

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 19 day of August 2025, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E 5th St, Beaumont, California 92223 and, Spicer Consulting Group, whose address is 41880 Kalmia St, Suite 145, Murrieta, California 92562 (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY desires to engage CONTRACTOR to provide General Fund Analysis for Public Services – FY 2025 Update; and

B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “A” and incorporated herein by this reference; and

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year(s) unless extended by the parties with the approval of the City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) per Exhibit “A”. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Shane Spicer as CONTRACTOR’S professional(s) responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed seven thousand dollars \$7,000.00.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 CONTRACTOR shall receive payment by the CITY for the services provided as specified in Exhibit "A".

- a. CONTRACTOR shall submit all invoices to the City of Beaumont's Accounts Payable at the email address listed below.
- b. CONTRACTOR will send the original invoices to:
City of Beaumont
Attn: Finance Department-Accounts Payable
at
ap@beaumontca.gov

c. Each invoice shall contain a minimum of the following information: invoice number and date; PO number (once issued by the CITY), remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (24-118), quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, an invoice total, and any other information requested by the County.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the CITY other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict in regulations, the most stringent shall apply.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents. . Sole proprietors

with no employees, LLCs, or partnerships using the services of members or partners who do not carry workers' compensation acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

6.05. Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [] (Technology Professional Liability – Errors and Omissions), with limits not less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by CONTRACTOR in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. CONTRACTOR will file with DISTRICT, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to DISTRICT evidencing.

6.06. If Claims Made Policies (applies only to professional liability and cyber liability policies):

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY,

court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A. Indemnification Design Professionals.

8A.01 In the event that CONTRACTOR is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, CONTRACTOR shall indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of CONTRACTOR, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to CONTRACTOR shall not exceed CONTRACTOR'S proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY

shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or

subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

13.09 Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. If the Services include work performed during the design, site assessment, feasibility study, and other preconstruction phases of construction, including, but not limited to, inspection and land surveying work, regardless of whether any further construction work is conducted, and work performed during the post-construction phases of construction, CONTRACTOR shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, CONTRACTOR shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at DISTRICT offices and the project site. In the event that the CONTRACTOR fails to pay the prevailing wages, the CONTRACTOR shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless DISTRICT under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.

2. Section 1777.4 - Apprenticeship Requirements.
3. Section 1777.5 - Apprenticeship Requirements.
4. Section 1813 - Penalty for Failure to Pay Overtime.
5. Sections 1810 and 1811 - Working Hour Restrictions.
6. Section 1775 - Payroll Records.
7. Section 1773.8 - Travel and Subsistence Pay.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BEAUMONT

By: _____
Mike Lara, City Mayor

Date: _____

CONTRACTOR:

By:  _____
Print Name: SHANE SPICER

Title: MANAGING DIRECTOR

Date: 8.12.25

ATTEST:

By: _____
Nicole Wheelwright, Deputy City Clerk

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

EXHIBIT "A"

PROPOSAL

(insert behind this page)



Via Electronic Mail

June 23, 2025

Ms. Elizabeth Gibbs
City Manager
City of Beaumont
550 E. 6th Street
Beaumont, CA 92223

RE: General Fund Analysis for Public Services –FY 2025 Update

Dear Ms. Gibbs:

Thank you for continuing to consider Spicer Consulting Group (SCG) to support the City of Beaumont in evaluating and forecasting the impacts of new development on the City's General Fund. We are pleased to submit this updated proposal to revise the General Fund Analysis initially prepared in 2023, now incorporating the most recent fiscal data and planning information as provided by the City in 2025.

Our team has extensive experience in municipal finance, fiscal impact modeling, and public service cost forecasting. I will continue to serve as the Project Manager and primary day-to-day contact for the City. Our goal is to provide timely and high-quality deliverables to guide sustainable decision-making for public services through the City's full build-out.

Purpose of Update

As requested, this update will revise the 2023 model using the City's FY 2024–25 adopted budget, FY 2025–26 projections, updated cost assumptions, new population and housing growth forecasts, and current service-level benchmarks. The updated analysis will also account for anticipated development pipeline activity, public safety needs, and new General Fund obligations. This work is essential in determining the long-term fiscal viability of growth and supports the potential formation of a Public Services Community Facilities District (CFD).

Our proposed Scope of Services for Fiscal Impact Model Update are as follows:

Kick-off Meeting: Spicer Consulting Group (SCG) will initiate the project with a kickoff meeting with City staff to establish the goals, methodology, and data requirements for the 2025 update. This meeting will confirm project milestones, reporting expectations, communication protocols, and any changes in City priorities or fiscal policies since the previous analysis. The kickoff will also provide a forum to clarify any assumptions and confirm the appropriate point of contact for ongoing coordination.

Population Growth and Land Use Forecasting: SCG will incorporate the City's most current General Plan and demographic projections to model residential growth through 2040. The analysis will calculate the estimated build-out population and quantify the number of additional single-family and multi-family residential units needed to meet this projection. Using persons-per-household factors provided by the City and the California Department of Finance, the model will determine the number of new service units attributable to growth and serve as the basis for allocating service costs.

General Fund Expenditure Forecast: The updated model will forecast General Fund expenditures through 2040, categorizing costs into five functional areas: General Government, Community Development, Public Works/Engineering, Community Services, and Public Safety. Using the FY 2024–25 adopted budget and actuals, SCG will project cost increases over time, including escalators for staffing, benefits, and inflation. Public Safety costs—such as Police, Fire, and Animal Control—will reflect the City’s long-term service plan and include anticipated service expansions, equipment needs, and staffing thresholds as outlined in the City’s long-term planning documents.

General Fund Revenue Modeling: SCG will prepare detailed revenue forecasts for growth-related contributions to the General Fund. The revenue model will include Property Tax, Real Property Transfer Tax, Sales and Use Tax, Franchise Fees, Vehicle License Fees (VLF), business licenses, fines, service charges, and other applicable revenues. Each revenue type will be projected on a per-unit basis and applied to the projected number of new residential units to calculate total revenue contributions from growth.

Net Fiscal Impact Analysis: The analysis will compare the projected expenditures related to new development against the forecasted General Fund revenues attributable to that development. This will determine whether growth results in a net fiscal surplus or deficit. The model will express this impact both in total dollars and as a per-unit fiscal outcome for single-family and multi-family residential units. The results will provide the City with a transparent measure of fiscal sustainability tied to its growth trajectory.

Public Safety CFD Rate Development: Upon City request, SCG will calculate Public Safety Services CFD tax rates necessary to mitigate the identified shortfall in General Fund revenues caused by new residential development. These rates will be derived using the per-capita shortfall and adjusted by household size factors for each housing type. Tax rates will include escalator options for inflation indexing and be designed to ensure long-term fiscal sustainability. SCG will also advise on structuring the CFD to provide flexibility during economic fluctuations.

Final Fiscal Impact Analysis: SCG will prepare a summary report to document key factors updated in the model and the methodology used to determine the fund allocations and revenue assumptions.

Information Request

To initiate the fiscal model update and ensure the accuracy of the 2025 General Fund Analysis, Spicer Consulting Group (SCG) requests updated financial and operational data from the City of Beaumont. This information will support revised cost projections, service assumptions, and revenue modeling aligned with the City's current and anticipated conditions through build-out.

We respectfully request the following items from City staff to begin our review and model development:

- 1. FY 2024–25 General Ledger Fund/Account Summaries:** General ledger summaries (actuals to date) by fund, department, and account number and name, provided in Excel format.
- 2. FY 2025–26 Budget:** A complete General Fund budget report for the upcoming fiscal year, in Excel format, including any changes in assumptions or midyear adjustments from the prior year’s adopted budget.
- 3. FYE June 30, 2025 Financial Reports:** Trial Balance for all City funds and the audited financial statements for the fiscal year ending June 30, 2025.
- 4. General Fund Forecasts:** The most recent 5-year or 10-year financial plan or forecast for the General Fund, preferably in Excel format.

5. **Development Entitlement Inventory:** A listing of entitled but not yet built residential, commercial, and industrial projects. The list should include project names, land use types, and unit counts or square footage.
6. **Authorized Positions Schedule:** A staffing summary by department showing all authorized positions, along with any changes planned for the next 5 to 10 years.
7. **Housing Inventory:** A current breakdown of residential housing by type, including single-family detached, multi-family, apartments, mobile homes, and any accessory dwelling units (if tracked).
8. **Police Call-for-Service Data:** The most recent available call data from the Police Department, segmented by property type and average call duration.
9. **Fire Department Call Data:** Comparable fire call-for-service data by property type and duration, including EMS, fire suppression, and other service calls.
10. **Operational and Financial Context:** Any additional documents or insight that provide clarity on the City's expenditure drivers, revenue streams, long-term obligations, internal cost allocations, program delivery models, or interfund transfers that impact General Fund operations.
11. **Revenue Projections:** Existing financial forecasts or consultant reports related to General Fund revenues, including Property Tax, Sales and Use Tax, Franchise Fees, VLF, and user charges.

SCG will begin its analysis upon receipt of these materials and coordinate with City staff to confirm completeness or address follow-up questions as needed. This data is critical to ensuring the resulting model reflects accurate service levels, policy constraints, and financial performance metrics for sustainable growth planning.

Compensation

We propose to be compensated a fixed fee amount of \$7,000 per the scope of services as listed above.

Proposed Fee Schedule

Service	Cost
Fiscal Impact Analysis – Update	\$7,000

Hourly Rates

Title	Rate
Principal	\$245
Senior Associate	\$175
Associate	\$110
Mapping Technician	\$100
Administrative Support	\$85

For the services performed related to the projects which are not listed herein, compensation shall be at the hourly rates set forth, together with reimbursement, at cost, for incidental expenses incurred in connection with such services, together with reimbursement for outside services at cost plus 15%.

It is our objective to provide the City with a high-quality work product while being solution oriented, and value added. We look forward to working with the City on this exciting project and continuing our long-

Ms. Elizabeth Gibbs
City of Beaumont
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standing relationship. If you have any questions regarding our proposal, or if additional information is needed, please contact me directly at (951) 520-3331 or email me at shane.spicer@spicercg.com.

Sincerely,
Spicer Consulting Group



Shane Spicer
Managing Director

cc: Jennifer Ustation, City of Beaumont

EXHIBIT "B"

CERTIFICATES OF INSURANCE AND ENDORSEMENTS

(insert behind this page)