



Legislation Details (With Text)

File #: 2019-418 **Version:** 1 **Name:**

Type: Discussion **Status:** Agenda Ready

File created: 4/17/2019 **In control:** City Council

On agenda: 5/7/2019 **Final action:**

Title: CONSIDER APPROVAL OF AMENDMENT NO. 3 TO THE AGREEMENT WITH CSG CONSULTANTS, INC. TO PROVIDE ON-CALL PLANNING SERVICES AND ADOPTION OF RESOLUTION NO. 19-081 TO AMEND THE FY2018/19 BUDGET (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Contract Services Agreement, 2. 1st Amendment to Contract Services Agreement, 3. 2nd Amendment to Contract Services Agreement, 4. Proposed 3rd Amendment to Contract Services Agreement, 5. Resolution No. 19-081

Date	Ver.	Action By	Action	Result
5/7/2019	1	City Council		

Report to Mayor and City Council

Tuesday, May 07, 2019

Discussion

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 3 TO THE AGREEMENT WITH CSG CONSULTANTS, INC. TO PROVIDE ON-CALL PLANNING SERVICES AND ADOPTION OF RESOLUTION NO. 19-081 TO AMEND THE FY2018/19 BUDGET (CITY COUNCIL)

I. SUMMARY

This item was on the April 16, 2019 meeting agenda but City Council continued it to May 7. Since the preparation of the April 16th staff report, however, the City has received CSG’s March invoice. The balance left on CSG’s contract is small enough that staff has notified the CSG consultants to stop work on all Carson development projects. In order to compensate for losing equivalent of two full-time staff (distributed among four CSG staffers), the workload for the remaining Planning Division staff had to be redistributed and modifications to public counter hours was deemed necessary. This arrangement is not sustainable for the Planning Division with the current work load. Therefore, staff is requesting the City Council to approve Amendment #3 to the CSG contract, adding \$250,000 to the contract.

The previous recruitment process for the Senior Planner position did not yield a new hire and a new recruitment has started. In addition, through the budget process, Staff is

seeking approval of another planner position the Division lost when a planner transferred to another department and took the “headcount.” Staff expects the recruitment process for these two positions to be completed by summer. When the recruitment process for the two planners is complete, the hours of CSG staff will be reduced significantly and they will gradually be phased out. Staff expects the phase-out to be completed in advance of the December 5th contract expiration.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 3 to the on-call planning services agreement with CSG Consultants, Inc.
2. AUTHORIZE the Mayor to execute the amendment, following approval as to form by the City Attorney.
3. ADOPT Resolution No. 19-081 to amend the FY2018/19 budget in the appropriate accounts.
4. AUTHORIZE staff to bring back an item for City Council’s consideration to add a new Planning position to the Planning Division staff.

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate that is consistent with the requirements of law.

IV. BACKGROUND

On December 6, 2016, the City entered into an agreement with CSG Consultants, Inc. (CSG) to provide on-call planning services (Exhibit No. 1). This agreement was subsequently amended in November, 2017 (Exhibit No. 2). Due to continued growth in development within the City, coupled with the loss of a number of City staff within the Planning Division, on March 5, 2019, staff requested the City Council to increase to the contract amount and length of contract for the CSG contract. At that time, the City was going through the recruitment process for two senior planners. The City Council approved an amendment, but reduced the requested contract amount and did not grant the contract extension request to June of 2020 (Exhibit No. 3).

Staff assured the City Council that an update would be provided to City Council once the recruitment process was complete to determine staffing needs for the Planning Division. Human Resources completed the recruitment process which did not yield a candidate for the Senior Planner position. A new recruitment process has started for the Senior Planner position. Staff anticipates this position to be filled by end of July. Moreover, staff will be bringing forward a second position for Council’s consideration in the City’s Fiscal Year 2019

-2020 Budget. Therefore, staff is requesting the City Council to approve Amendment No. 3 to the CSG contract.

Staff has been reducing the hours for the CSG consultants as new staff is hired. Currently, CSG provides an equivalent of slightly more than two full-time staff at a cost of approximately \$35,000 per month for both. Therefore, staff is requesting an additional \$250,000 to provide planning services until the end of contract term, December 5, 2019 (Exhibit No. 4). Staff is also requesting the City Council to adopt Budget Resolution No. 19-081 (Exhibit No. 5). With the approval of this amendment and successful recruitment of the two positions, Planning Division will be able to provide planning services without CSG consultants beyond December 5, 2019.

Without the approval of this amendment, the existing budget for CSG will run out in about 30 days. Without the CSG consultants, planning staff will not be able to handle the volume and complexity of the current workload, therefore, causing delays in all aspects of the Planning Division services. These delays could include processing development applications, issuance of building permits, issuance of occupancy permits for completed projects, issuance of business licenses for new and existing businesses, providing service at the public counter, updating the General Plan, and other services provided by the Planning Division.

During the past few years, the Planning Division sustained the loss of multiple planning employees. New planners have been hired but there are still vacancies within the Division. Meanwhile, development activities have continued to grow at an unanticipated rate, necessitating the use of CSG's on-call services. The use of CSG benefits the City and its customers by ensuring responsive and efficient services, including maintaining compliance with State mandated application processing timelines, while simultaneously providing the Planning Division with the flexibility it needs to meet fluctuations in workload on an as-needed basis.

The following table provides a glimpse of historical building permit fee fluctuations, which is a good indication of development activity in the City. As it can be seen from this table, collected building permit fees averaged below \$1,900,000 annually from 2008-2015. However, since 2016 the City has average about \$3,600,000 in permit fees, nearly twice the 10-year average. In 2009, Planning Division had 9 planners plus a code enforcement liaison aiding the planners with various tasks. Through the years, City's structural deficit has forced the City to reduce staffing drastically in the Planning Division, as well as Citywide. Currently, the Planning Division is staffed by 5 planners not including the two full-time equivalent CSG staff. In addition, the complexity and the size of projects have increased substantially as well. The Division has also taken on additional special projects such as the comprehensive update of the General Plan.

Year	Total Permit Fees
2008	\$1,731,330.51
2009	\$1,902,690.05
2010	\$1,863,244.63

2011	\$1,829,913.30
2012	\$2,142,136.97
2013	\$2,111,828.75
2014	\$2,076,725.93
2015	\$1,810,340.81
2016	\$3,220,387.73
2017	\$3,593,947.21
2018	\$3,973,016.92

The following provides summary of contract amounts for the amendments:

	Year 1	Year 2	Year 3	Expiration
Amendment 1, Approved	\$200,000	\$200,000	\$200,000	Dec-19
Amendment 2, Requested	\$200,000	\$321,000	\$600,000	20-Jun
Amendment 2, Approved	\$200,000	\$321,000	\$300,000	Dec-19
Amendment 3, Requested	\$200,000	\$321,000	\$550,000	Dec-19

V. FISCAL IMPACT

The not-to-exceed amount requested for the consultant will increase by \$250,000 from \$821,000 for the three-year contract, to \$1,071,000 for the three-year contract. As soon as the City hires one planner, its consultant use will diminish, as well as the cost. Once it hires a second planner, consultant use will be unnecessary. The length of the contract (3 years) would remain unchanged. The costs of the consultant services are assumed by project applicants through the Planning Application Deposit Program. As a result, there is no direct impact to the City’s General Fund.

VI. EXHIBITS

1. Contract Services Agreement with CSG Consultants, Inc. (pgs. 5-33)
2. 1st Amendment to Contract Services Agreement with CSG Consultants, Inc. (pgs. 34-36)
3. 2nd Amendment to Contract Services Agreement with CSG Consultants, Inc. (pgs. 37-

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4. Proposed 3rd Amendment to Contract Services Agreement with CSG Consultants, Inc. (pgs. 42-46)
5. Resolution No. 19-081. (pgs. 47-48)

Prepared by: Brent Gesch, Principal Administrative Analyst