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables and provided to the City.

The report and model will also identify direct and indirect overhead costs so they can be tracked from the allocating overhead departments and functions to the recipient organizations and functions, and the bases upon which the allocations were made.

Meetings: One (1) meeting to present the draft report to City Staff for review and feedback and one (1) meeting with the Council Subcommittee for review and comment.

Deliverables: **Willdan:** Draft report for City and Council Subcommittee review and input.

City: Review of draft report, with comments, and edits.

Task 6:	Discuss and Revise Report

Objective: Review of draft report, cost distribution methods, and model.

Description: An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type. Often, through the course of an engagement, comments usually revolve around issues of understandability; appropriate levels of enterprise funds' cost recovery, etc.; ease of calculation; and overhead costs' distribution methods.

Our reports are structured to include both the full and OMB compliant plan, but in the course of review if a separate report is desired for each or just one of the plans, they will be split.

Following a round of comments from City Staff, Management and Council Subcommittee concerning the draft report, the final report will be prepared for presentation to the Council.

Meetings: One (1) conference call with City staff to review the report with changes and revisions.

Deliverables: Draft report, and revised draft/final report.

Task 7:	Prepare and Present Final Report and Model

Objective: Prepare and present the final report to City Council. Educate City staff on the operation and use of the model for future modifications.

Description: This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to Finance Director, City Manager, City Staff, and City Council.

Meetings: One (1) meeting to assist City Staff with the presentation of the results and plan to the City Council. This meeting would be held in conjunction with the presentation of the User Fee study results.

We will also provide staff instruction on the operation and use of the model.

Deliverables: **Willdan:** Provide one (1) electronic PDF file copy of the final report, on USB, and models and twenty (20) bound copies to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD/ROM.

Comprehensive User Fee Study

Task 1:	Initial Document Request

Objective: Initial due diligence; obtain study-related data.

Description: Prior to the kick-off meeting, we will obtain and review relevant documentation to further enhance our understanding of the services, fees, and rates to be studied. A written request for data will be sent to the City. Please note that Time Survey data is not part of this request and will be gathered during the interviews described in Task 5.

We will request information and documentation on current fees and fee programs, activity levels, and budget and staffing information (to the extent not already available) related specifically to programs and activities which have associated fees, and for which the City has this level of detail.

Deliverables: **Willdan:** Submit information request to City.

City: Provide requested data to Willdan (prior to Task 3, Kick-off Meeting/Refine Scope). As with the cost allocation plan, we will follow up with the City to confirm receipt of requested data and information and highlight data elements that are outstanding.

Task 2:	Compile Inventory of Current and Potential Fees

Objective: Willdan will identify a schedule of fees and methodology for calculating the fees.

Description: Based on the results of the initial document request and independent research, incorporate into our model the existing fees, provided by the City, to comprise the parameters of the fee study.

Meetings: It is possible that a conference call with the City may be necessary to discuss new fees to implement or existing fees that may no longer be required.

Deliverables: **Willdan:** One (1) draft list of current fees based on initial data provided (to be discussed and finalized during the kick-off call).

City: Review completed fee schedule with comments/revisions to be discussed during the kick-off meeting.

Task 3: Kick-off Conference Call / Refine Scope

Objective: Confirm goals and objectives for the User Fee Study. Identify and policy matters typically related to a User Fee Study, address gaps in data, and refine appropriate existing or new fee categories (based on Task 2).

Description: Verify our understanding of the City's goals, the City's cost-recovery policy for user fees, and to fill any gaps in data/information necessary for the project. It is important for the City and Willdan to identify and address any foreseeable problems and maintain open communication throughout the process.

During this call, we will ask that the City identify a project manager who will serve as the primary contact for the project. The project manager shall have responsibility for ensuring that all available data is provided in a timely manner, thereby maintaining adherence to the project's schedule.

Meetings: One (1) project kick-off meeting or call to initiate the entire project, discuss data needs, and address policy implications. This will be held in conjunction with the kick-off for the cost allocation plan. As mentioned in the cost allocation plan work plan, we suggest combining the kick-off calls to increase efficiency.

Deliverables: **Willdan:** 1) Revised project scope and schedule (if needed); and 2) brief summary of policy decisions (if needed).

City: 1) Provide further data needs; and 2) determine/introduce City's project manager.

Task 4: Develop User Fee Model

Objective: Develop and test model.

Description: This task involves the development of the model ultimately used to calculate the fees, based on data and information gathered in previous tasks and in the Time Survey Interviews described in Task 5. To ensure that City policies are met through the imposition of the calculated fees, the model will be formatted to include appropriate costs.

Key model inputs will include staff and allocated overhead costs per position, and relevant budget data on salaries and benefits. Most of this information will be developed during the cost allocation plan phase of this project and will be incorporated directly into the user fee model. We will request clarification and/or additional data if necessary.

The model will build upon the cost allocation plan results, to provide an allocation of administrative and overhead costs to fee related activities and departments providing services to customers, so that fees and billable rate schedules incorporate applicable costs. Furthermore, the fees and rates charged to customers will also reflect the cost of the services being provided, to the extent possible given policy and/or political considerations.

Deliverables: **Willdan:** One (1) user-friendly model in Microsoft Excel format, which, when finalized, City staff can use to calculate fee changes annually, or as often as deemed appropriate by the City Council.

Task 5: Time Survey Interviews and Information Gathering

Objective: Meet with City staff to review processes and staffing for fee-based services, gather data and information necessary to understand service delivery processes.

Description: In order to gather the information and feedback necessary to understand processes, staffing and levels of effort, we will schedule up to one-and-a-half (1.5) days of meetings with staff; however, the number of meetings needed may vary depending on the number of staff and departments involved.

The Willdan Team will conduct interviews with supervisors/managers, as well as other staff, as deemed appropriate and/or necessary, from each organization involved in the user fee study to determine the average time required by City staff to provide each of the services for which a fee is collected.

The fee model is designed so that full cost recovery fees are calculated immediately upon input of staff time. These full costs are also compared to current cost recovery levels.

This will allow Willdan and City staff to conclude with a final meeting to review the draft full cost recovery fees and adjust any times as necessary once all information has been compiled and input into the fee model. We will schedule the interviews with staff to minimize any disruption to their normal workflow.

Meetings:	One-and-a-half (1.5) business days of meetings/staff interviews. Depending upon circumstances and availability, we may discuss the option with City Staff of conducting these meetings in person or via WebEx or Zoom, or some combination. In recent years city staff have become familiar and comfortable with virtual meeting methods, and there are advantages to this approach. We can share our fee model during the meeting to review data inputs and needs, clarify questions, demonstrate results and make on-the-fly adjustments. Virtual meetings also provide more flexibility in scheduling, and scheduling in much shorter term, as opposed to getting everyone available on a single day. In person meetings can have value, and are preferred by some cities, so we will discuss both options and proceed based on the City's preference.
Deliverables:	**Willdan and City:** Time surveys and draft full cost recovery fees.

Task 6:	Data Analysis and Final User Fee Schedule
Objective:	Incorporate information obtained from meetings in Task 5 to fully develop model, calculate the full cost of service and compare full cost to current level of cost recovery.
Description:	We will update the model, based on information received during the interviews, to generate a comprehensive user fee schedule. In addition, it is very common that a supplemental data request may be necessary, based on new fees identified that the City is not currently collecting. Where appropriate, we will suggest and discuss with staff alternate approaches to existing fee programs (i.e., building fees) and suggest potential areas where new fees could be collected where none currently exist. We will calculate and present the full cost recovery level for fees, both current and projected under the new calculated fees, and revenue projections, given certain assumptions about the levels of subsidy for different fees. Current levels of cost recovery will be compared to actual full costs calculated during the course of this study. Cost will be calculated at reasonable activity levels and include all appropriate direct and indirect costs and overhead. We will review fee programs for compliance with Propositions 218 and 26 in developing the fee schedule, we will make recommendations for new fees where appropriate, based on our experience with other cities. Some areas for new fees may be due to changes in law (legalized cannabis), or for activities that the City finds itself performing regularly, but for which no fee is collected. The model will include provision for inflationary adjustments for appropriate costs, i.e., personnel and/or contractor rates associated with fee-based activities. We will also evaluate deposit-based fees for recommended improvements, deposit levels, or other suitable structures and recommend changes to fee structures where appropriate to simplify administration and/or customer understanding. The user fee data analysis and model development may take four (4) to six (6) weeks with frequent correspondence with City staff to discuss current cost recovery amounts, necessary to recover full cost and frequency activity.
Meetings:	One (1) meeting, as necessary, to gather additional input, complete analysis and finalize fee schedule. Please see the note in Task 5 regarding in-person meetings.
Deliverables:	Final user fee model for City Council presentation and discussion.

Task 7:	Common Fees Comparison
Objective:	Examine selected user fees charged by up to five (5) comparable cities in Riverside County, or jurisdictions that are similar to the City of Temecula. Where practical, we will utilize the same comparisons from the previous study for continuity and consistency.
Description:	We will access and use our knowledge of other jurisdictions to benchmark the City's five (5) most common fees or highest yielding fees with comparable jurisdictions agreed. Fee schedules are rarely readily or directly comparable from agency to agency due to definitional and operational differences. For example, a grading permit in one jurisdiction may include the plan check service, while the same permit in another jurisdiction may not, resulting in similar sounding services with widely varying costs.

For this reason, where possible, Willdan will develop comparisons for prototype projects that include applicable fees (i.e., compare the fee burden for a standard residential home, or a 5,000 sq. ft. commercial building) or take a selection of the City's most commonly used and/or highest yielding fees.

The survey will contain the following, a comparison of common or similar fees and charges used by the City and other jurisdictions; current and proposed fees and charges unique to the City of Temecula; fees and charges used by other public entities not currently used in the City; and If possible, identify characteristics and processes unique to the City that account for significant variances in fees and charges used by other jurisdictions.

Deliverables: **Willdan:** Recommendations provided in Task 8 will incorporate the data gathered during our examination.

Task 8: Prepare and Present Draft Report

Objective: Prepare draft report. Receive feedback.

Description: This task involves the preparation of the draft report that discusses the study's background, the methodologies utilized in the study, and the results and presentation to various stakeholder groups. As noted below, meetings may occur during this or the next task as appropriate. The calculations used to generate the user fee study will be included textually, as well as in easy-to-understand tables.

Individual fee summaries by department and a comprehensive fee schedule will be included.

The draft report will include the following:

- Key results and findings;
- Basic descriptions of each service;
- Projections of potential fee revenue;
- Calculation of full cost of services, with costs broken down graphically into indirect and direct components, with a graphic display of the level of cost recovery;
- All fees included in study, with full cost, current and recommended fees, current and recommended levels of cost recovery, percentage changes in fees and cost recovery;
- The full cost of each service and current cost recovery levels;
- Fee comparisons with other cities from Task 7; and
- Summary and recommendations.

The objective of the report is to communicate the recommendation of appropriate fees, which include the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.

Meetings: One (1) meeting with City staff, to present draft results, address questions and receive feedback.

Deliverables: **Willdan:** Draft report for City review and comment.

City: Review of draft report, with comments and edits.

Task 9: Revise Draft Report/Determine Cost Recovery Levels for Recommended Adoption

Objective: Review of draft report and fee model.

Description: The goal of this task is to conduct an in-depth review of the draft report and model, incorporate feedback from Task 8, and changes as a result of previous discussions, and arrive at an optimum fee structure. Appropriate fees and charges will be discussed and recommendations provided, based on the analysis conducted in Task 6, consideration of City policy objectives related to fee-setting, cost recovery and subsidies, and in discussion with City Staff.

Often through the course of an engagement, City staff will volunteer insightful likes and dislikes regarding the existing fee structure. We listen to this feedback carefully because your staff members know the community best. Comments usually revolve around issues of:

- Understandability;
- Fairness to applicants;
- Ease of calculation;
- Appropriate levels of subsidy and cost recovery; and
- Full cost recovery hourly rates.

When adjusting fee recovery levels, we believe it is important to address these concerns.

Following one (1) round of comments and feedback from City staff on the draft report, we will prepare the final report for presentation to the City Council.

Meetings:	One (1) online demonstration (WebEx) to review the report and model, with any revisions.
Deliverables:	Draft report, revised draft /final report.

Task 10:	Prepare and Present Final Report/Instruct Staff on Model
Objective:	Prepare and present final report to City Council. Instruct staff on the operation and use of the model for future modifications.
Description:	This task is the culmination of the entire project. Based on staff comments received regarding the draft report, we will prepare the final report for presentation.
Meetings:	One (1) meeting to deliver the presentation of the results with the Council Subcommittee if requested, gather and incorporate feedback as appropriate, and one (1) meeting with the City Council to present the results and adopt the updated fee schedule. One (1) meeting with City Staff to provide instruction on the operation and use of the model on the same day, during regular business hours. We will also consult with the City as necessary to address questions related to the User Fee Study, or to defend the Study as the result of a challenge.
Deliverables:	Provide one (1) electronic PDF file copy of the final report, on USB, and models and twenty (20) bound copies to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided digitally.

Development Impact Fee Study

Willdan will work with the City to update its impact fees consistent with the Mitigation Fee Act and other relevant laws. We want to ensure that our scope of services is responsive to the City's needs and specific local circumstances. We will work with the City to revise our proposed scope based on input prior to approval of a contract, and as needed during the course of the study.

Listed below are the development impact fees that are to be updated by this study. Willdan will also confer with the City on other potential fee categories.

- Traffic Impact and Circulation
- Drainage Infrastructure
- Public and General Facilities
- Sewer and Water Infrastructure
- Public Parks and Open Space
- Technology
- Public Safety Services

Task 1:	Identify Policy Issues
Objective:	Identify and discuss potential policy issues raised by the study. Kick-off meeting with staff to review data needs, policy issues, schedule and discuss potential additional fee categories.
Description:	Review agency documents related to existing capital planning policies and funding programs including existing impact fees. Bring policy issues to City staff's attention, as appropriate, during the project and seek guidance prior to proceeding. Potential policy issues include: ▪ Changes in implementation resulting from AB 602 and other legislation; ▪ Changes in approach and nexus findings necessary to comply with AB 602; ▪ Potential new impact fees for consideration ▪ Adequacy of General Plan and other public facility planning policies (e.g., level of service standards); impact fee ordinances and resolutions, and prior nexus studies; ▪ Availability of existing public facility master plans and CIPs to identify needed facilities; ▪ Types of facilities to be funded by each fee; ▪ Land use categories for imposition of fees; ▪ Nexus approach to determining facility standards; ▪ Nexus approach to allocating cost burden among land uses, including need for separate fee zones; ▪ Potential alternative funding sources, if needed; ▪ Funding existing deficiencies, if identified; and ▪ Implementation concerns and strategies.
Deliverables:	(1) Information requests; and (2) revised project scope and schedule (if needed).

Task 2:	Identify Existing Development and Future Growth
Objective:	(1) Identify estimates of existing levels of development; and (2) identify a projection of future growth consistent with current planning policy.
Description:	Identify base year for estimating existing levels of development and for calculating facility standards based on existing facility inventories (see Task 3). Include entitled development that would be exempt from fee program. Consult with City staff to identify growth projections to a defined long-range planning horizon (10 to 30 years). Projections provide a basis for determining the facilities needed to accommodate growth (see Task 4). Consider projections from regional metropolitan planning agencies and other available sources - City staff to provide estimates and projections by zone if needed. Develop approach for converting land use data to measure of facility demand. For example, identify population and employment density factors to convert population and employment estimates to dwelling units and building square footage. Select appropriate approach for each impact fee based on: ▪ Available local data on facility demand by land use category; ▪ Approaches used by other agencies; and ▪ Support for other agency policy objectives. Changes to estimates and projections during subsequent tasks could cause unanticipated effort and require an amendment to the scope of services and budget. Obtain approval of estimates and projections from City staff prior to proceeding.

Task 3:	Determine Facility Standards
Note:	Conduct Tasks 3, 4, and 5 separately for each intended facility and fee type. Conduct tasks concurrently because of the effect of facility standards (Task 3), facility needs (Task 4), and alternative funding (Task 5) on the fee calculation.
Objective:	Determine standards to identify facilities required to accommodate growth.
Description:	Identify and evaluate possible facility standards depending upon the facility type, current facility inventory data, and available facility planning documents. Consider use of: (1) adopted policy standards (e.g., General Plan, master facility plans); (2) standards derived from existing facility inventories; or (3) standards derived from a list of planned facility projects. City staff to provide policies, inventories, and project lists. Willdan will work with the City to identify additional costs that might be eligible for funding by the DIF.

Task 4:	Determine Facilities Needs and Costs
Objective:	Identify the type, amount and cost of facilities required to accommodate growth and correct deficiencies, if any.
Description:	Quantify total planned facilities based on growth projection from Task 2 and facility standards from Task 3. Express planned facilities in general quantities such as acres of parkland, or as a specific list of capital projects from a master facility plan. Location of planned facilities may or may not be specified. If only a general description of planned facilities is available through the planning horizon, City staff to provide a list of specific capital projects for use of fee revenues during the short term (e.g., five years). Distinguish between: (1) facilities needed to serve growth (that can be funded by impact fees); and (2) facilities needed to correct existing deficiencies (that cannot be funded by impact fees). Use one of three cost allocation methods (existing inventory, system plan, or planned facilities). Gather planning-level data on new facilities costs based on lump sum project cost estimates, or unit costs and project quantities (acres, building square feet, lane miles, etc.). Consider recent City experience, local market data such as land transactions, and consultant team experience from prior projects. Inflate older cost estimates to base year using appropriate cost indices. The revised facility costs will form the basis of the capital improvement program needed for compliance with AB 602. ***This scope of work does not include additional engineering analysis, including traffic engineering, to identify total facility needs, existing deficiencies, or cost estimates.***

Any such engineering/design work can be provided under a separate contract with Willdan Engineering or a third party. However, Willdan can use rough descriptions and comparables to calculate a reasonable cost estimate sufficient for use in the DIF study.

Task 5: Identify Funding and Financing Alternatives

Objective: Determine the extent of alternative (non-fee) funding available for new facilities.

Description: If impact fees are going to only partially fund a capital project, the *Mitigation Fee Act* requires the agency report on the anticipated source and timing of the additional funding every five years. There are two types of alternative funding sources that we will identify:

1. Funding from non-impact fee sources to correct existing deficiencies; and
2. Funding from new development other than impact fees that must be credited against new development's impact fee contributions, possibly including taxes paid to finance facilities.

Identify anticipated alternative funding based on information from City staff or note that funds are still to be identified based on a list of probable funding alternatives. If fees will fund debt service include financing costs in the total cost of facilities.

Assume facilities to be funded predominantly on a pay-as-you-go basis. Scope does not include a cash flow analysis to analyze effect of timing of fee revenues on financing costs.

Task 6: Fee Comparison Analysis

Objective: Provide a comparison of the current and proposed impact fees to those of comparable/surrounding jurisdictions in Riverside County.

Description: Willdan will compare a total of four Riverside County jurisdictions to be selected by the City.

Typically, Willdan prepares an analysis of fees charged to a series of prototype developments (such as residential, retail, etc.) to provide an "apples to apples" comparison, but the exact methodology will be determined in consultation with the City. This comparison will be limited to four other jurisdictions.

Task 7: Calculate Fees and Prepare Report

Objective: Provide technically defensible fee report that comprehensively documents project assumptions, methodologies, and results.

Description: Generate fee schedule to apportion facility costs to individual development projects. Use facility costs per unit of demand multiplied by demand by land use category based on data developed in prior tasks.

Prepare draft report tables for City staff to review, that document each step of the analysis, including schedule of maximum justified fees by facility type land use category and all other requirements of the Mitigation Fee Act.

Following one (1) round of comments from City staff on the quantitative analysis and fee schedules, prepare administrative draft report. Following one (1) round of comments on administrative draft, prepare public draft for presentation to interested parties, the public and elected officials. This public review draft will be presented and public stakeholder meetings and at a Council informational session. Prepare final report, if necessary, based on comments received on the public draft report. If requested, post the report on our website for public access. Note that as of January 2022, the Nexus study is adopted separately from the fees, and with a 30-day notice.

Fees will be calculating residential land uses in compliance with AB 602.

Provide legal counsel with copies of fee resolutions and ordinances used by other jurisdictions.

Deliverables: If necessary, we will provide up to two (2) bound copies of the draft report, one (1) unbound copy, one (1) Microsoft Word copy; and up to twenty (20) bound copies of the final report.

Task 8: Meetings

Objective: The project manager or other necessary Willdan staff will attend project meetings. A member of the Impact Fee project team will attend up to four (6) in-person meetings and presentations throughout the City's engagement. This includes a kickoff meeting, interim findings presentation, two council subcommittee meetings, a final council meeting, and one additional meeting, such as with stakeholders. Video/Phone conferences are not considered meetings for the purposes of this scope.

Optional: Optional stakeholder and Council meetings may be requested by the City.

City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of Temecula assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City's project manager will:

1) Coordinate responses to requests for information;

2) Coordinate review of work products; and

3) Help resolve policy issues.

Willdan will endeavor to minimize the impact on City staff in the completion of this project. We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Project Disclaimer

Willdan is a registered municipal advisory firm with the U.S. Securities and Exchange Commission ("SEC"), as such the City of Temecula represents, acknowledges, and agrees that Willdan is not acting as a "municipal advisor" (as defined by the SEC), to the City, in any capacity as it relates to the project proposed in this Full Cost Allocation Plan, Comprehensive User Fee Study and Development Impact Fee Study RFP.

(i) The City uses, or may use, the services of one or more municipal advisors registered with the SEC to advise it in connection with municipal financial products and the issuance of municipal securities;

(ii) The City is not looking to Willdan to provide, and the City shall not otherwise request or require Willdan to provide any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);

(iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;

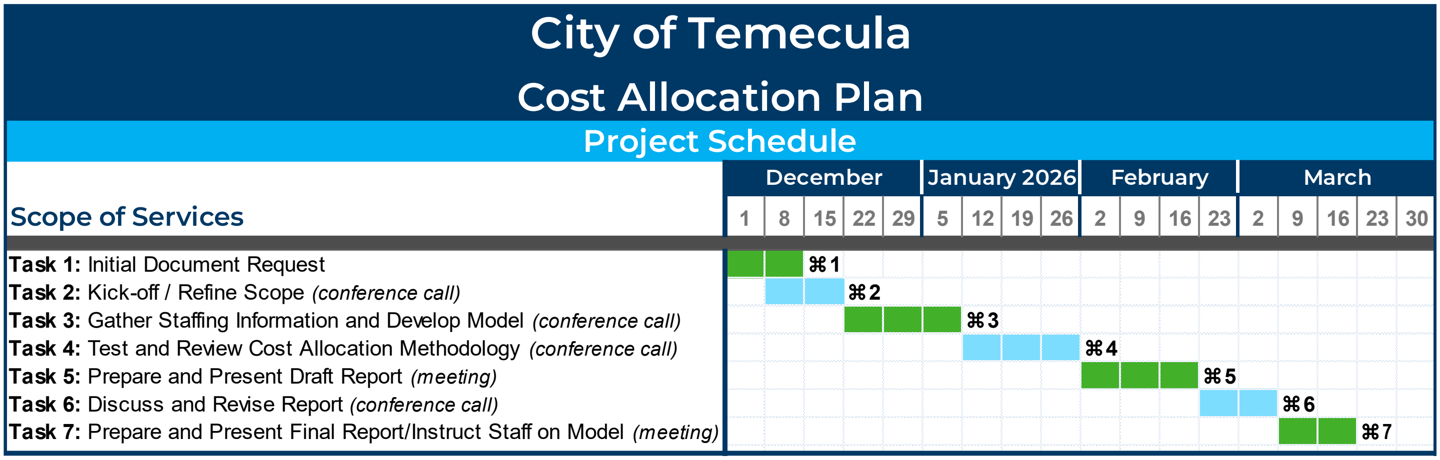
(iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City , (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and

(v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Project Schedules

Willdan understands time is of the essence for the City of Temecula to begin this engagement. The schedules can only be met with the prompt cooperation of City staff. Delays in responding to our requests for data, policy guidance, clarifications, other information and review will likely result in corresponding delays to the project schedule. If that is the case, we will notify the City immediately of the possible impact on the schedule. It is also important to note that there are statutory requirements for a 60-day waiting period for the implementation of fees related to development, after they've been adopted by the City Council.

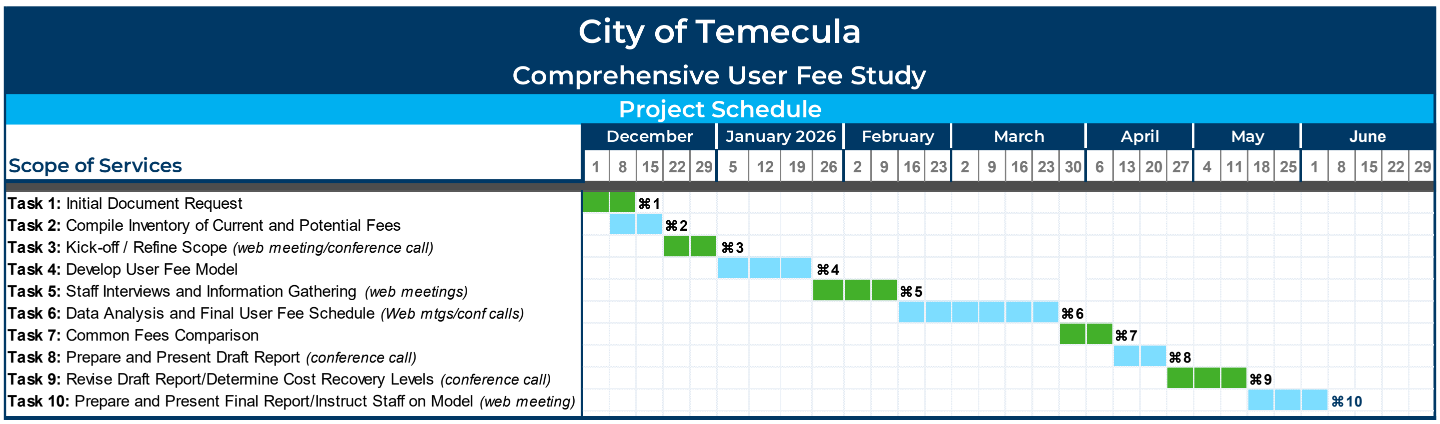
Full Cost Allocation Plan



Deliverables:

- **⌘1:** Information Request
- **⌘2:** Revised Project Scope and Schedule *(if needed)*
- **⌘3:** User-friendly Model in Microsoft Excel
- **⌘4:** Draft Cost Allocation Plan Model Review
- **⌘5:** Draft Report
- **⌘6:** Revised Draft Report/Final Report
- **⌘7:** Final Report – Hard and Electronic Copies

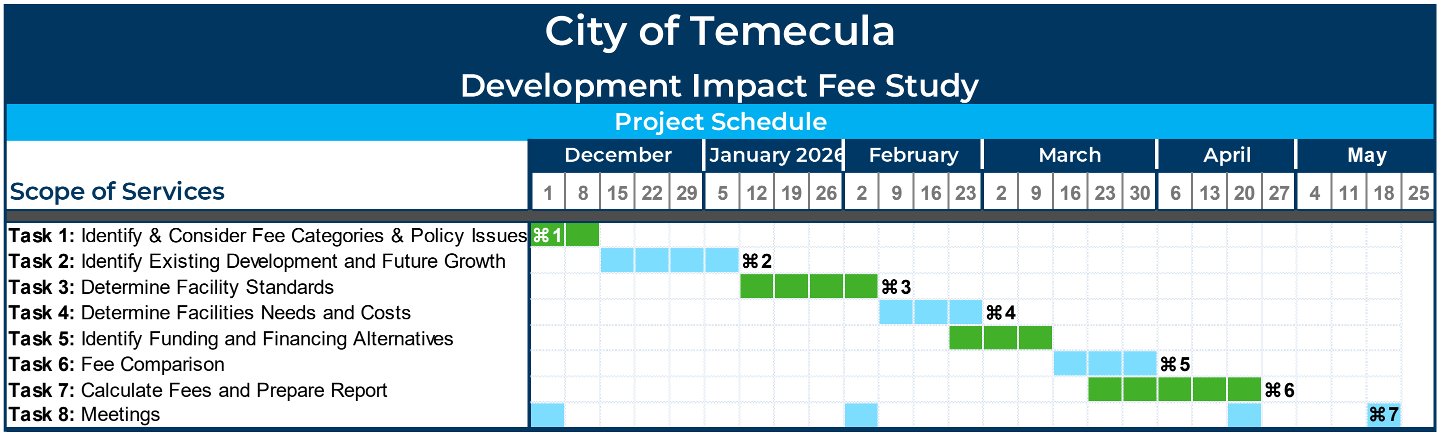
Comprehensive User Fee Study



Deliverables:

- **⌘1:** Information Request
- **⌘2:** Draft List of Current Fees
- **⌘3:** Revised Project Scope and Schedule *(if needed)*
- **⌘4:** User-friendly Model in Microsoft Excel
- **⌘5:** Time Surveys and Draft Full Cost Recovery Fees
- **⌘6:** Draft Fee and Rate Model Review
- **⌘7:** Common Fee Comparison
- **⌘8:** Draft Report
- **⌘9:** Revised Draft Report/Final Report
- **⌘10:** Final Report – Hard and Electronic Copies

Development Impact Fee Study



Deliverables:

- **⌘1:** Information Request, Meeting Agenda, Revised Schedule, Summary of Policy Decisions
- **⌘2:** Development Growth Projections (table format)
- **⌘3:** Project List
- **⌘4:** Cost Estimates for Identified Facilities
- **⌘5:** Fee Comparison
- **⌘6:** Draft Fee Tables & Text
- **⌘7:** Administrative/Public Draft Report(s), Final Nexus Report, Slide Presentation

Project Management and Quality Assurance/Control Approach

Provided below is the firm's project management approach to producing the required product in a timely fashion.

Project Management Approach

At Willdan, we utilize a Project Management Process/Approach that ensures projects are completed on time, within budget and most importantly yield results that match our clients' expectations. We will document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model.

Through the process of providing regular updates and conducting status conference calls, potential issues will be highlighted, discussed, and resolved. Any deviances from the project timeline will be identified and plans will be developed for course corrections.

Following key stakeholder discussions, we will schedule a call to summarize findings and direction with City staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate.

Project Management				
Define the Project	**Plan the Project**	**Manage the Project**	**Review the Project**	**Communicate the Project**
▪ Identify the project scope, set objectives, list potential constraints, document assumptions. ▪ Define a course of action and develop an effective communication plan. ▪ Provide a forum for applying the team's collective expertise to solving difficult analytical issues that arise in complex projects.	▪ Collaborate with the project team and client staff and agree upon timeline to meet the estimated project timeline. ▪ Assign workload functions to appropriately qualified staff to ensure milestones are met, on time. ▪ Pre-schedule quality control meetings with project team to maintain the progressive motion of the project.	▪ Manage the execution of the project. ▪ Direct existing and upcoming project tasks. ▪ Control and monitor work in progress. ▪ Provide feedback to client and project team. ▪ Identify and resolve deviances from project timeline.	▪ Review all work product and deliverables. ▪ Utilize structured quality assurance process involving up to three levels of review at the peer level, project manager level. ▪ Procure executive officer level review.	▪ Communicate with the client regarding work status and progress. ▪ Ensure client is in receipt of regular status updates. ▪ Schedule regular conference calls to touch base. ▪ Inform client of roadblocks, work outside of projected scope.

Quality Assurance / Quality Control Process

Our quality control program is incorporated as a required element of Willdan's day-to-day activities. There are three levels of reviews incorporated for our deliverables:

1) Peer review;
2) Project Manager review; and
3) Final quality assurance manager review.

Peer reviews involve one analyst reviewing the work of another, while project manager reviews are conducted prior to delivery to the quality assurance manager. The quality assurance manager then performs a final review. This assures that our final product has been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes.

The primary mission of our quality control plan is to provide staff with the technical and managerial expertise to plan, organize, implement, and control the overall quality effort, thereby ensuring the completion of a quality project within the time and budget established.

Quality Assurance Goals

Goal	Lead	Task
Quality Assurance / Control Process	Chris Fisher	▪ Establish a set of planned and systematic actions for maintaining a high level of quality in the professional services performed; ▪ Emphasize quality in every phase of work; ▪ Ensure efficient use of resources; ▪ Establish a consistent and uniform approach to the services performed; and ▪ Implement appropriate quality control measures for each work task of the project.
Quality Control Plan	Chris Fisher & James Edison	▪ Contract deliverables; ▪ Specific quality control procedures; ▪ Special quality control emphasis; ▪ Budget and manpower requirements; ▪ Overall project schedule and budget; and ▪ Project documentation requirements;

Price

Total All-Inclusive Not to Exceed Maximum Price

Willdan Financial Services ("Willdan") proposes a ***fixed fee of $126,880*** for the Full Cost Allocation Plan, Comprehensive User Fee Study, and Development Impact Study***.***

Component Costs

Full Cost Allocation Plan

Willdan Financial Services proposes a ***fixed fee of $12,975*** for the Full Cost Allocation Plan.

City of Temecula
Cost Allocation Plan
Fee Proposal

	C. Fisher Principal-in-Charge	T. Thrasher Project Manager	P. Patel Lead Analyst	S. Labitan Analytical Support	QA/Tech Advisor	Total Hours	Total Cost
	$ 310	$ 270	$ 210	$ 135	$ 270		
Scope of Services							
Task 1: Initial Document Request	-	-	1.0	1.0	-	2.0	$ 345
Task 2: Kick-off /Refine Scope	-	1.0	1.0	1.0	-	3.0	615
Task 3: Gather Staffing Information & Develop CAP Model	1.0	2.0	5.0	10.0	0.5	18.5	3,385
Task 4: Test and Review Cost Allocation Methodology		2.0	4.0	6.0	0.5	12.5	2,325
Task 5: Prepare and Present Draft Report	1.0	2.0	3.0	6.0	0.5	12.5	2,425
Task 6: Discuss and Revise Report	1.0	2.0	4.0	2.0		9.0	1,960
Task 7: Prepare and Present Final Report/Instruct Staff on Model	-	4.0	4.0	-	-	8.0	1,920
Total – Cost Allocation Plan	**3.0**	**13.0**	**22.0**	**26.0**	**1.5**	**65.5**	**$ 12,975**

Comprehensive User Fee Study

Willdan Financial Services proposes a ***fixed fee of $37,855*** for the Comprehensive User Fee Study.

City of Temecula
Comprehensive User Fee Study
Fee Proposal

	C. Fisher Principal-in-Charge	T. Thrasher Project Manager	P. Patel Lead Analyst	S. Labitan Analytical Support	QA/Tech Advisor	Total Hours	Total Cost
	$ 310	$ 270	$ 210	$ 135	$ 270		
Scope of Services							
Task 1: Initial Document Request	-	-	1.0	1.0	-	2.0	$ 345
Task 2: Compile Inventory of Current and Potential Fees	-	1.0	1.0	1.0	-	3.0	615
Task 3: Kick-off /Refine Scope	-	1.0	1.0	1.0	-	3.0	615
Task 4: Develop User Fee Model	0.5	2.0	4.0	8.0	1.0	15.5	2,885
Task 5: Staff Interviews and On-site Information Gathering	-	8.0	12.0	5.0	-	25.0	5,355
Task 6: Data Analysis and Final Fee and Rate Schedule	1.0	6.0	36.0	44.0	1.0	88.0	15,700
Task 7: Common Fees Comparison	0.5	2.0	3.0	10.0	-	15.5	2,675
Task 8: Prepare and Present Draft Report	1.0	3.0	4.0	8.0	0.5	16.5	3,175
Task 9: Revise Draft/Determine Cost Recovery Levels	1.0	4.0	8.0	4.0	-	17.0	3,610
Task 10: Prepare and Present Final Report/Train Staff on Model	-	6.0	6.0	-	-	12.0	2,880
Total – Comprehensive User Fee Study	**4.0**	**33.0**	**76.0**	**82.0**	**2.5**	**197.5**	**$ 37,855**

Development Impact Fee Study

Willdan Financial Services proposes a ***fixed fee of $76,050*** for the Development Impact Fee Study.

City of Temecula Development Impact Fee Study Fee Proposal		J. Edison Project Manager	C. Villarreal Lead Analyst	Total	
		$ 300	$ 270	Hours	Cost
Scope of Services					
Task 1:	Identify & Consider Fee Categories & Policy Issues	10.0	20.0	30.0	$ 8,400
Task 2:	Identify Existing Development and Future Growth	10.0	22.0	32.0	8,940
Task 3:	Determine Facility Standards	12.0	22.0	34.0	9,540
Task 4:	Determine Facilities Needs and Costs	10.0	22.0	32.0	8,940
Task 5:	Identify Funding and Financing Alternatives	12.0	16.0	28.0	7,920
Task 6:	Fee Comparison	4.0	14.0	18.0	4,980
Task 7:	Calculate Fees and Prepare Report	8.0	25.0	33.0	9,150
Task 8:	Meetings	30.0	34.0	64.0	18,180
Total – Development Impact Fee Study		**96.0**	**175.0**	**271.0**	**$ 76,050**

Development Impact Fee Review Notes:

- The fee denoted above includes attendance at four in-person meetings with City staff, stakeholders, and City Council.
- Attendance at more than four meetings will be billed at the per meeting fee. Attendance at additional on-site meetings or presentations will be $2,000 per meeting; attendance at additional remote meetings or presentations will be $1,000 per meeting.
- Comprehensive written responses to resolve conflicts or preparation of more than one set of major revisions to the draft report will be classified as Additional Services, and may require additional billing at hourly rates stated in the hourly rate schedule listed below. These additional fees shall only take effect once the fixed fee stated above has been exceeded.

Rates for Additional Professional Services

Our current hourly rates are listed below.

Willdan Financial Services Hourly Rate Schedule		
Position	Team Member	Hourly Rate
Vice President / Director	Chris Fisher	$310
Managing Principal	James Edison	$300
Principal Consultant	Tony Thrasher Carlos Villarreal	$270
Senior Project Manager		$250
Project Manager	Priti Patel	$210
Senior Project Analyst		$150
Senior Analyst	Samantha Labitan	$135
Analyst II		$120
Analyst I		$110

Manner of Payment

- Our fee includes all direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates.
- City shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to City or relating to the project. Reimbursement shall be at Willdan 's rates in effect at the time of such response.
- The cost of preparing the user fee study can be included in the resulting new user fee schedule. Therefore, over time, the City can recover the initial outlay of funds that was required to complete the studies.
- Willdan will rely on the validity and accuracy of the City's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party.

Local Vendor Certification

CITY OF TEMECULA
Full Cost Allocation Plan, Comprehensive User Fee Study, and Development Impact Fee Study

STATEMENT OF LOCAL VENDOR CERTIFICATION

Qualified Local Vendors desiring consideration under the City of Temecula Local Vendor Preference Program must complete the following and submit with their Proposal (print or type):

I, Chris Fisher (Individual Submitting Bid), Vice President/Director (Title)

of/for Willdan Financial Services (Company Name) certify that Willdan Financial Services (Company Name) is a City of Temecula Local Vendor as defined under the Local Vendor Preference Program - Services section of this solicitation (titled Full Cost Allocation Plan, Comprehensive User Fee Study, and Development Impact Fee Study) and therefore qualifies for the Local Vendor Preference.

[signature]	Vice President/Director	October 1, 2025
Signature	Title	Date

Local Vendor:

Submit this document as a part of your quotation.

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WILLDAN

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