

**AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
KEYSER MARSTON ASSOCIATES, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this 26<sup>th</sup> day of February, 2013, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Keyser Marston Associates, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement for consulting services on March 30, 2012; and

WHEREAS, the parties wish to amend the Agreement to increase the amount by \$67,500 from \$96,500 to a total of \$164,000.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. Section 3 of the agreement is amended to read as follows:

Payments In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and any Exhibit(s) or attachment(s) attached hereto, County shall make payment to Contractor in the manner specified herein and in Exhibit "A". In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination. The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this Agreement exceed ONE HUNDRED SIXTY FOUR THOUSAND DOLLARS (\$164,000).

2. Original Exhibits "A" and "B" are replaced with Revised Exhibits "A" and "B", (rev. 1/24/2013).  
(Attached hereto)
3. **All other terms and conditions of the agreement dated March 30, 2012, between the County and Contractor shall remain in full force and effect.**

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,  
have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
President, Board of Supervisors, San Mateo County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

Keyser Marston Associates, Inc.

  
\_\_\_\_\_

Contractor's Signature

Date: 2-13-2013

**COUNTY OF SAN MATEO**  
**AGREEMENT WITH INDEPENDENT CONTRACTOR**

Exhibit "A" Agreement No. 1411012D002  
(rev. 1/24/2013)

Agreement between the County of San Mateo and Keyser Marston and Associates, Inc.

Use Additional Sheets as Necessary

**I. Description of Services to be Performed by the Contractor**


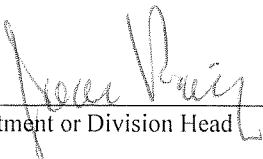
The Contractor shall perform all necessary procedures to complete the scope of work as outlined in Exhibit B for each of the 13 former RDAs (total of 25 project areas) in the County as identified below.

- Belmont
- Brisbane (2)
- Daly City (2)
- East Palo Alto (3)
- Foster City (2)
- Menlo Park
- Millbrae
- Pacifica
- Redwood City (2)
- San Bruno
- San Carlos
- San Mateo (2)
- South San Francisco (6)

**II. Amount and Method of Payment**

Contractor agrees that the requirements of this Agreement pertaining to the protection of proprietary rights and confidentiality shall survive termination of this Agreement.

Payment for the work set forth in this Agreement and in Exhibits B-I shall not exceed \$62,500. If additional work is required, it shall commence upon written approval by the County and not to exceed \$5,000. Including the allowance for additional services, if authorized, the total of this contract change order shall not exceed \$67,500 making the total of this contract not to exceed \$164,000. County will pay Contractor from RPTTF distributions no sooner than June 1, 2013 for services from January 2013 through June 2013, or 30 days after receipt of invoices, whichever is later.

 _____ Contractor's Signature	<u>2-13-13</u> _____ Date	<u>David Doezeema</u> _____ Contractor's Name (Please Print)	<u>2-13-2013</u> _____ Date
 _____ Department or Division Head	<u>2-20-13</u> _____ Date	<u>Juan Raigoza</u> _____ Department or Division Head Name (Please Print)	<u>2-20-13</u> _____ Date
_____ Purchasing Agent, County of San Mateo	_____ Date	<u>14610-5858</u> _____ Budget Unit	

## EXHIBIT B – SCOPE

(rev. 1/24/2013)

### **I. Background**

Pursuant to State Assembly Bill 26 (ABX1 26) and Assembly Bill 1484 (AB 1484), the County of San Mateo (County) Auditor-Controller (County Auditor-Controller) is responsible for administering the Redevelopment Property Tax Trust Fund (RPTTF) to pay the enforceable obligations of the former redevelopment agency's (RDA's) and the taxing entities that receive pass-through payments and distributions of property tax revenues.

### **II. Scope of Work to Be Performed**

The Contractor shall perform all necessary procedures to complete the scope of work as outlined in this section for each of the 13 former RDAs in the County identified below. Contractor will discuss the procedures to be performed with County staff and obtain approval prior to proceeding with the work to be performed as defined in this Exhibit and Exhibits C - I.

The former RDAs in the County are listed below. RDAs have one project area unless otherwise indicated in parentheses. The table on page 8 of this exhibit provides contact information for each of the former RDAs.

- Belmont
- Brisbane (2)
- Daly City (2)
- East Palo Alto (3)
- Foster City (2)
- Menlo Park
- Millbrae
- Pacifica
- Redwood City (2)
- San Bruno
- San Carlos
- San Mateo (2)
- South San Francisco (6)

For each of the former RDAs, Contractor shall perform the following services upon request for the County:

#### **A. Pass-through payment calculations**

**1. FY 2012-13 Pass-through Calculations.** Determine and calculate all pass-through payments due to affected taxing entities for each former RDA in the County for fiscal year (FY) 2012-13; negotiated agreements (H&S Code § 33401), AB 1290 (H&S Code § 33607.5 & 33607.7), basic aid and 2% inflationary growth payments (H&S Code § 33676) using the Excel workbooks developed for the FY 2011-12 pass through calculations as modified per Task B 1. Calculate and report all pass-through payments due to taxing entities based on the tax increment deposited into RPTTF during January –June 2013. Contractor

will promptly communicate to County staff any possible legal, technical or interpretation issues that may arise during the course of their review. The format shall be as illustrated in Exhibit C & E and include any other documentation that supports the calculation.

The Contractor will perform the following procedures.

- Input RPTTF revenues based on information provided by County. Input of revenues will include adjustments that need to be made for AB 1290 pass through payments that have an adjusted base year.
- Input assessed values by tax rate area (TRA) for each project area.
- Request required inputs for the calculations from the County, former RDA's, taxing agencies and published sources.

a. For the following former RDA's, determine whether a formal request was made by school districts to receive additional pass-through payments pursuant to the terms of the H&S Code § 33401 negotiated agreements. Contractor shall contact via email, the successor agency of the former RDA's and school districts listed below to determine whether a request for additional payments was initiated.

- East Palo Alto (Ravenswood Elementary, SUHSD, SMCCCD, SMCOE)
- Pacifica (Pacifica Elementary, Jefferson High School, SMCCCD, SMCOE)
- Redwood City (SMCCCD, SUHSD, and Redwood City Elementary).
- San Mateo (San Mateo City School District)
- South San Francisco (South San Francisco Unified School District, SMCCCD, SMCOE)

b. Compute AB 1290 pass-through payments pursuant to the Los Angeles Unified School District vs. County of Los Angeles, 181 Cal.App.4th 414 (2010) decision using same the methodology Contractor applied on the County's FY 2011-12 calculations. This is illustrated in Exhibit D.

- For FY 2012-13 AB 1290 pass through calculations, Contractor will use K-12 ERAF entitlements estimates provided by the County.
- For FY 2011-12, the Contractor will use revised K-12 ERAF entitlement data and re-compute FY 2011-12 AB 1290 pass-through payments. Contractor will provide a comparative analysis of initial and revised AB 1290 pass-through amounts to determine the adjustment to be included in the June 1, 2013 RPTTF distribution.

c. Final pass-through payment amounts for FY 2012-13 will be linked to a summary Excel schedule as illustrated in Exhibit E. This schedule may be revised based on subsequent discussion and review between County and Contractor.

## **B. H&S Code § 34188 Distribution Models**

Review the County's current H&S Code § 34188 distribution models referred to below to identify potential issues or concerns, compare to other counties, and refer to other available external guidance and relevant H&S Code sections. If needed, Contractor will provide County with a revised recommended H&S Code § 34188 model in a user-friendly Excel format with detailed explanation describing the recommended H&S § 34188 distribution model and the basis for the recommendation.

- RPTTF residual balances pursuant to H&S Code § 34183(a)(4).
- Proceeds from assets sales pursuant to H&S Code § 34177(e).
- Distribution of unencumbered Low and Moderate Income Housing Funds and other funds and account balances pursuant to H&S Code § 34179.6(c).

### **C. Other**

Contractor will perform the following services based upon the County's request for the July-December 2013 ROPS period.

1. **H&S Code § 34182(c)(3) RPTTF Estimates for the period July –December 2013.** Prepare estimates of property tax to be allocated and distributed including pass through payments from RPTTF as illustrated in Exhibit F. Estimates should be based on the Oversight Board ROPS or if available Department of Finance (DOF) approved ROPS, estimated pass through payments, and estimated administrative costs.
2. **H&S Code § 34183 RPTTF Actual Distributions for the period July-December 2013.** Compute RPTTF distributions as illustrated in Exhibit F. Calculations should be based on DOF approved ROPS, actual increment apportioned to RPTTF, actual pass through payments calculations, and Successor Agency and County Controller's administrative costs pursuant to H&S Code § 34183.
3. **H&S Code § 34182.5 Review.** Perform a review pursuant to H&S Code § 34182.5 based on the criteria outlined and as illustrated in Exhibit G.

### **III. Reporting and Timing Requirements**

Contractor shall commence work upon the execution date of this contract. Report preparation, editing and printing shall be the responsibility of the Contractor.

Contractor will participate in meetings at County offices or phone calls with County staff as needed during the course of this assignment up to five meetings, fifteen calls, and a training session. The number of meetings and phone calls is estimated to include the following:

- Pass-through interpretation issues
- 34188 methodology / recommendations
- RPTTF Distributions and ROPS review
- Training session for Controller staff to review pass-through obligations and the use of pass-through calculation models.

Contractor will prepare and distribute the following deliverables via email or hardcopy as described in the sections below to the following designated County staff.

Shirley Tourel, Deputy Controller  
Controller's Office  
555 County Center, 4<sup>th</sup> floor  
Redwood City, CA 94063  
stourel@smcgov.org,  
650-599-1149

**A. H&S 34188 Distribution Models.** If services as described in Section II C of this Exhibit are requested, Contractor will e-mail a recommended model and detailed explanations for the basis of the model in a user-friendly Excel format by the later of **Friday, April 1, 2013** or 18 business days from notice to proceed with task II C., to the County personnel designated above.

**B. FY 2012-13 pass-through calculations for the period January –June 2012.** County will provide Contractor with final tax increment amounts (including refunds and adjustments) for each project area by **Tuesday, April 30, 2013**. Contractor will e-mail pass-through payment calculations for the period January-June 2013 for each former RDA and list any outstanding informational items still remaining to the County personnel designated above by **Friday, May 10, 2013** in a similar format as outlined in Exhibit C and E. On this same date, Contractor will email pass-through payment calculations to Successor Agency contacts listed on page 8 of this Exhibit.

**C. FY 2012-13 Pass-through Calculations - Final Report.** Contractor will e-mail one electronic copy of the final reports for each former RDA and mail one paper copy of the final reports to the County personnel designated above in a format as illustrated in Exhibit C (an excel and pdf version) and I. Contractor will also provide a summary of pass-through payments in an easy reference matrix format that will include information on pass-through arrangements by former RDA, project area and taxing agency as illustrated in Exhibit H. The final report (electronic and hardcopy) should include pass-through payment calculations for both 6 month periods, and written explanations describing the pass-through payment obligations. Contractor

will provide the DRAFT electronic copy by Friday June 7, 2013. County staff will review and ok the DRAFT report by Friday June 14, 2013. Contractor will deliver the final report in electronic and hardcopy format by Friday June 28, 2013.

**D. H&S 34182(c)(3) RPTTF Estimates for the period July – December 2013.** Contractor will e-mail RPTTF Estimates for the July-December 2013 period to the County personnel designated above by Friday March 18, 2013 in a format illustrated in Exhibit F.

**E. H&S Code § 34183 RPTTF Actual Distributions for the period July-December 2013.** Contractor will e-mail RPTTF actual calculations for distributions pursuant to H&S Code § 34183 for period July-December 2013 in a format illustrated in Exhibit F by Monday May 20, 2013 to the County personnel designated above.

**F. H&S 34182.5 Review of Obligations Reported on ROPS for the period July – December 2013.** Contractor will email deliverables as illustrated in Exhibit G to the above designated personnel by Friday March 18, 2013.

#### **IV. Working Paper Retention, Access to Working Papers and Confidentiality**

- A. All working papers and reports must be retained, at Contractor's expense, for a minimum of three years, and after three years, Contractor shall deliver all working papers to the County at the address specified in Section III above. Contractor will be required to make working papers available, upon request from the following parties or their designees:
- The Grand Jury
  - County Audit Committee
  - Oversight Committee of each former RDA identified above
  - Parties designated by the federal or State governments (including but not limited to the State Controller's Office (H&S 34182(b)), Department of Finance, or by the County as part of an audit quality review process.
- B. Contractor shall allow review of working papers as directed by the Controller in writing. Unless expressly authorized in writing by the Controller's office, or otherwise required by law, Contractor shall keep confidential all working papers or other documentation related to its performance of its duties under this Agreement.
- C. Unless otherwise indicated (or given permission), all documentation provided to the Contractor by County staff shall be used only for the purpose of the terms of this contract to perform pass-through payment calculations. It shall not be used for any other purpose unless granted the authority by the County.



## **V. Payment Terms and Due Dates**

Payment for the work set forth in this Contract Amendment shall not exceed \$62,500. If additional work is required, it shall commence upon approval by the County and not to exceed \$5,000. Including the allowance for additional services, if authorized, the total not to exceed contract amount will be \$67,500 making the total of this Agreement not to exceed \$164,000. Table 1 provides an estimated budget allocation by task. Contractor will provide the County with invoices per RDA detailed by actual hour spent and hourly rate as provided in Table 2 below. Contractor shall bill the County for actual hours worked at the agreed rates specified in Table 3 below. County will pay Contractor from RPTTF distributions by no sooner than June 1, 2013 for services from January through June 2013, or 30 days after receipt of invoices, whichever is later. Contractor will submit a final invoice for the balance of the scope of services in July 2013 payable by the County within 30 days of receipt.

## **VI. Contact Information for San Mateo County Redevelopment Agencies**

<b>RDA</b>	<b>Name</b>	<b>Title</b>	<b>Phone</b>	<b>Email</b>
Belmont	Thomas Fil	Finance Director	650 595 7435	tfil@belmont.gov
Brisbane	Stuart Schillinger	Administrative Services Director	415 508 2151	schillinger@ci.brisbane.ca.us
Daly City	Don McVey	Director of Finance Administrative Services	650 991 8048	dmcvey@dalcycity.org
East Palo Alto	Edmund Suen	Finance Director	650 853 3122	esuen@cityofepa.org
Foster City	Steve Toler Lin-lin Cheng	Assistant City Manager Finance Director	650 286 3266 650 286 3265	stoler@fostercity.org lcheng@fostercity.org
Menlo Park	Carol Augustine	Finance Director	650 330 6643	CTAugustine@menlopark.org
Millbrae	LaRae Brown	Finance Director	650 259 2433	lbrown@ci.millbrae.ca.us
Pacifica	Ann E. Ritzma,	Administrative Services Director	650 738 7402	ritzmaa@ci.pacifica.ca.us
Redwood City	Brian Ponty	Finance Director	650 780 7072	BPonty@redwoodcity.org
San Bruno	Kim Juran Mark Sullivan	Interim Finance Director Housing & Redevelopment Manager	650 616 7054 650 616 7053	KJuran@sanbruno.ca.gov msullivan@sanbruno.ca.gov
San Carlos	Rebecca Mendenhall	Administrative Services Director	650 802 4221	RMendenhall@cityofsancarlos.org
San Mateo	David Culver	Finance Director	650 522 7102	dculver@cityofsanmateo.org
South San Francisco	James Steele	Director of Finance	650 877-8509	Jim.Steele@ssf.net

**Table 1: Estimated Budget by Task**

<b>For June 1, 2013 Distribution</b>	
Pass-through Calculations for January to June 2013, revise AB 1290 allocation factors and re-compute FY 2011-12 AB 1290 pass-throughs, summary table on adjustments to FY 2011-12 AB 1290 pass-throughs. Training Session / "Refresher." (Section IIB2a-b of Exhibit).	\$12,500
Pass-through summary report and pass-through summary matrix update.	\$4,000
<b>Subtotal Pass-throughs for June 1, 2013 Distribution</b>	<b>\$16,500</b>
<b>Methodology for Distributions Pursuant to H&amp;S Code 34188, Excel Distribution Model, and Recommendations Memorandum (Section II C of Exhibit)</b>	<b>\$25,000</b>
Budget estimate may be reduced by \$5,000 if only RPTTF distributions are addressed and distributions of assets or LMIHF balances review are excluded.	
<b>RPTTF Distributions and ROPS Review (Section IID)</b>	
RPTTF April 1 Estimate	\$10,000
RPTTF Distribution Calculations for June 1, 2013 Distribution*	\$6,000
ROPS Objections Review	\$5,000
<b>Subtotal RPTTF Distributions and ROPS Review</b>	<b>\$21,000</b>
<b>Sub Total Recommended Budget Authorization</b>	<b>\$62,500</b>
<b>Contingency</b>	<b>\$5,000</b>
<b>Sub Total Recommended Budget Authorization</b>	<b>\$67,500</b>
* Budget reflects efficiencies from also preparing April 1 Estimate.	

**Table 2**  
**Estimated Budget by RDA**

	No. of	Hours by RDA			Total	Budget
	Project	Principal	Technical	Administrative		
	Areas	\$250 /Hr	\$95.0 /Hr	\$80.0 /Hr	Hours	Estimate
Pass Through Services						
Belmont	1	1.75	1.75	0.75	4.25	\$663.75
Brisbane	2	3.50	3.50	1.25	8.25	\$1,307.50
Daly City	2	3.50	3.50	1.25	8.25	\$1,307.50
East Palo Alto	3	5.25	5.25	2.00	12.50	\$1,971.25
Foster City	2	3.50	3.50	1.25	8.25	\$1,307.50
Menlo Park	1	1.75	1.75	0.75	4.25	\$663.75
Millbrae	1	1.75	1.75	0.75	4.25	\$663.75
Pacifica	1	1.75	1.75	0.75	4.25	\$663.75
Redwood City	2	3.50	3.50	1.25	8.25	\$1,307.50
San Bruno	1	1.75	1.75	0.75	4.25	\$663.75
San Carlos	1	1.75	1.75	0.75	4.25	\$663.75
San Mateo	2	3.50	3.50	1.25	8.25	\$1,307.50
South San Francisco	6	10.75	10.75	3.75	25.25	\$4,008.75
Subtotal	25	44.00	44.00	16.50	104.50	\$16,500.00
RPTTF Methodology						
Belmont	1	4.00	0.50	0.25	4.75	\$1,067.50
Brisbane	2	7.25	1.00	0.25	8.50	\$1,927.50
Daly City	2	7.25	1.00	0.25	8.50	\$1,927.50
East Palo Alto	3	11.00	1.50	0.50	13.00	\$2,932.50
Foster City	2	7.00	1.00	0.25	8.25	\$1,865.00
Menlo Park	1	4.00	0.50	0.25	4.75	\$1,067.50
Millbrae	1	4.00	0.50	0.25	4.75	\$1,067.50
Pacifica	1	4.00	0.50	0.25	4.75	\$1,067.50
Redwood City	2	7.25	1.00	0.50	8.75	\$1,947.50
San Bruno	1	4.00	0.50	0.25	4.75	\$1,067.50
San Carlos	1	4.00	0.50	0.25	4.75	\$1,067.50
San Mateo	2	7.25	1.00	0.25	8.50	\$1,927.50
South San Francisco	6	23.00	2.50	1.00	26.50	\$6,067.50
Subtotal	25	94.00	12.00	4.50	110.50	\$25,000.00
RPTTF Distributions and ROPS Review						
Belmont	1	1.75	4.00	0.25	6.00	\$837.50
Brisbane	2	3.50	8.00	0.50	12.00	\$1,675.00
Daly City	2	3.50	8.00	0.50	12.00	\$1,675.00
East Palo Alto	3	5.50	12.00	0.75	18.25	\$2,575.00
Foster City	2	3.50	8.00	0.50	12.00	\$1,675.00
Menlo Park	1	1.75	4.00	0.25	6.00	\$837.50
Millbrae	1	1.75	4.00	0.25	6.00	\$837.50
Pacifica	1	1.75	4.00	0.25	6.00	\$837.50
Redwood City	2	3.50	8.00	0.50	12.00	\$1,675.00
San Bruno	1	1.75	4.00	0.25	6.00	\$837.50
San Carlos	1	1.75	4.00	0.25	6.00	\$837.50
San Mateo	2	3.50	8.00	0.50	12.00	\$1,675.00
South San Francisco	6	10.50	24.00	1.50	36.00	\$5,025.00
Subtotal	25	44.00	100.00	6.25	150.25	\$21,000.00
Contingency						\$5,000.00
Grand Total		182.00	156.00	27.25	365.25	\$67,500.00

Table 3: Contractor's Hourly Rate Schedule	
A. JERRY KEYSER*	\$280.00
MANAGING PRINCIPALS	\$280.00
SENIOR PRINCIPALS	\$270.00
PRINCIPALS	\$250.00
MANAGERS	\$225.00
SENIOR ASSOCIATES	\$187.50
ASSOCIATES	\$167.50
SENIOR ANALYSTS	\$150.00
ANALYSTS	\$130.00
TECHNICAL STAFF	\$95.00
ADMINISTRATIVE STAFF	\$80.00