



City of Buellton

February 2, 2022

Sheriff Bill Brown
P.O. Box 6427
Santa Barbara CA 93160

Re: Notice of Contract Dispute in Response to Proposed FY 2022-23 Recomputed Compensation under the Agreement to Provide Law Enforcement Services between the City of Buellton and County of Santa Barbara

Dear Sheriff Brown:

On behalf of the City of Buellton (“City”), this letter serves as formal notice of a contract dispute (“Notice of Dispute”) pursuant to Section 26 of the Agreement to Provide Law Enforcement Services between the City and County of Santa Barbara (“Agreement”). The County of Santa Barbara Sheriff’s Office (“Sheriff’s Office”) also provides law enforcement services to the cities of Carpinteria, Goleta, and Solvang (together with the City, the “Contract Cities”). It is our understanding that each of the Contract Cities will be providing the Sheriff’s Office with a similar Notice of Dispute.

Two years ago, in November of 2020, the Sheriff’s Office notified the City that it was in the process of “working with fiscal consultants from the Natelson Dale Group, Inc to develop an improved cost methodology and fiscal reporting to [the City].” In this same letter, the Sheriff’s Office assured the City that “[a]s always, any changes to the contract will require either an amendment or an updated [Agreement].” Although there has been no amendment to the contract to allow use of this “improved cost methodology,” the Sheriff’s Office calculated compensation for FY 2021-22 and the current year—FY 2022-23—based on this unauthorized “revised” methodology. The City (as well as the other Contract Cities) similarly disputed the proposed FY 2021-22 costs.¹

On January 10, 2022, the Sheriff’s Office presented the City with its proposed final recomputation of compensation for fiscal year (“FY”) 2022-23 in the amount of \$2,761,333.00. This proposed increase is an approximately 11% increase (or \$277,860.00) over the previous year’s contract costs and would result in a total increase of close to 29% (or \$623,064 in contract costs) over the past two years. The City believes that this proposed increase is being calculated inconsistent with the terms and intent of the Agreement and, absent some additional facts not heretofore provided by the County, is disputing the entire proposed increase of \$277,860.00.

The City also asserts that the Sheriff’s Office has breached both the covenant of good faith and fair dealing as well as its contractual obligation to work transparently and collaboratively with the City in order to avoid unexpected cost increases. The Contract Cities, through their consultant Russ Branson, have been working with the Natelson Dale Group to evaluate the “revised” methodology and resulting proposed cost increases. To date, however, the Sheriff’s Office has failed to provide sufficient justification—and documentation—to

¹ The City filed a Notice of Dispute, dated February 12, 2021, disputing the final proposed recomputed compensation for FY 2021-22. As a result, the final law enforcement costs for FY 2021-22 were the product of a negotiated settlement.

Notice of Contract Dispute in Response to Proposed FY 2022-23 Recomputed Compensation under the Agreement to Provide Law Enforcement Services between the City of Buellton and County of Santa Barbara

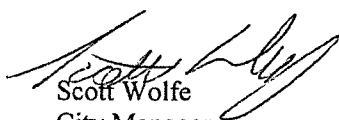
Page 2

support the proposed increase for FY 2022-23. Additionally, during our review of data from the Sheriff's Office, we have found numerous errors and inconsistencies, including but not limited to how deputies and support staff code and allocate time and how costs are computed and allocated.

The City is committed to working with the Sheriff's Office to address its concerns regarding calculation of FY 2022-23 contract costs. Pursuant to the terms of the Agreement, should a resolution not be reached within thirty (30) days of receipt of this Notice of Dispute, the City will initiate the additional dispute resolution procedures described in Section 26 of the Agreement. The City reserves the right to raise additional concerns as they arise throughout the dispute resolution process.

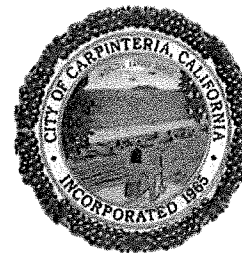
The City requests the Sheriff's Office to confirm receipt of this Notice of Dispute. Should you have questions about the City's concerns please contact me at (805) 688-5177, ext. 5, or scott@CityOfBuellton.com. Thank you for your attention to this matter. We look forward to your response.

Sincerely,


Scott Wolfe
City Manager

Cc (by email only):
Mona Miyasato, County Executive Officer (mmiyasato@co.santa-barbara.ca.us)
Michelle Greene, Goleta City Manager (mgreene@cityofgoleta.org)
Xenia Bradford, Solvang City Manager (xeniab@cityofsolvang.com)
Dave Durlinger, Carpinteria City Manager (daved@ci.carpinteria.ca.us)
Rana Warren, Senior Deputy County Counsel (rgwarren@countyofsb.org)
Nancy Anderson, Assistant Chief Executive Officer (nanderson@countyofsb.org)
Das Williams, 1st District Supervisor (dwilliams@countyofsb.org)
Gregg Hart, 2nd District Supervisor (ghart@countyofsb.org)
Board Chair Joan Hartmann, 3rd District Supervisor (jhartmann@countyofsb.org)
Bob Nelson, 4th District Supervisor (bob.nelson@countyofsb.org)
Steve Lavagnino, 5th District Supervisor (steve.lavagnino@countyofsb.org)

CITY of CARPINTERIA, CALIFORNIA



February 2, 2022

Sheriff Bill Brown
P.O. Box 6427
Santa Barbara CA 93160

Re: Notice of Contract Dispute in Response to Proposed FY 2022-23 Recomputed Compensation under the Agreement to Provide Law Enforcement Services between the City of Carpinteria and County of Santa Barbara

Dear Sheriff Brown:

On behalf of the City of Carpinteria ("City"), this letter serves as formal notice of a contract dispute ("Notice of Dispute") pursuant to Section 26 of the Agreement to Provide Law Enforcement Services between the City and County of Santa Barbara ("Agreement"). The County of Santa Barbara Sheriff's Office ("Sheriff's Office") also provides law enforcement services to the cities of Buellton, Goleta, and Solvang (together with the City, the "Contract Cities"). It is our understanding that each of the Contract Cities will be providing the Sheriff's Office with a similar Notice of Dispute.

Two years ago, on November 10, 2020, the Sheriff's Office notified the City that it was in the process of "working with fiscal consultants from the Natelson Dale Group, Inc to develop an improved cost methodology and fiscal reporting to [the City]."¹ In this same letter, the Sheriff's Office assured the City that "[a]s always, any changes to the contract will require either an amendment or an updated [Agreement]."² Although there has been no amendment to the contract to allow use of this "improved cost methodology," the Sheriff's Office calculated compensation for FY 2021-22 and the current year—FY 2022-23—based on this unauthorized "revised" methodology. The City (as well as the other Contract Cities) similarly disputed the proposed FY 2021-22 costs.³

On January 10, 2022, the Sheriff's Office presented the City with its proposed final recomputation of compensation for fiscal year ("FY") 2022-23 in the amount of \$5,277,977.00. This proposed increase is an approximately 15% increase (or \$696,651.00) over the previous year's contract costs and would result in a total increase of close to 37% (or nearly \$1.2 million in contract costs) over the past two years. The City believes that this proposed increase is being calculated inconsistent with the terms and intent of the Agreement and, absent some additional facts not heretofore provided by the County, is disputing the entire proposed increase of \$696,651.00.

The City also asserts that the Sheriff's Office has breached both the covenant of good faith and fair dealing as well as its contractual obligation to work transparently and collaboratively with the City in order to avoid unexpected cost increases. The Contract Cities, through their consultant Russ Branson, have been working with the Natelson Dale Group to evaluate the "revised" methodology and resulting proposed cost increases. To date, however, the Sheriff's Office has failed to provide sufficient

¹ See Letter from Sheriff's Office to City, dated November 10, 2020.

² See Letter from Sheriff's Office to City, dated November 10, 2020.

³ The City filed a Notice of Dispute, dated February 8, 2021, disputing the final proposed recomputed compensation for FY 2021-22. As a result, the final law enforcement costs for FY 2021-22 were the product of a negotiated settlement.

Notice of Contract Dispute in Response to Proposed FY 2022-23 Recomputed Compensation under the Agreement to Provide Law Enforcement Services between the City of Carpinteria and County of Santa Barbara

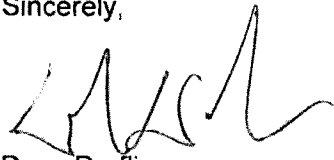
Page 2

justification—and documentation—to support the proposed increase for FY 2022-23. Additionally, during our review of data from the Sheriff's Office, we have found numerous errors and inconsistencies, including but not limited to how deputies and support staff code and allocate time and how costs are computed and allocated.

The City is committed to working with the Sheriff's Office to address its concerns regarding calculation of FY 2022-23 contract costs. Pursuant to the terms of the Agreement, should a resolution not be reached within thirty (30) days of receipt of this Notice of Dispute, the City will initiate the additional dispute resolution procedures described in Section 26 of the Agreement. The City reserves the right to raise additional concerns as they arise throughout the dispute resolution process.

The City requests the Sheriff's Office to confirm receipt of this Notice of Dispute. Should you have questions about the City's concerns please contact City Manager Dave Durlinger at (805) 755-4400 or daved@ci.carpinteria.ca.us. Thank you for your attention to this matter. We look forward to your response.

Sincerely,



Dave Durlinger
City Manager

Cc (by email only):
Mona Miyasato, County Executive Officer (mmiyasato@co.santa-barbara.ca.us)
Michelle Greene, Goleta City Manager (mgreene@cityofgoleta.org)
Xenia Bradford, Solvang City Manager (xeniab@cityofsolvang.com)
Scott Wolfe, Buellton City Manager (scott@cityofbuellton.com)
Rana Warren, Senior Deputy County Counsel (rgwarren@countyofsb.org)
Nancy Anderson, Assistant Chief Executive Officer (nanderson@countyofsb.org)
Das Williams, 1st District Supervisor (dwilliams@countyofsb.org)
Gregg Hart, 2nd District Supervisor (ghart@countyofsb.org)
Board Chair Joan Hartmann, 3rd District Supervisor (jhartmann@countyofsb.org)
Bob Nelson, 4th District Supervisor (bob.nelson@countyofsb.org)
Steve Lavagnino, 5th District Supervisor (steve.lavagnino@countyofsb.org)



February 2, 2022

CITY COUNCIL

Paula Perotte
Mayor

Stuart Kasdin
Mayor Pro Tempore

Roger S. Aceves
Councilmember

James Kyriaco
Councilmember

Kyle Richards
Councilmember

CITY MANAGER
Michelle Greene

Sheriff Bill Brown
P.O. Box 6427
Santa Barbara CA 93160

Re: Notice of Contract Dispute in Response to Proposed FY 2022-23
Recomputed Compensation under the Agreement to Provide Law
Enforcement Services between the City of Goleta and County of Santa
Barbara

Dear Sheriff Brown:

On behalf of the City of Goleta ("City"), this letter serves as formal notice of a contract dispute ("Notice of Dispute") pursuant to Section 26 of the Agreement to Provide Law Enforcement Services between the City and County of Santa Barbara ("Agreement"). The County of Santa Barbara Sheriff's Office ("Sheriff's Office") also provides law enforcement services to the cities of Buellton, Carpinteria, and Solvang (together with the City, the "Contract Cities"). It is our understanding that each of the Contract Cities will be providing the Sheriff's Office with a similar Notice of Dispute.

Two years ago, on November 10, 2020, the Sheriff's Office notified the City that it was in the process of "working with fiscal consultants from the Natelson Dale Group, Inc. to develop an improved cost methodology and fiscal reporting to [the City]."¹ In this same letter, the Sheriff's Office assured the City that "[a]s always, any changes to the contract will require either an amendment or an updated [Agreement]."² Although there has been no amendment to the contract to allow use of this "improved cost methodology," the Sheriff's Office calculated compensation for FY 2021-22 and the current year—FY 2022-23—based on this unauthorized "revised" methodology. The City (as well as

¹ See Letter from Sheriff's Office to City, dated November 10, 2020.

² See Letter from Sheriff's Office to City, dated November 10, 2020.

the other Contract Cities) similarly disputed the proposed FY 2021-22 costs.³

On January 10, 2022, the Sheriff's Office presented the City with its proposed final recomputation of compensation for fiscal year ("FY") 2022-23 in the amount of \$9,759,127.00. This proposed increase is an approximately 13.38% increase (or \$1,151,406.00) over the previous year's contract costs and would result in a total increase of close to 30% (or nearly \$2,257,953.00 in contract costs) over the past two years. The City believes that this proposed increase is being calculated inconsistent with the terms and intent of the Agreement and, absent some additional facts not heretofore provided by the County, is disputing the entire proposed increase of \$1,151,406.00.

The City also asserts that the Sheriff's Office has breached both the covenant of good faith and fair dealing as well as its contractual obligation to work transparently and collaboratively with the City in order to avoid unexpected cost increases. The Contract Cities, through their consultant Russ Branson, have been working with the Natelson Dale Group to evaluate the "revised" methodology and resulting proposed cost increases. To date, however, the Sheriff's Office has failed to provide sufficient justification—and documentation—to support the proposed increase for FY 2022-23. Additionally, during our review of data from the Sheriff's Office, we have found numerous errors and inconsistencies, including but not limited to how deputies and support staff code and allocate time and how costs are computed and allocated.

The City is committed to working with the Sheriff's Office to address its concerns regarding calculation of FY 2022-23 contract costs. Pursuant to the terms of the Agreement, should a resolution not be reached within thirty (30) days of receipt of this Notice of Dispute, the City will initiate the additional dispute resolution procedures described in Section 26 of the Agreement. The City reserves the right to raise additional concerns as they arise throughout the dispute resolution process.

The City requests the Sheriff's Office to confirm receipt of this Notice of Dispute. Should you have questions about the City's concerns please contact City Manager Michelle Greene at (805) 961-7501 or mgreene@cityofgoleta.org. Thank you for your attention to this matter. We look forward to your response.

Sincerely,



Michelle Greene
City Manager

Cc (by email only):

Mona Miyasato, County Executive Officer (mmiyasato@co.santa-barbara.ca.us)
Dave Durflinger, Carpinteria City Manager (daved@ci.carpinteria.ca.us>)
Xenia Bradford, Solvang City Manager (xeniab@cityofsolvang.com)

³ The City filed a Notice of Dispute, dated February 8, 2021, disputing the final proposed recomputed compensation for FY 2021-22. As a result, the final law enforcement costs for FY 2021-22 were the product of a negotiated settlement.

CITY OF

GOLETA

130 Cremona Drive, Suite B, Goleta, CA 93117 P 805.961.7500 F 805.685.2635 www.cityofgoleta.org

Scott Wolfe, Buellton City Manager (scott@cityofbuellton.com)
Rana Warren, Senior Deputy County Counsel (rgwarren@countyofsb.org)
Nancy Anderson, Assistant Chief Executive Officer (nanderson@countyofsb.org)
Das Williams, 1st District Supervisor (dwilliams@countyofsb.org)
Gregg Hart, 2nd District Supervisor (ghart@countyofsb.org)
Board Chair Joan Hartmann, 3rd District Supervisor (jhartmann@countyofsb.org)
Bob Nelson, 4th District Supervisor (bob.nelson@countyofsb.org)
Steve Lavagnino, 5th District Supervisor (steve.lavagnino@countyofsb.org)



CITY of SOLVANG, California

February 2, 2022

Sheriff Bill Brown
P.O. Box 6427
Santa Barbara CA 93160

Re: Notice of Contract Dispute in Response to Proposed FY 2022-23 Recomputed Compensation under the Agreement to Provide Law Enforcement Services between the City of Solvang and County of Santa Barbara

Dear Sheriff Brown:

On behalf of the City of Solvang ("City"), this letter serves as formal notice of a contract dispute ("Notice of Dispute") pursuant to Section 26 of the Agreement to Provide Law Enforcement Services between the City and County of Santa Barbara ("Agreement"). The County of Santa Barbara Sheriff's Office ("Sheriff's Office") also provides law enforcement services to the cities of Buellton, Goleta, and Carpinteria (together with the City, the "Contract Cities"). It is our understanding that each of the Contract Cities will be providing the Sheriff's Office with a similar Notice of Dispute.

Two years ago, on November 10, 2020, the Sheriff's Office notified the City that it was in the process of "working with fiscal consultants from the Natelson Dale Group, Inc. to develop an improved cost methodology and fiscal reporting to [the City]." In this same letter, the Sheriff's Office assured the City that "[a]s always, any changes to the contract will require either an amendment or an updated [Agreement]." Although there has been no amendment to the contract to allow use of this "improved cost methodology," the Sheriff's Office calculated compensation for FY 2021-22 and the current year—FY 2022-23—based on this unauthorized "revised" methodology. The City (as well as the other Contract Cities) similarly disputed the proposed FY 2021-22 costs.¹

On January 10, 2022, the Sheriff's Office presented the City with its proposed final recomputation of compensation for fiscal year ("FY") 2022-23 in the amount of \$2,468,676.00. This proposed increase is an approximately 15% increase (or \$317,144.00 over the previous year's contract costs and would result in a total increase of nearly 35% (or \$638,379 in contract costs) over the past two years. The City believes that this proposed increase is being calculated

¹ The City filed a Notice of Dispute, dated February 12, 2021, disputing the final proposed recomputed compensation for FY 2021-22. As a result, the final law enforcement costs for FY 2021-22 were the product of a negotiated settlement.

inconsistent with the terms and intent of the Agreement and, absent some additional facts not heretofore provided by the County, is disputing the entire proposed increase of \$317,144.00

The City also asserts that the Sheriff's Office has breached both the covenant of good faith and fair dealing as well as its contractual obligation to work transparently and collaboratively with the City in order to avoid unexpected cost increases. The Contract Cities, through their consultant Russ Branson, have been working with the Natelson Dale Group to evaluate the "revised" methodology and resulting proposed cost increases. To date, however, the Sheriff's Office has failed to provide sufficient justification—and documentation—to support the proposed increase for FY 2022-23. Additionally, during our review of data from the Sheriff's Office, we have found numerous errors and inconsistencies, including but not limited to how deputies and support staff code and allocate time and how costs are computed and allocated.

The City is committed to working with the Sheriff's Office to address its concerns regarding calculation of FY 2022-23 contract costs. Pursuant to the terms of the Agreement, should a resolution not be reached within thirty (30) days of receipt of this Notice of Dispute, the City will initiate the additional dispute resolution procedures described in Section 26 of the Agreement. The City reserves the right to raise additional concerns as they arise throughout the dispute resolution process.

The City requests the Sheriff's Office to confirm receipt of this Notice of Dispute. Should you have questions about the City's concerns please contact me at (805) 688-5575 or xeniab@cityofsolvang.com. Thank you for your attention to this matter. We look forward to your response.

Sincerely,



Xenia Bradford
City Manager

Cc (by email only):
Mona Miyasato, County Executive Officer (mmiyasato@co.santa-barbara.ca.us)
Michelle Greene, Goleta City Manager (mgreene@cityofgoleta.org)
Dave Durflinger, Carpinteria City Manager (daved@ci.carpinteria.ca.us)
Scott Wolfe, Buellton City Manager (scott@cityofbuellton.com)
Rana Warren, Senior Deputy County Counsel (rgwarren@countyofsb.org)
Nancy Anderson, Assistant Chief Executive Officer (nanderson@countyofsb.org)
Das Williams, 1st District Supervisor (dwilliams@countyofsb.org)
Gregg Hart, 2nd District Supervisor (ghart@countyofsb.org)
Board Chair Joan Hartmann, 3rd District Supervisor (jhartmann@countyofsb.org)
Bob Nelson, 4th District Supervisor (bob.nelson@countyofsb.org)
Steve Lavagnino, 5th District Supervisor (steve.lavagnino@countyofsb.org)