



CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA

AGENDA
MONDAY, JUNE 23, 2014 – 7:00 P.M.

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

FLAG SALUTE: Mayor Matt Beekman

INVOCATION:

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS:

- 2.1:** Certificate of Recognition and Appreciation to Jim Duval, for serving as the Interim Community Development Director from November 2013 to May 2014.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this Agenda will be made available at the City Clerk's counter at City Hall located at 7018 Pine Street, Hughson, CA.

- 3.1: Approve the Minutes of the Regular Meeting of May 27, 2014.
- 3.2: Approve the Warrants Register.
- 3.3: Review and Accept the 2013 Hughson Police Services Annual Report.
- 3.4: Review Waste Management's request for a rate increase based on the Consumer Price Index and authorizes staff to set a Public Hearing for public comment and formal consideration on July 28, 2014.
- 3.5: Accept the 2014 Community Partnership of Promise Award from the Southeast Stanislaus Family Resource Center.
- 3.6: Approve the Memorandum of Understanding between the City of Hughson and Operating Engineers Local Union No. 3 on behalf of the City of Hughson Employees Association and Authorize the City Manager to Execute the Agreement with Operating Engineers Local Union No. 3 on behalf of the City of Hughson Employees Association.
- 3.7: Adopt Resolution No. 2014-21, amending the salary schedule range schedule for designated management classifications.
- 3.8: Approve the re-appointment of Billy Redding, Juan Codallos, Todd Brownell, and Raymond Lopez to the Hughson Parks and Recreation Commission and continue to advertise the vacant seat (1) open until filled.

4. UNFINISHED BUSINESS:

- 4.1: Consider the Adoption of Resolution No. 2014-20, approving the City of Hughson's 2014-2015 Investment Policy.
- 4.2: Review and Discuss the Preliminary Park Cost Estimate for the Potential Future Seventh Street Park.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

6. NEW BUSINESS: NONE.

7. CORRESPONDENCE: NONE.

8. COMMENTS:

- 8.1: Staff Reports and Comments: (Information Only – No Action)

City Manager:

City Clerk:

Community Development Director:

Director of Finance:

Police Services:

City Attorney:

8.2: Council Comments: (Information Only – No Action)

8.3: Mayor’s Comments: (Information Only – No Action)

9. CLOSED SESSION TO DISCUSS THE FOLLOWING:

9.1: PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to Government Code Section 54957:

Title: City Manager

10. REPORT FROM CLOSED SESSION:

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

UPCOMING EVENTS:

June 23	▪ City Council Regular Meeting, City Council Chambers, 7:00pm
July 4	▪ Independence Day- Holiday- City Hall will be closed
July 14	▪ City Council Regular Meeting, City Council Chambers, 7:00pm
July 15	▪ Planning Commission Meeting, City Council Chambers, 6:00pm
July 28	▪ City Council Regular Meeting, City Council Chambers, 7:00pm
August 5	▪ National Night Out, Various Neighborhoods, 5-8:00pm

RULES FOR ADDRESSING CITY COUNCIL

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

AFFIDAVIT OF POSTING

DATE: June 20, 2014 **TIME:** 5:00pm
NAME: Dominique Spinale **TITLE:** Deputy City Clerk

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

Council Agendas: The City Council agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054



CITY OF HUGHSON AGENDA ITEM NO. 3.1 SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Approval of the City Council Minutes
Presented By: Dominique Spinale, Deputy City Clerk

Approved By: _____

Staff Recommendation:

Approve the Regular Meeting Minutes of June 9, 2014 session.

Background and Overview:

The draft minutes of the June 9, 2014 meeting are prepared for the Council's review.



**CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**MINUTES
MONDAY, JUNE 9, 2014 – 7:00 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL:

Present: Mayor Matt Beekman
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

Absent: Mayor Pro Tem Jeramy Young

Staff Present: Raul L. Mendez, City Manager
Monica Streeter, Deputy City Attorney
Darin Gharat, Chief of Police Services
Jaylen French, Community Development Director
Dominique Spinale, Management Analyst/Deputy City Clerk
Lisa Whiteside, Finance Manager
Sam Rush, Public Works Superintendent
John Padilla, City Treasurer

FLAG SALUTE: Mayor Matt Beekman

INVOCATION: Mayor Matt Beekman

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

No Public Comments.

2. PRESENTATIONS:

2.1: A Proclamation of the Hughson City Council proclaiming June as Disabilities Awareness Month.

Deputy City Clerk Spinale presented the Proclamation to Lynn Quijada-Vaughan, a representative of the Society for Disabilities.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of May 27, 2014.
- 3.2: Approve the Warrants Register.
- 3.3: Adopt Resolution No. 2014-15, authorizing the refinancing of the existing Installment Sale Agreement for the 2006 Water Tank Project and Authorizing the City Manager to Complete the Execution and Delivery of Amendment No. 1 to the Installment Sale Agreement.
- 3.4: Authorize the City Manager to Formally Decline the Request to Extend the Current Solid Waste Franchise Agreement between the City of Hughson and USA Waste of California, Inc., a Waste Management Company.
- 3.5: Consider the Adoption of Resolution No. 2014-16, Setting Appropriation Limit for Fiscal Year 2014-2015.
- 3.6: Approve the recommendation of the Economic Development Committee (EDC) to provide to Branding Iron Catering located at 2400 Santa Fe Avenue a not to exceed loan in the amount of \$12,000 and up to \$3,000 in grant incentive funds for expansion purposes.
- 3.7: Adopt Resolution No. 2014-19, Awarding the 5th Street Sidewalk Infill Project to George Reed Inc. in the Amount of \$358,403.05 and Authorizing a 10% Construction Contingency as well as a 10% Set-aside for Construction Testing and Inspection.

SILVA/CARR 4-0 (YOUNG-Absent) motion passes to approve the Consent Calendar as presented.

4. UNFINISHED BUSINESS: NONE.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

6. NEW BUSINESS:

- 6.1: Review and Approve the City of Hughson Fiscal Year 2014-2015 Preliminary Budget.

Director Souza presented the Staff Report and reviewed the preliminary budget, which was reviewed previously by the Budget & Finance Subcommittee. Mayor Beekman directed Staff to look into the fixed asset funds.

BEEKMAN/HILL 4-0 (YOUNG- Absent) motion passes to approve the City of Hughson Fiscal Year 2014-2015 Preliminary Budget.

- 6.2:** Consider the Adoption of Resolution No. 2014-17, Declaring the City Council's Intent to Levy and Collect Assessments for Fiscal Year 2014-2015 for the City of Hughson Lighting and Landscaping Districts and Benefit Assessment Districts and to Set the Public Hearing for the July 14, 2014 City Council Meeting.

City Manager Mendez presented the Staff Report. Garner Reynolds with the City of Turlock was present to answer any questions of the Council.

CARR/SILVA 4-0 (YOUNG- Absent) motion passes to adopt Resolution No. 2014-17, Declaring the City Council's Intent to Levy and Collect Assessments for Fiscal Year 2014-2015 for the City of Hughson Lighting and Landscaping Districts and Benefit Assessment Districts and to Set the Public Hearing for the July 14, 2014 City Council Meeting.

- 6.3:** Consider the Adoption of Resolution No. 2014-18, Calling and Giving Notice of the Holding of a General Municipal Election on Tuesday, November 4, 2014, for the Election of Certain Officers as required by the provisions of the Laws of the State of California relating to General Law Cities and requesting Consolidation of the Election with Stanislaus County.

Deputy City Clerk Spinale presented the Staff Report on this Item.

HILL/CARR 4-0 (YOUNG-Absent) motion passes to adopt Resolution No. 2014-18, Calling and Giving Notice of the Holding of a General Municipal Election on Tuesday, November 4, 2014, for the Election of Certain Officers as required by the provisions of the Laws of the State of California relating to General Law Cities and requesting Consolidation of the Election with Stanislaus County.

7. CORRESPONDENCE: NONE.

8. COMMENTS:

- 8.1:** Staff Reports and Comments: (Information Only – No Action)

City Manager: City Manager Mendez provided updates on the Water Advisory Committee meeting and the City/Fire 2+2 Committee meeting.

City Clerk:

Community Development Director: Director French provided updates on the availability of funding for drought relief projects through the Integrated Regional Water Management Partnership (IRWMP) of which Hughson is a member.

Director of Finance:

Police Services:

City Attorney:

8.2: Council Comments: (Information Only – No Action)

Councilmember Silva updated the Council on her attendance at the Budget & Finance Subcommittee meeting.

8.3: Mayor’s Comments: (Information Only – No Action)

Mayor Beekman asked that staff bring the City’s Goals and Objectives to Council for review and expressed interest in trying to improve voter turnout for future elections.

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: 7:48 P.M.

9.1: CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6.

Agency Negotiator: Raul L. Mendez, City Manager

Employee Organizations: Operating Engineers Local No. 3
(Skilled Trades, Professional and Technical)

Management

10. REPORT FROM CLOSED SESSION: 8:27 P.M.

No reportable action was taken.

ADJOURNMENT:

CARR/HILL motion passes to adjourn the meeting at 8:27 P.M.

MATT BEEKMAN, Mayor

DOMINIQUE SPINALE, Deputy City Clerk



CITY OF HUGHSON AGENDA ITEM NO. 3.2

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Approval of Warrants Register
Enclosure: Warrants Register
Presented By: Lisa Whiteside, Finance Manager

Approved By: _____

Staff Recommendation:

Approve the Warrants Register as presented.

Background and Overview:

The warrants register presented to the City Council is a listing of all expenditures paid from June 10 through June 20, 2014.

Fiscal Impact:

There are reductions in various funds for payment of expenses.

REPORT.: Jun 20 14 Friday
 RUN.....: Jun 20 14 Time: 10:14
 Run By.: KATHY DAHLIN

City of Hughson
 Cash Disbursement Detail Report
 Check Listing for 06-14 Bank Account.: 0100

PAGE: 001
 ID #: PY-DP
 CTL.: HUG

fw

Check Number	Check Date	Vendor Number	Name	Net Amount	-----Payment Information-----	
					Invoice #	Description
45173	6/10/2014	GUT00	GUTIERREZ, ERENDIRA	\$ (210.00)	B40606u	Ck# 045173 Reversed
45200	6/11/2014	\A002	AGUILAR, ANDREW	\$ 65.55	000B40701	MQ CUSTOMER REFUND FOR AGU0014
45201	6/17/2014	ABE02	ABEL'S AUTO REPAIRS	\$ 60.00	B40610	TROUBLE SHOOT DODGE
45202	6/17/2014	AFL01	AFLAC	\$ 1,043.33	277601	AFLAC
45203	6/17/2014	ALL05	ALLIED ADMINISTRATORS	\$ 2,258.30	B40610	DELTA DENTAL 7/14
45204	6/17/2014	AMC00	AMC VALLEY WELDING	\$ 2,700.00	1519	IRON AUGER REPAIRS
45205	6/17/2014	ATT01	AT&T	\$ 20.89	B40610	PHONE
45206	6/17/2014	AVA00	AVAYA, INC	\$ 125.16	273311211	PHONE
45207	6/17/2014	BAN01	PETTY CASH	\$ 92.82	B40610	REPLENISH PETTY CASH
45208	6/17/2014	BLU00	BLUE SHIELD	\$ 13,278.00	B40617	HEALTH PREMIUMS JULY 2014
45209	6/17/2014	CEN14	CENTRAL JANITOR'S SUPPLY	\$ 31.96	514478	CLEANING SUPPLIES
45210	6/17/2014	GRO01	FERGUSON ENTERISES, INC 1	\$ 61.88	994947	WATER DEPT SUPPLIES WELL #6
45211	6/17/2014	GUT08	GUTIERREZ, MARTHA	\$ 210.00	B40610	REFUND DEPOSIT FROM 4/26
45212	6/17/2014	GUT09	GUTIERREZ, JOSE	\$ 162.50	B40610	REFUND HALL RENT DUE TO CANCELLATION
45213	6/17/2014	HOL03	HOLT OF CALIFORNIA	\$ 93.64	Q1214701	CONCRETE
45214	6/17/2014	HUG11	HUGHSON FARM SUPPLY	\$ 37.65 \$ 6.43 \$ 23.64	H101294 H101672 H102291	COOLER PUMP KEYS CONCRETE MIX
			Check Total:	\$ 67.72		
45215	6/17/2014	HUG34	VALLEY PARTS WAREHOUSE, I	\$ 4.06 \$ 29.60 \$ 7.08 \$ 7.74	120592 120691 120765 120770	STARTING FLUID WIRE, SWITCH SUPERBOND WIRE
			Check Total:	\$ 48.48		
45216	6/17/2014	LEG01	LEGAL SHIELD	\$ 51.80	B40613	LEGAL SVCS
45217	6/17/2014	OFF06	OFFICE TEAM	\$ 585.26 \$ 459.13 \$ 702.24 \$ 568.26	40509830 40509831 40566371 40566372	EXTRA HELP WEEK ENDING 5/30 EXTRA HELP WEEK ENDING 5/30 EXTRA HELP WEEK ENDING 6/6 EXTRA HELP WEEK ENDING 6/6
			Check Total:	\$ 2,314.89		
45218	6/17/2014	OPE01	OPERATING ENGINEERS LOCAL	\$ 322.00	B40613	LOCAL UNION #3 DUES
45219	6/17/2014	QUI03	QUICK N SAVE	\$ 66.44	1-9459	DIESEL
45220	6/17/2014	REG00	REGIONAL GOVERNMENT SERVI	\$ 2,606.37	4170	CONTRACT SVCS 5/2014
45221	6/17/2014	RIV01	RIVERBANK, CITY OF	\$ 100.00	2014-013	ETHICS CLASS
45222	6/17/2014	STA01	STANISLAUS COUNTY	\$ 301.29	42885	EMERGENCY SERVICES ANNUAL FEE 13/14

45223	6/17/2014	STA02	STAPLES	\$	88.19	10961	PARTS FOR SCADA
45224	6/17/2014	STA46	STATE WATER BOARD ACCT.OF	\$	200.00	B40613	5TH ST INFILL PROJ PERMIT REG FEE
45225	6/17/2014	TUR12	TURLOCK, CITY OF	\$	199.20	2014-21	CNG FUEL
45226	6/17/2014	UNI11	UNIVAR USA, INC	\$	512.79	SJ622127	SODIUM HYPOCHLORITE
45227	6/17/2014	EMP01	STATE OF CALIFORNIA	\$	1,299.13	B40617	PAYROLL
45228	6/17/2014	HAR02	THE HARTFORD	\$	492.16	B40617	DEFERRED COMPENSATION
45229	6/17/2014	PER01	P.E.R.S.	\$	8,240.52	B40617	RETIREMENT
45230	6/17/2014	PER02	CaIPERS	\$	400.00	B40617	RETIREMENT
45231	6/17/2014	STA23	CaIPERS SUPPLEMENTAL INCO	\$	370.00	B40617	DEFERRED COMPENSATION
45232	6/17/2014	UNI07	UNITED WAY OF STANISLAUS	\$	2.00	B40617	UNITED WAY
45233	6/20/2014	AVA00	AVAYA, INC	\$	92.57	273312843	PHONE CITY HALL
				\$	72.74	273313096	PHONE/ POLICE DEPT
			Check Total:	\$	165.31		
45234	6/20/2014	CEN30	CENTRAL CALIFORNIA GENERA	\$	2,314.56	1016	REPAIR GENERATOR WELL #3
				\$	719.47	1017	REPLACE BATTERIES WELL #8
				\$	1,398.37	1018	REPAIR HATCH RD LIFT STATION
			Check Total:	\$	4,432.40		
45235	6/20/2014	CON14	CONDOR EARTH TECHNOLOGIES	\$	1,123.75	68553	MS4 SUPPORT
				\$	3,852.50	68693	MS4 SUPPORT
				\$	1,277.59	68703	GROUNDWATER MONITORING
				\$	1,885.00	68756	MS4 SUPPORT
			Check Total:	\$	8,138.84		
45236	6/20/2014	ENV03	ENVIRONMENTAL SCIENCE ASSOC	\$	12,269.06	120295	RETAINAGE
45237	6/20/2014	EXP00	EXPRESS PERSONNEL SERVICE	\$	2,400.39	141536672	EXTRA HELP WEEK ENDING 5/25, 6/1, 6/11
45238	6/20/2014	EZN00	EZ NETWORK SOLUTIONS	\$	321.95	28077	OFF SITE DATA STORAGE
				\$	2,554.20	TS28056	IT SERVICES
			Check Total:	\$	2,876.15		
45239	6/20/2014	MCR01	MCR ENGINEERING, INC	\$	22,731.00	10218	ENGINEERING 4/14
				\$	8,730.00	10249	ENGINEERING SVCS 5/14
			Check Total:	\$	31,461.00		
45240	6/20/2014	PAC05	PACIFIC PLAN REVIEW	\$	8,716.41	B40619	INSPECTIONS & PLAN REVIEW 5/14
45241	6/20/2014	QUI03	QUICK N SAVE	\$	126.00	1-2068	DIESEL
45242	6/20/2014	RIC04	RICOH USA, INC	\$	1,340.15	92606589	COPIER LEASE
45243	6/20/2014	SAN05	SAN JOAQUIN VALLEY	\$	479.00	N104494	14/15 ANNUAL PERMITS TO OPERATE
45244	6/20/2014	SEE01	SEEGER'S	\$	64.58	113909	BUSINESS CARDS MENDEZ/FRENCH
			Cash Account Total:	\$	110,146.30		
			Total Disbursements:	\$	110,146.30		



CITY OF HUGHSON AGENDA ITEM NO. 3.3

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Presented By: Darin Gharat, Chief of Police Services
Subject: Acceptance of the Hughson Police Services 2013 Annual Report

Approved: _____

Staff Recommendation:

Review and Accept the 2013 Hughson Police Services Annual Report.

Background and Overview:

Every year Hughson Police Services provides the City Council with a year-end report. This report provides the case highlights, crime and gang statistics, and traffic activity summaries for 2013.

Hughson Police Services continues to work diligently to suppress crime and maintain a vigil eye throughout the community. The number one goal is to protect the community and neighborhoods.

Hughson Police Services

2013 YEAR END REPORT



Hughson Police Services



Message from the Sheriff

Law enforcement services for the City of Hughson are performed under a mutual contract with the Stanislaus County Sheriff's Department. Personnel assigned to Hughson Police Services perform Patrol, General Investigations, Traffic Enforcement, Crime Prevention and Business Office functions. A wide array of ancillary services, such as the SWAT Team, Dive Team, Bomb Team and other Administrative functions are also provided by the Sheriffs Operations Center, located on Hackett Road in the City of Modesto.

"Our Department exists for no other purpose than to protect and serve our community."

Sheriff Adam Christianson

Message from the Chief

"It is with great pride that the men and women of Hughson Police Services provide to you this year-end report for 2013. Our dedicated team has worked closely with the citizens of the city to make Hughson a safer place for all of its residents."

- Darin Gharat, Chief of Police Services



Hughson Police Services



HUGHSON POLICE SERVICE STAFF

- CHIEF OF POLICE
- SERGEANT
- FIVE SWORN DEPUTIES
- LEGAL CLERK
- CODE ENFORCEMENT OFFICER

PATROL DEPUTIES RESPONSES	TOTALS
➤ SUSP PERSON/VEHICLE/CIRCUMSTANCE CALLS _____	223
➤ CALLS FOR SERVICE _____	4815
➤ REPORTS WRITTEN _____	1375
➤ TRAFFIC STOPS _____	1261
➤ CITATIONS WRITTEN _____	879
➤ TRAFFIC COLLISION INVESTIGATIONS _____	41
➤ ARREST/CITE ADULT (CRIMINAL) _____	159
➤ ARREST/CITE JUVENILE (CRIMINAL) _____	14
➤ ALARM CALLS _____	215
➤ CODE ENFORMENT CALLS _____	249

Hughson Police Services

CASE HIGHLIGHTS

Hughson Police Services (HPS) has addressed any challenges incurred with the upmost priority despite the downturn of the past years economic hardships. HPS is dedicated to the safety of the residents of Hughson.

HPS has maintained its goal to prevent crime by keeping its performance at top level. HPS deputies have proactively attended additional training to ensure they are current with all aspects of law enforcement and prosecution of criminals.

To ensure this goal, HPS has worked hand in hand with all City, State, County and Federal Departments as well as with the Hughson Community.

Some case highlights throughout the year are as follows;

- **Hughson Deputy initiated a stop that resulted in a pursuit. The occupants were documented gang affiliated members. The Hughson Deputy was assisted by other Stanislaus County Sheriff Deputies. This pursuit resulted in the arrest of three gang members along with the seizure of a loaded firearm, controlled substance and ammunition. H13001601**
- **Felony gang related vandalism resulted in the arrest of a documented gang member by assistance of a surveillance video provided by the victim. Hughson Deputy viewed the video and was able to apprehend the suspect near the crime scene. The subject was arrested for vandalism, probation violation, false identification and a minor in possession of alcohol. H130001817**
- **Hughson Deputies and the Code Enforcement Officer assisted in alerting residents of a fire. Houses were evacuated and residents cleared. Law Enforcement units assisted in traffic control and directing fire personnel to the fire because of difficulty in visibility and location.**

Hughson Police Services

CASE HIGHLIGHTS

- Hughson Deputy trying to initiate a traffic stop for a traffic violation resulted in a pursuit through out city and rural areas and ending in Turlock. The Hughson Deputy was assisted by other departments and the Stanislaus County Sheriff. During pursuit the deputy was informed the vehicle was stolen. Pursuit ended in collision and suspect was apprehended after a brief chase. Suspect arrested for grand theft, receiving stolen property, evading, hit and run and stolen vehicle. H13003316
- Hughson Deputies assisted Drug Enforcement with a search warrant resulting in 49 marijuana plants confiscated and subjects arrested for cultivation and sale charges. H13003368
- Hughson Deputy initiated a traffic stop which resulted in the arrest of a felon with stolen property and loaded firearm. H13002351
- Hughson Deputies along with STANCATT and Probation Officers following up on a burglary and grand theft investigation resulted in the arrest of a known felon and the seizure of a weapon and ammunition. H13000575

Hughson Police Services is working diligently to suppress crime. We work side by side with other local law enforcement agencies and also with the support of the community to control crime. We maintain a vigil eye on our school grounds and students.

Our goals have not changed; Protecting the community and neighborhoods. We will utilize every available source to reach this goal. Our commitment and goal is to keep Hughson's reputation as a safe and peaceful city a reality.

Hughson Police Services

CODE ENFORCEMENT

	Year Total 2012	Year Total 2013	Numerical Difference	Percent Difference
Total Calls for Service	258	272	+14	+5.5%
Reports	243	249	+6	+2.4%
Parking Issues	27	61	+34	+126%
Miscellaneous *	216	189	-27	-12.5%

The City of Hughson maintains code enforcement as follows:

- **Investigates complaints regarding environmental concerns such as illegal dumping, refuse disposal and nuisances creating health and safety issues.**
- **Abates the improper or illegal use of recreational vehicles being used for permanent occupancy.**
- **Performs zoning enforcement activities related to non-permitted or illegal land use.**
- **Investigates complaints of abandoned vehicles.**
- **Investigates and photographs graffiti.**
- **Abates vacant structures with uncontrolled access.**
- **Abates vacant property used for illegal dumping.**
- **Conducts forced clean up.**

Hughson Police Services



Results of Code Enforcement



Hughson Police Services

PART 1 CRIME

Annual Report Summary

	Year Total 2012	Year Total 2013	Numerical Difference	Percent Difference
Felony Crimes				
Homicide	2	0	-2	-100%
Assault with Deadly Weapon	3	1	-2	-67%
Rape	0	0	0	NC
Robbery	2	1	-1	-50%
Burglary (total)	48	63	+19	+31%
Commercial	7	29	+22	+314%
Residential	21	18	-3	-14%
Vehicle	10	16	+6	+60%
Grand Theft	8	11	+3	+37.5%
Vehicle Theft	13	20	+7	+53.8%
Weapons Violation(not ADW)	5	6	+1	+20%
Child Molest/Incest, Etc	1	2	-1	-50%
Kidnapping	1	1	N/A	NC
Forgery/NSF	22	15	-7	-32%
Arson	1	1	N/A	NC
Narcotics Violations	20	43	+23	+115%
Other Felonies	17	4	-13	-76.4%
Total Felonies	143	168	+15	+17.4%

Hughson Police Services

GANG STATISTICS

Annual Report Summary

Criminal Gangs	Year Total 2012	Year Total 2013	Numerical Difference	Percent Difference
Total Activity	6	5	-1	-16.6%
Assaults	1	0	-1	-100%
Drive by Shooting	1	0	-1	-100%
Weapon Charges	2	1	-1	-50%
Graffiti	0	1	+1	+100%
Miscellaneous	2	3	+1	+50%

Gang activity was strongly suppressed. Deputies have focused on any presence of suspected gang influence. Deputies have kept vigilant contact with any known gang members.

Community safety has been the focus of our law enforcement. Keeping Hughson a safe and friendly city is our goal.

Hughson Police Services

TRAFFIC ACIVITY

Annual Report Summary

	Year Total 2012	Year Total 2013	Numerical Difference	Percent Difference
Total Accidents	35	41	+6	+17.1%
Fatal Accidents	0	0	0	NC
Injury Accidents	8	11	+3	+37.5%
Prop Damage/Non-Injury	18	25	+7	+38.8%
Hit and Run Accidents	9	5	-4	-44.4%
Total Drunk Driving	4	4	N/A	NC
Involved in Accidents	0	1	+1	+100%
Driving Under Influence	4	4	N/A	NC
Citation Issued	392	879	+487	+124.2%
Moving Violations	182	479	+297	+163.2%
Non-Moving Violations	98	212	+114	+116.3%
Mechanical Violations	34	52	+18	+52.9%
Parking Violations	78	136	+58	+74.3%

Hughson Police has maintained the awareness campaign to address minor vehicle code violations with education rather than citation. This has maintained the citizen complaints regarding speeding drivers. The assignment of a traffic deputy to our jurisdiction one day a week has enforced our awareness to this type of monitoring for greater safety of our residents.

Hughson Police Services



CITY OF HUGHSON AGENDA ITEM NO. 3.4

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Consideration of Annual Rate Increase Request for Refuse, Recyclables and Yard Waste from Waste Management, Inc. and Authorization to a Set Public Hearing for July 28, 2014
Presented By: Dominique Spinale, Management Analyst
Approved By: _____

Staff Recommendation:

Review Waste Management's request for a rate increase based on the Consumer Price Index and authorize staff to set a Public Hearing for public comment and formal consideration on July 28, 2014.

Background and Overview:

On May 27, 2014, the City of Hughson received a letter from Waste Management Inc, requesting that it consider a rate increase in Fiscal Year 2014-2015 for refuse, recycling, and yard waste. The rate increase is a Consumer Price Index (CPI) rate adjustment of 2.45% based on the San Francisco-Oakland-San Jose area (not seasonally adjusted). The City's Franchise Agreement with Waste Management allows the provider the opportunity to make an annual presentation to the City Council to discuss the proposed rates and the justification behind the requested rate increase.

The purpose of this item is to provide the information from Waste Management for review and consideration by the City Council. Staff recommends setting the public hearing date and inviting Waste Management to make their presentation on July 28.

Fiscal Impact:

The current rates and the new rates are included in the request attached as reference. The actual revenue generated and collected (unless designated otherwise) from Fiscal Years 2010-2011 through 2014-2015 are as follows:

<i>July 2010- June 2011</i>	<i>\$ 421,871</i>
<i>July 2011- June 2012</i>	<i>\$ 433,669</i>
<i>July 2012 - June 2013</i>	<i>\$ 460,418</i>
<i>July 2013 - June 2014</i>	<i>\$ 401,271 (as of 4/30/2014)</i>
<i>July 2014 - June 2015</i>	<i>\$ 471,000 (estimated)</i>

The majority of the revenue collected is used to cover the cost of the contract with Waste Management for the services provided. Any remaining revenue is used for associated administrative costs to the City of Hughson.

Monthly Garbage Billing Breakdowns

The chart below is a breakdown of the residential community, the number of customers, and the total amount billed for the sizes of carts described. The last column has added the requested CPI rate increase of 2.45%.

<i>DESCRIPTION</i>	<i># OF CUSTOMERS</i>	<i>AMOUNT</i>	<i>2.45% Increase</i>
RESIDENTIAL(15) 64 MOBILE HOMES	1	\$ 285.45	\$ 6.99
DUPLEX 2 @ R1	1	\$ 20.16	\$ 0.49
DUPLEX 2 @ R2	6	\$ 252.30	\$ 6.18
(2) 96 GAL & (6) 64 GAL	1	\$ 193.99	\$ 4.75
Multi-Family 64 GAL	1	\$ 43.08	\$ 1.06
MANLEY APARTMENTS	1	\$ 171.27	\$ 4.20
RESIDENTIAL SPECIAL RATE 35 GAL	16	\$ 165.28	\$ 4.05
64 GAL	1230	\$ 26,629.50	\$ 652.42
96 GAL	139	\$ 4,789.94	\$ 117.35
35 GAL	240	\$ 4,586.40	\$ 112.37
RESIDENTIAL 96 GAL & 64 GAL	1	\$ 53.57	\$ 1.31
(2) 64 GAL CAN	1	\$ 43.30	\$ 1.06
SR RATE 35 GAL	60	\$ 1,030.20	\$ 25.24
SR RATE 64 GAL	115	\$ 2,241.35	\$ 54.91
SR RATE 96 GAL	8	\$ 248.16	\$ 6.08
TOTAL	1821	\$ 40,753.95	\$ 998.47
			\$ 11,981.66

Increase per Resident Rates

	<i>Current Rate</i>	<i>2.45% Increase</i>	<i>Rate w/ Increase</i>
<i>Special Rate</i>	\$10.33	0.25	\$ 10.58
<i>Senior 35 gal</i>	\$17.17	0.42	\$ 17.59
<i>Senior 64 gal</i>	\$19.49	0.48	\$ 19.97
<i>Senior 96 gal</i>	\$31.02	0.76	\$ 31.78
<i>35 Gal</i>	\$19.11	0.47	\$ 19.58
<i>64 Gal</i>	21.65	0.53	\$ 22.18
<i>96 Gal</i>	34.46	0.84	\$ 35.30

The additional monthly increase of the amount collected would be \$998.47 per month, totaling an additional \$11,981.66 per year. The City bills for residential garbage only. Waste Management bills commercial garbage directly. The City continues to receive 8% of the Franchise Fees annually.

May 27, 2014

Mr. Raul L. Mendez
City Manager
City of Hughson
P.O. Box 9
Hughson, CA 95326

RE: ANNUAL RATE INCREASE REQUEST FOR REFUSE, RECYCLABLES AND YARD
WASTE, EFFECTIVE July 1, 2014

Dear Mr. Mendez,

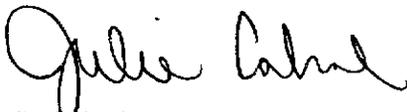
Waste Management, dba Winton Disposal, respectfully requests a rate increase for refuse, recycling and green waste collection services.

Paragraph 25 (a) and (b) of the Agreement between the City of Hughson and Waste Management, states that *such rates established shall be reviewed annually during the month of June, and if appropriate, adjusted effective July 1 ... In its determination of any appropriate rate adjustments the City Council may consider, but not be limited to the change in the Consumer Price Index (CPI) and/or any other indices deemed appropriate for the past twelve (12) months, and/or any extraordinary increases or decreases in cost of equipment, insurance, fuel, federal, state and/or local government taxes, fee assessments, or other special costs.*

The total rate adjustment requested for the CPI 2014-2015 is 2.45%.

Attached for your review, please find the 2014-2015 Multi-Cart Curbside Refuse Rate and CPI index. If you have any questions, or request further information, please do not hesitate to call me at (209) 358-1145 (office) or (209) 495-7412 (cellular).

Sincerely,



Julie Cabral
District Manager

Enclosures

CC: Alex Oseguera, Vice President and General Manager
Thomas A. Sanchez, Director of Business Development



**CITY OF HUGHSON
MULTI-CART CURBSIDE REFUSE RATES**

EFFECTIVE JULY 1, 2014 THROUGH JUNE 30, 2015

5/20/2014

CPI%

2.45%

STANDARD SERVICE	Current Rates Effective 07/01/2013	CPI Increase	New Rates Effective 07/01/2014
<u>1. 35 GALLON WASTE CART 1X PER WEEK</u>			
1 Waste Cart	\$19.11	\$0.47	\$19.58
2 Waste Carts	\$38.09	\$0.93	\$39.02
3 Waste Carts	\$58.28	\$1.43	\$59.71
<u>2. 64 GALLON WASTE CART 1X PER WEEK</u>			
1 Waste Cart	\$21.65	\$0.53	\$22.18
2 Waste Carts	\$43.08	\$1.06	\$44.14
3 Waste Carts	\$64.98	\$1.59	\$66.57
<u>3. 96 GALLON WASTE CART 1X PER WEEK</u>			
1 Waste Cart	\$34.46	\$0.84	\$35.30
2 Waste Carts	\$68.77	\$1.68	\$70.45
3 Waste Carts	\$102.57	\$2.51	\$105.08
<u>4. INITIAL AND ADDITIONAL 64 GALLON RECYCLING CARTS</u>			
First and Second Recycling Cart			
Third and Each Additional Cart	\$12.20	\$0.30	\$12.50
<u>5. INITIAL AND ADDITIONAL 96 GALLON YARD AND GARDEN CARTS</u>			
First, Second and Third Yard and Garden Cart			
Fourth and Each Additional Yard and Garden C	\$12.20	\$0.30	\$12.50
PHYSICALLY IMPAIRED / SENIOR RATES ***			
<u>1. 35 GALLON WASTE CART 1X PER WEEK</u>			
35 Gallon Service as of 09/21/01 - Grandfathered	\$10.33	\$0.25	\$10.58
1 Waste Cart	\$17.17	\$0.42	\$17.59
2 Waste Carts	\$34.28	\$0.84	\$35.12
3 Waste Carts	\$52.46	\$1.29	\$53.75
<u>2. 64 GALLON WASTE CART 1X PER WEEK</u>			
1 Waste Cart	\$19.49	\$0.48	\$19.97
2 Waste Carts	\$38.77	\$0.95	\$39.72
3 Waste Carts	\$58.49	\$1.43	\$59.92
<u>3. 96 GALLON WASTE CART 1X PER WEEK</u>			
1 Waste Cart	\$31.02	\$0.76	\$31.78
2 Waste Carts	\$61.89	\$1.52	\$63.41
3 Waste Carts	\$92.82	\$2.27	\$95.09
<u>4. INITIAL AND ADDITIONAL 64 GALLON RECYCLING CARTS</u>			
First and Second Recycling Cart			
Third and Each Additional Cart	\$10.98	\$0.27	\$11.25
<u>5. INITIAL AND ADDITIONAL 96 GALLON YARD AND GARDEN CARTS</u>			
First, Second and Third Yard and Garden Cart			
Fourth and Each Additional Yard and Garden C	\$10.98	\$0.27	\$11.25
ADDITIONAL CHARGES			
<u>1. ACTIVATION FEE</u>			
Residential, new customers	\$15.97	\$0.39	\$16.36

*** Any customer who achieves this status, or becomes a new customer at this status, will i



CITY OF HUGHSON

CONTAINER RATES

EFFECTIVE JULY 1, 2014 THROUGH JUNE 30, 2015

5/27/2014

CPI%

2.45%

# OF CONTAINERS	Current Rates Effective 07/01/2013	CPI Increase	New Rates Effective 07/01/2014
	Per Month	CPI%	Per Month
2 Cu. Yd Bin			
1x a week	\$101.00	\$2.47	\$103.47
2x a week	\$183.91	\$4.51	\$188.42
3x a week	\$267.06	\$8.54	\$273.80
4x a week	\$350.81	\$8.59	\$359.40
5x a week	\$432.63	\$10.60	\$443.23
3 Cu. Yd Bin			
1x a week	\$144.10	\$3.53	\$147.63
2x a week	\$289.39	\$6.60	\$275.99
3x a week	\$392.82	\$9.62	\$402.44
4x a week	\$484.43	\$11.87	\$496.30
5x a week	\$644.41	\$15.79	\$660.20
4 Cu. Yd Bin			
1x a week	\$199.28	\$4.88	\$204.14
2x a week	\$354.91	\$8.70	\$363.61
3x a week	\$518.55	\$12.70	\$531.25
4x a week	\$617.94	\$15.14	\$633.08
5x a week	\$856.23	\$20.98	\$877.21
6 Cu. Yd Bin			
1x a week	\$300.26	\$7.36	\$307.82
2x a week	\$575.88	\$14.11	\$589.97
ADDITIONAL CHARGES			
ACTIVATION FEE			
Commercial, new customers	\$27.20	\$0.67	\$27.67



CITY OF HUGHSON

20 TO 40 CUBIC YARD BOXES

EFFECTIVE JULY 1, 2014 THROUGH JUNE 30, 2015

5/20/2014

CPI%
2.45%

PERMANENT HIGH FREQUENCY ROLL-OFF RATES	Current Rate		CPI Increase	New Rate Effective 7/1/2014
	Effective 07/1/2013	Effective 07/1/2014		
1. 20 yard drop box	\$123.53	\$126.56	\$3.03	\$126.56
2. 26/27 yard drop box	\$123.53	\$126.56	\$3.03	\$126.56
3. 30 yard drop box	\$171.22	\$175.41	\$4.19	\$175.41
4. 40 yard drop box	\$171.22	\$175.41	\$4.19	\$175.41
Dump Fee charged to customer				
ADDITIONAL CHARGES				
1. Per day charge after 21 days inactivity	\$10.64	\$10.90	\$0.26	\$10.90



**CITY OF HUGHSON
RATE ADJUSTMENT FACTOR CALCULATION - 2014**

5/20/2014

Index Point Change	
Current Year CPI	248.615
Minus Prior Year CPI	242.677
Equals Index Point Change	5.938

Percent Change	
Index Point Change	5.938
Divided by Prior Year CPI	2.45%

Consumer Price Index - All Urban Consumers

Series Id: CUURA422SA0

Not Seasonally Adjusted

Area: San Francisco-Oakland-San Jose, CA

Item: All items

Base Period: 1982-84=100

.xls
.xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	191.3	191.3	193	193	193.2	193.2	193.2	193.5	194.3	194.3	193.2	193.2	193	192.3	193.7
2003	197.7	197.7	197.3	197.3	196.3	196.3	196.3	196.3	196.3	196.3	195.3	195.3	196.4	196.8	196.1
2004	198.1	198.1	198.3	198.3	199	199	198.7	198.7	200.3	200.3	199.5	199.5	198.8	198.2	199.5
2005	201.2	201.2	202.5	202.5	201.2	201.2	203	203	205.9	205.9	203.4	203.4	202.7	201.5	203.9
2006	207.1	207.1	208.9	208.9	209.1	209.1	210.7	210.7	211	211	210.4	210.4	209.2	207.9	210.6
2007	213.688	213.688	215.842	215.842	216.123	216.123	216.24	216.24	217.949	217.949	218.485	218.485	216.048	214.736	217.361
2008	219.612	219.612	222.074	222.074	225.181	225.181	225.411	225.411	225.824	225.824	218.528	218.528	222.767	221.73	223.804



CITY OF HUGHSON AGENDA ITEM NO. 3.5

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Acceptance of the 2014 Community Partnership of Promise Award from the Southeast Stanislaus Family Resource Center
Presented By: Raul L. Mendez, City Manager

Approved By: _____

Staff Recommendation:

Accept the 2014 Community Partnership of Promise Award from the Southeast Stanislaus Family Resource Center.

Background and Overview:

On June 5, 2014, the City of Hughson received a letter from the Southeast Stanislaus Family Resource Center indicating that it was the recipient of the 2014 *Community Partnership of Promise Award*.

The City of Hughson is invited as an honored guest to receive the recognition at the Harvest of Promise Dinner. The dinner will be held on October 25, 2014 at St. Anthony's Catholic Church (6:00pm).

The Southeast Stanislaus Family Resource Center is a collaboration of Family Resource Centers serving the communities of Denair, Empire, Gratton, Hickman, Hughson, LaGrange, Roberts Ferry and Waterford. The Hughson Family Resource Center, under the umbrella of Sierra Vista Child and Family Services, locally provides community services consistent with its mission to provide and coordinate resources and partnerships that enhance the health, education and well being of the community.

The *Community Partnership of Promise Award* is awarded to a community organization who partners to provide innovative solutions for those less fortunate in the Southeast Stanislaus community. The City of Hughson was selected as a recipient based on its involvement in the work of the Hughson Family Resource Center and Citizens for a Healthy Community the past year. Through its City Council appointee, Councilmember George Carr, the City of Hughson attends monthly meetings and provides support to local events including National Night Out, Tent, Trunk or Treat and Love Hughson.

Fiscal Impact:

There is no fiscal impact to the City of Hughson with acceptance of this award. As honored guests, the City of Hughson is afforded two complementary tickets to the Harvest of Promise Dinner.



*Southeast Stanislaus
Family Resource Centers Advisory Board*

Administration: 2413 3rd Street · Mailing: P.O. Box 264 · Hughson, CA 95326
p. (209)883-2125 · f. (209)883-2664

"Opening Doors, Providing Opportunities"

**ADVISORY
BOARD**

Valerie Lee
Interim
Chairperson

Cindy Morphy
Secretary

Tim Bomgardner

George Carr

Rev. Denise Leslie

Bertie Areias

Dan Souza

Bob Dittman

Raul Mendez

**Serving
Communities of
Southeast
Stanislaus
County.**

Denair
Empire
Gratton
Hickman
Hughson
LaGrange
Roberts Ferry
Waterford

June 5, 2014

Raul Mendez, City Manager
P.O. Box 9
Hughson, CA 95326

Dear Raul,

On behalf of the Southeast Stanislaus Family Resource Center Advisory Board, we would like to congratulate the City of Hughson on being voted this year's Community Partnership of Promise Award recipient.

We would like to formally invite you to be one of our honored guests at The Harvest of Promise Dinner. The dinner will be held on October 25, 2014 at:

St. Anthony's Catholic Church
7820 Fox Road
Hughson, CA 95326
Dinner Starts at 6:00 pm

We would like to ask that you or someone from the City of Hughson prepare a short speech to be shared at the dinner. You will also be receiving your award at the event. With your permission, we would like to officially announce the City of Hughson as this year's award recipient. We would appreciate your permission/acceptance by June 20, 2014

You get two free reservations to the event. Other reservations may be purchased by sending a check, payable to Sierra Vista, to the Hughson Family Resource Center at P.O. Box 264 Hughson, CA 95326. Reservations are \$50.00 per person. If you have any questions regarding the event please feel free to call Bertie Areias at 209-988-2020 or David Tafolla at 209-883-2125.

Sincerely,

Bertie Areias
Southeast Stanislaus Family Resource Center
Advisory Board Member & Event Committee Chair



"A Commitment to Caring"

A Program of Sierra Vista Child & Family Services



CITY OF HUGHSON AGENDA ITEM NO. 3.6

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Approval of the Memorandum of Understanding Between the City of Hughson and Operating Engineers Local Union No. 3 on Behalf of the City of Hughson Employees Association
Presented By: Raul L. Mendez, City Manager

Approved By: _____

Staff Recommendation:

1. Approve the Memorandum of Understanding between the City of Hughson and Operating Engineers Local Union No. 3 on behalf of the City of Hughson Employees Association.
2. Authorize the City Manager to execute the agreement with Operating Engineers Local Union No. 3 on behalf of the City of Hughson Employees Association.

Background and Overview:

The current Memorandum of Understanding (MOU) between the City of Hughson and Operating Engineers Local Union No. 3 on behalf of the City of Hughson Employees Association is set to expire June 30, 2014. The agreement originally executed for the term of July 1, 2012 to June 30, 2013 was extended by mutual agreement under the same terms and conditions (status quo) for another year in early 2013.

In preparation for the expiration of the current agreement, the City Manager began meeting with labor representatives to initiate discussions in early 2014. Labor negotiations continued during subsequent months and through the collective work of both negotiating teams provides for the MOU for City Council consideration and approval.

Details of New MOU:

Most of the details of the new MOU have remained the same as the current agreement with a few exceptions detailed in summary:

- **Term:** July 1, 2014 to June 30, 2018 unless modified, changed, or otherwise altered by force of law or by mutual agreement between the parties of this agreement.

- **Retirement:** Current members as defined by the California Public Employees' Pension Reform Act of 2013 to pay 2% increase per year of PERS employee share contribution. New members would fall under the California Public Employees' Pension Reform Act of 2013 and pay the full amount of the employee share contribution.

Annual PERS employee share contribution (Current members):

Fiscal Year 2014-2015:	2% increase from prior year.
Fiscal Year 2015-2016:	2% increase from prior year.
Fiscal Year 2016-2017:	2% increase from prior year.
Fiscal Year 2017-2018:	2% increase from prior year.

- **Group Medical-Dental-Vision:** For employees hired prior to July 1, 2014, the City will establish a maximum payment level for Group Medical-Dental-Vision costs based on the San Joaquin Valley Insurance Authority (SJVIA) Anthem Blue Cross PPO rate (effective July 2014). At initial enrollment, the employee will have the one-time option to change current status (single employee, employee and spouse, employee and child or family). For employees hired after July 1, 2014, the City will pay the cost of Group Medical-Dental-Vision for employee and dependents to a maximum of \$920 per month. The City and employee will share equally in the cost of any excess above these maximum thresholds.

- **Pay Rates:** Annual pay rate salary increase:

Fiscal Year 2014-2015:	3% increase from prior year.
Fiscal Year 2015-2016:	3% increase from prior year.
Fiscal Year 2016-2017:	3% increase from prior year.
Fiscal Year 2017-2018:	3% increase from prior year.

- **Technical Amendments:** Technical amendments to Overtime, Vacation Leave and Cash Payment Option for Vacation.

Fiscal Impact:

If approved, salary and benefit information will be updated as part of the City of Hughson's Final Budget for Fiscal Year 2014-2015 and will be the basis for budget preparation during upcoming fiscal years through June 30, 2018.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF
HUGHSON AND OPERATING ENGINEERS LOCAL UNION No. 3
ON BEHALF OF THE CITY OF HUGHSON EMPLOYEES
ASSOCIATION**



July 1, 2014 to June 30, 2018

City of Hughson Employees Association

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City of Hughson Employees Association

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SIGNATURE PAGE 24

City of Hughson Employees Association

SECTION 1. TERMS OF AGREEMENT

This Memorandum of Understanding shall be in full force and effect for a period commencing on July 1, 2014 to June 30, 2018 unless modified, changed, or otherwise altered by force of law or by mutual agreement between the parties of this agreement.

On or about March 1, 2016, the City and Bargaining Unit will discuss the financial position of the City's General Fund.

SECTION 2. PURPOSE

The purpose of this Memorandum of Understanding is to promote, and provide harmonious relations, peaceful resolution of disputes, and cooperation and understanding between the City and its employees covered herein, and to set forth the full and entire understanding reached as a result of meeting and conferring on hours, wages, and working conditions in accordance with state and federal law and city ordinances, rules and regulations.

SECTION 3. RECOGNITION

Operating Engineers Local 3, AFL-CIO, hereinafter referred to, as the "Union" is the recognized employee organization for the Professional and Technical Bargaining Unit, certified pursuant to Resolution 04-36, adopted by the City Council on April 26, 2004 and the Skilled Trades and Maintenance Unit, certified pursuant to Resolution 04-36 adopted by the City Council on April 26, 2004. As of July 1, 2012 both bargaining units were merged into one group known as "The City of Hughson Employees Association" and Operating Engineers Local 3, AFL-CIO is recognized as the exclusive sole bargaining representative for all classifications in "The City of Hughson Employees Association".

This Memorandum of Understanding shall cover the following Job Classifications:

- Accounting Technician I/II
- Building Inspector
- Code Enforcement Officer
- Maintenance Worker I/II
- Mechanic/Maintenance Worker II
- Parks and Recreation Coordinator
- Parks Maintenance Worker
- Planning and Building Assistant
- Public Works Supervisor
- Redevelopment and Housing Program Analyst
- Senior Accounting Technician
- Senior Maintenance Worker
- Senior Parks Maintenance Worker
- Senior Water Distribution System Operator
- Senior Water Distribution/Treatment System Operator
- Wastewater Chief Plant Operator
- Wastewater Treatment Plant Operator I/II
- Wastewater Treatment Plant Operator-In-Training
- Water Distribution System Operator

City of Hughson Employees Association

SECTION 4. UNION SECURITY

A. Dues Deduction

General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

If an employee is promoted to a position, which is represented by another employee organization, or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

SECTION 5. USE OF CITY FACILITIES

The Union shall be allowed by the City department in which it represents employees use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee

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Relations officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

SECTION 6. ADVANCE NOTICE

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

SECTION 7. ATTENDANCE AT MEETINGS BY EMPLOYEES

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meetings whenever possible.

Time spent for this purpose during the representatives scheduled hours of work shall count as hours worked.

Attendance at meetings during non-work hours will not be counted as hours worked except in extraordinary circumstances as determined by the City.

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SECTION 8. EMPLOYER-EMPLOYEE RELATIONS

A. Access to Personnel File

Employees may inspect all their individual personnel files upon request, in writing, to the Personnel Officer, at reasonable intervals during regular-business hours of the City. Once a year, copies of personnel file contents can be requested. A copy of the file will be provided without cost to the employee.

B. Contracting Out Work

The City agrees to meet and confer with representatives of the bargaining unit prior to contracting out any work normally performed by bargaining unit employees, if such contracting out would displace a regular employee of the bargaining unit. The City further agrees that work performed by employees of the bargaining unit will not be performed by non-bargaining unit employees, if such work would displace a regular employee of the bargaining unit.

SECTION 9. NO STRIKE

A. The employees covered by this Understanding recognize and agree that the rendering of services to the community cannot under any circumstances or conditions be withheld, interrupted, or discontinued, and that to do so could endanger the health, safety, and welfare of the inhabitants thereof. Therefore, during the term of this Understanding, neither the bargaining unit nor its agents or any employee, for any reason, will authorize, institute, aid, condone, or engage in a slowdown, work stoppage, strike, or any other interference with the work stoppage, strike, or any other obligations of the City, nor will it honor picket lines or sympathy strikes of other employers.

B. The bargaining unit agrees to notify all employees of their obligation and responsibility for maintaining compliance with this section, including their responsibility to remain at work during any interruption which may be caused or initiated by others, and to encourage employees violating this section to return to work.

C. The City may impose discipline, including discharge or suspension without pay, on any, some, or all of the employees participating therein, as the City may choose.

D. Nothing contained herein shall preclude the City from obtaining judicial restraint and damages in the event of a violation of this section.

SECTION 10. MANAGEMENT RIGHTS

A. It is understood and agreed that the City possess the sole right and authority to operate and direct the employees of the City and its various departments in all aspects including, but not limited to:

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1. The right to determine its mission and policies, and to set forth all standards of service offered to the public.
 2. To plan, direct, control, and determine the operations or services to be conducted by employee of the City.
 3. To direct the working forces.
 4. To determine the number of personnel needed to carry out the departmental mission.
 5. To hire, assign, schedule, and transfer employees within the department or other related functions.
 6. To promote, demote, suspend, discipline, or discharge for just cause or release from probation.
 7. To establish work and productivity standards subject to meeting and conferring as required by law.
 8. To assign overtime.
 9. To lay off or relieve employees due to lack of work or funds, or for other legitimate reasons.
 10. To make, publish, and enforce rules and regulations subject to meeting and conferring as required by law.
 11. To introduce new or improved methods, equipment, or facilities.
 12. To determine whether goods and services shall be made or purchased.
 13. To take any and all actions as may be necessary to carry out the mission of the City in situations of civil emergency as may be declared by the Mayor, the City Council, the City Manager, or the Police Chief, provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of the Understanding.
- B. The preceding list is not intended to be exhaustive and this Understanding reserves the City all rights or powers not expressly limited by the terms of this Understanding. The Mayor, City Council, and City Manager have sole authority to determine the purpose and mission of the City and the amount of budget to be adopted thereto.
- C. Nothing contained in this Understanding shall be construed as a guarantee of permanent employment, and continuance of employment shall be subject to good behavior,

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satisfactory work performance, necessity for the performance of work, and the availability of funds.

SECTION 11. NONDISCRIMINATION

A. Discrimination Prohibited

Neither the City nor the bargaining unit shall discriminate against any employee covered by this Understanding in a manner which would violate any applicable laws because of race, religion, sex, creed, color, national origin, ancestry, medical condition, marital status, or age, or participation in the activities of any lawful organization.

B. Union Membership/Agency Shop

Neither the City nor the Union shall interfere with the right of employees covered by this Understanding to become or not to become members of a Union, and there shall be no discrimination against any such employees because of lawful Union membership or non-membership activity or status.

Accordingly, membership in the Union shall not be compulsory. A bargaining unit member has the right to choose, either; to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds of a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

Such exempt bargaining unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to a charity to be mutually agreed to by the bargaining unit member and the Union.

C. Union Fair Representation

The bargaining unit agrees to and acknowledges its responsibility to fairly represent all employees in the bargaining unit without regard to race, religion, color, creed, age, national origin, political affiliation or beliefs, sex, handicap, job classification, or employment status.

SECTION 12. SALARY/COMPENSATION

A. Retirement

Retirement for employees covered hereunder shall be 2.7% at 55 for current members and 2.0% at 62 for new members under the California Public Employee Retirement System.

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Current members as defined by the California Public Employees' Pension Reform Act of 2013 to pay 2% increase per year of PERS employee share contribution. New members would fall under the California Public Employees' Pension Reform Act of 2013 and pay the full amount of the employee share contribution.

Annual PERS employee share contribution (Current members):

Fiscal Year 2014-2015: 2% increase from prior year.
Fiscal Year 2015-2016: 2% increase from prior year.
Fiscal Year 2016-2017: 2% increase from prior year.
Fiscal Year 2017-2018: 2% increase from prior year.

B. Survivor's Benefit

The City shall provide PERS survivor benefits pursuant to California Government Code §21574, to the extent allowed by law. City and employee will each pay their own share.

C. Overtime

Time worked in excess of regularly scheduled work shift shall be compensated at one-and-one-half (1 ½) times the regular rate of pay, or compensatory time off at the rate of one-and-one-half (1 ½) hours credit per hour worked, except that, with the prior concurrence of the employee, time worked in excess of a regularly-scheduled work shift within a workweek (defined as the period from midnight on Sunday to midnight on the following Sunday) may be offset by reducing a shift within the same workweek by the same number of hours worked in excess of the regularly-scheduled work shift, and no overtime shall be incurred unless the total time worked in that workweek is in excess of the total of the regularly-scheduled work shifts for that workweek. Overtime is paid in 15-minute increments. It is the policy of the City to discourage employees from working in excess of their regular schedule. Overtime will be required of any employee only when necessary for the protection of persons or property, or in other circumstances when the public interest requires overtime as established by the supervisor. Overtime may be authorized only by designated supervisory personnel.

Overtime shall be paid for in accordance with the Federal Fair Labor Standards Act. Compensatory time off will be granted to an employee under specific circumstances with prior approval from the Department head or supervisor, in lieu of overtime pay, but in no event more than eighty (80) hours. Compensatory time can be accumulated, and if so, the hours above eighty (80) will be paid at the rate specified by law. Such overtime shall be compensated for on the basis of one and one-half hours off for each hour of overtime worked. Cash out of accumulated balance will be required upon employee promotion out of existing classification.

D. Longevity

A regular employee who has ten (10) years of service with the City of Hughson shall be eligible for a longevity pay bonus of five percent (5%) above the E Step of the range they

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occupy provided the performance of the employee is job standard. Longevity pay shall not be considered automatic, but will be based upon merit and consistent job standard performance. To receive said pay bonus, the employee shall be evaluated annually by his supervisor, recommended on an annual basis by his or her Department Head and approved by the City Manager in an effort to maintain the longevity pay status.

E. Pay for Employees in an "Acting" Capacity

Any employee who is formally assigned to and performs the duties of a higher level position on an "acting" basis for longer than thirty (30) continuous work days shall, commencing with the sixth (6) work day of such assignment, receive the first salary step of the assigned position to continue for so long as he/she performs the duties of the higher classification.

Any employee who is assigned to and performs the duties of a higher level position on an "acting" basis in an emergency situation such as an accident, injury, or sickness for longer than thirty (30) continuous work days shall receive compensation from the sixth (6) work day in the first salary step of the assigned position for so long as he or she performs the duties of the higher classification. Such pay shall be retroactive to the sixth (6) day. Such assignment shall be approved by the City Manager.

Any employee serving in an acting capacity that is already receiving that or more, he or she shall be paid one step above his or her current salary. There shall be no additional compensation for an employee in an acting capacity occurring because of annual vacation.

F. Employee Benefits

The City provides certain benefits for its employees, depending on employee categories. The City reserves the right to eliminate or modify any of the benefits at any time, subject to such requirements for meet-and-confer as may be established by law.

(1) Workers' Compensation. All employees are covered by Workers' Compensation, as required by law. Any on-the-job injuries or illness must be immediately reported to the employee's supervisor and to the employee performing the Risk Management function.

(2) Group Medical-Dental-Life-Vision Insurance Benefits. Regular employees and their dependents may participate in the City's group medical, dental, life, and vision insurance programs. All regular employees shall be included automatically in the programs, unless the employee waives coverage. The City pays the cost for employee group insurance coverage as established by City Council resolution.

For employees hired prior to July 1, 2014, the City will establish a maximum payment level for Group Medical-Dental-Vision costs based on the San Joaquin Valley Insurance Authority (SJVIA) Anthem Blue Cross PPO rate (effective July 2014). At initial enrollment, the employee will have the one-time option to change current status (single employee, employee and spouse, employee and child or family). For employees hired

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after July 1, 2014, the City will pay the cost of Group Medical-Dental-Vision for employee and dependents to a maximum of \$920 per month. The City and employee will share equally in the cost of any excess above these maximum thresholds.

Maximum payment level based on SJVIA Anthem Blue Cross PPO rate (July 2014)

Single Employee	\$7,836 (includes \$3,000 HSA Contribution)
Employee and Spouse:	\$15,600 (includes \$6,000 HSA Contribution)
Employee and Child:	\$15,144 (includes \$6,000 HSA Contribution)
Family:	\$21,348 (Include \$6,000 HSA Contribution)

Pursuant to the Consolidated omnibus Budget Reconciliation Act of 1985 (COBRA), employees and their dependents are entitled to a continuation option of group health plan benefits coverage at group rates plus costs to the City on the occurrence of certain qualifying events such as termination and retirement. These terms are applicable to those organizations consisting of twenty (20) or more employees.

SECTION 13. PAY RATES

Pay rates are set forth in Schedule A attached hereto.

SECTION 14. HOURS OF WORK

City Administration hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Works hours for Public Works are 7:30 a.m. to 12:00 p.m. and 12:30 p.m. to 4:00 p.m., Monday through Friday. Administration includes the Office of the City Manager, Finance Department, Planning Department, and the City Clerk's Department. Where deviations to this schedule are required, for the benefit of the City or the employees, the City agrees to meet and confer over the impacts and appropriateness of such a schedule change.

Employees are allowed an unpaid one-hour lunch break. Public Works employees take a half-hour lunch break. Employees are allowed two fifteen (15) minute break periods, one in the morning and one in the afternoon.

SECTION 15. JURY DUTY AND COURT APPEARANCES

This section shall not apply to any employee who is named party to an action unrelated to the City and its activities or is serving as a paid expert witness. In such cases, employees may request vacation or personal leave.

When an employee is required to serve on inquest or jury trial duty or is subpoenaed as a witness to appear before a court, administrative agency, public body or commission, the employee must promptly notify his or her supervisor. While on jury duty, a regular

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employee will receive full pay, but shall pay to the City all fees received from the court, administrative agency, public body or commission, excluding reimbursement for mileage.

SECTION 16. SICK LEAVE

Sick leave with pay shall be granted to a regular employee who is unable to perform his or her regular duties because of a personal illness, off-duty injury, or because of confinement for medical treatment.

The department head or supervisor may require a physician's certificate explaining the reason for any employee's absence. At the discretion of the City Manager, an employee may be required to sign an affidavit stating he or she was ill.

Sick leave shall be accumulated at the rate of eight hours per month, to a maximum of not to exceed 125 working days (1000 hours). The use of accumulated sick leave of more than 960 hours must be verified by a physician. At the end of the payroll period in which the leave accumulation reaches or exceeds the stated maximum, the employee's sick leave will stop accruing, and no further sick leave will accrue until the balance is reduced below the stated limit. A thirty (30) day notice will be issued to those employees who are nearing the maximum number of accrued sick leave hours.

An employee having at least four (4) years of continuous employment with the City may, at the option of the employee, be paid up to 50% of his or her unused sick leave earned during the previous 12-month period or convert that or any portion of that amount to vacation time. The remaining percentage of unused sick leave shall be retained in the employee's accumulated total of unused sick leave.

Upon retirement, any employee having at least twenty (20) years of continued service with the City of Hughson, having unused accumulated sick leave shall be paid thereafter in an amount equivalent to 25% of his or her then current daily wage rate for each day of unused sick leave. The employee will have the option of converting the amount due to either paid medical/dental insurance premiums for coverage offered by the City to current employees, or receive a single lump sum cash payment. To be eligible for insurance premium payment, the employee must also be eligible for the insurance coverage as provided in the policy between the City and the carrier selected.

The employee shall report sick leave prior to the start of his or her work shift whenever possible and at least one-half hour after the start of the shift.

If an employee becomes ill while on vacation, his or her period of illness may be charged to sick leave upon presentation of a doctor's certificate stating the nature and extent of the illness. In the case of frequent use of sick leave, an employee may be requested to file a physician's statement for each illness. An employee may also be required to take an examination by a physician designated by the City and to authorize consultation with his or her own physician concerning his or her illness.

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Employees shall, whenever possible, make dental, medical and similar appointments on Saturday, or other non-work days. If this is not possible, sick leave shall be used for these purposes for a minimum period of (1) hour and should not exceed four (4) hours except in unusual circumstances.

With the approval of the City Manager, any eligible employee may be granted up to five (5) days leave with pay in the event of a catastrophic illness on the part of a family member living in the employee's house. Use of leave with pay for this purpose is intended to apply in serious and unforeseen conditions where the presence of the employee in the home is required. For the purpose of this section, immediate family shall be defined as mother, father, sister, brother, spouse, child, grandchild, grandparent, mother-in-law, father-in-law of the employee.

For employee injury or disability falling within the provisions of the State Workman's Compensation Disability Act, disability compensation at the rate allowed under said Act shall be the basic remuneration during the employee's regular pay and his disability compensation allowance shall be granted for, but not to exceed, one (1) year, for any period of incapacity. In the case of the miscellaneous employee, the first seven (7) days of his absence shall be deemed to be sick leave and shall be paid by the City. Thereafter, the only compensation payable to the miscellaneous employee shall be such as shall be payable by the insurance carrier under the Workman's Compensation Act. However, sick leave may be used by the employee, in which case the compensation shall be paid over to the City. During the time the City is required to pay and actually pays a public safety employee on disability leave or a miscellaneous employee for sick leave while disabled, the City shall be entitled to receive all payments which otherwise would be payable to such employees for temporary disability or retirement.

SECTION 17. VACATION LEAVE

A. Vacation Leave

The City provides benefits to eligible employees to enable them to take paid time off for rest and recreation. The City believes this time is valuable for employees in order to enhance their productivity and to make their work experience with the City personally satisfying. The city also provides long-service employees with additional vacation benefits as years of service are accumulated.

Vacation leave is a right; however, the use of same shall be approved by the Department Head, taking into account the desires and seniority of employees and more particularly, the workload requirements of the department. Employees shall take vacation leave regularly each year and shall be encouraged to take vacation at least a full week at a time. Vacation may be scheduled at the request of the employee by the Department Head, but must consider all needs of the City.

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All regular employees are eligible to accrue and take vacation benefits based on their continuous length of service, measured from the date of hire. "Continuous length of service" is defined as service that is uninterrupted by termination of employment.

The City shall respond to all annual leave requests within five (5) working days after the employee has submitted his or her request to the department head/supervisor.

Regular employees, except as provided in any applicable memorandum of understanding, shall earn annual leave at the following rates (subject to Section 17.B of this MOU):

- 1) Less than five years' service = 8 hours per month (12 days per year).
- 2) After five years' service = 11.32 hours per month (17 days per year).
- 3) After ten years' service = 14 hours per month (21 days per year).
- 4) After fifteen years' service = 16 hours per month (24 days per year).

B. Vacation Leave Accumulation

In order to give effect to this agreement and to realize the greatest benefit from vacation leave for both employees and the City, limitations shall be placed upon the amount of unused vacation leave an employee is allowed to accumulate. Maximum accumulation shall be 320 hours at the beginning of any calendar year.

At the end of the payroll period in which the leave accumulation reaches or exceeds the stated limit, the employee's vacation leave shall cease accruing, and no further vacation shall accrue until the balance is reduced below the stated limit. It is the employee's responsibility to seek the use of the vacation leave in a timely manner.

The City will, as a courtesy only without liability, endeavor to give thirty (30) days notice that employee will cease to accrue vacation leave unless the time is taken. If the employee is unable to use the time because of departmental staffing needs, he or she shall be paid for the amount of time in excess of the limit at the end of the month, and accrual may thereafter recur. Upon termination, an employee shall be paid for accrued and unused vacation time.

C. Cash Payment Option for Vacation

An employee may elect to receive a cash payment for up to a maximum of 40 hours of his/her accumulated vacation balance **prior to** commencement of a scheduled vacation of forty (40) consecutive hours or more. To exercise the cash payment option an employee must have forty (40) hours of accumulated vacation time remaining after the cash option and scheduled vacation have occurred. This option may be exercised once within a fiscal year.

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SECTION 18. HOLIDAYS

Regular employees shall be entitled to the following holidays with pay:

Two Floating Holidays	Independence Day (4 th of July)
New Year's Day	Labor Day
Martin Luther King's Birthday	Veterans Day
Lincoln's Birthday	Thanksgiving Day (4 th Thursday in November)
Washington's Birthday	Day after Thanksgiving Day (4 th Friday in November)
Memorial Day	Christmas Day - December 25

Any day or part of day declared by the City Manager to be a holiday.

When an employee gives adequate notice, the City will make reasonable accommodations for the employee to observe the Sabbath if it will not unduly interfere with City operations. Such release time may be charged to administrative leave, compensatory time off, vacation, or leave without pay at the discretion of the employee.

When a holiday falls on a Sunday, the following Monday shall be observed as a holiday. When a holiday falls on a Saturday, the preceding Friday shall be observed as a holiday.

To be paid for a holiday the employee must have been in paid status on the workdays for his or her classification, which immediately precedes and succeeds the holiday.

Any employee who might be required to work on any of the above holidays shall be compensated at overtime rates in accordance with Section 12.C of the Memorandum of Understanding. If a holiday falls on an employee's regular day off, he/she shall be entitled to equivalent time off at a later date.

The "Floating Holiday" is to be used during the calendar year and cannot be carried over to the next year.

SECTION 19. BEREAVEMENT LEAVE

Any eligible employee shall be granted bereavement leave with pay as necessary but not to exceed three (3) workdays upon the occasion of the date of a close relative. For purposes of the section, close relative shall be those specified in Section 16 of this MOU. Additional bereavement leave not to exceed five (5) calendar days for travel purposes may be granted by the City Manager when circumstances warrant the same.

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SECTION 20. GRIEVANCES

A. Purpose of Grievance Procedure

The grievance procedures set forth herein are designed to resolve grievances informally and to provide an orderly procedure for such resolution. The grievance procedure is available only to regular employees.

B. Time Limits

Each person involved in a grievance shall act quickly so that the grievance may be solved promptly. Each person shall make every effort possible to complete action within the time limits contained within these grievance procedures, but with the written consent of the other parties involved, the time limits of any step may be extended.

C. Presentation of Grievance

An employee may present a grievance while on duty, provided such use of on-duty time is kept to a reasonable minimum as determined by the City Manager. Employees should present grievances as soon as possible after the events that gave rise to the employee's concerns by submitting a brief written grievance to his or her immediate supervisor. The written grievance should set forth the factual and other bases for the employee's complaint, and must identify the rule or issue allegedly being violated by the City. The employee shall strive to submit the written grievance within five (5) working days after the facts which gave rise to the complaint.

D. Grievance Procedure/First Step (Informal Discussions)

Initially, a grievance shall be personally discussed between the employee and his or her immediate supervisor. The employee shall have a decision or response from the immediate supervisor within five (5) working days.

E. Grievance Procedure/Second Step (Formal Grievance)

- (1) If an informal grievance is not resolved to the satisfaction of the grievant, the grievant may initiate a formal grievance in writing to the Department head (unless the Department Head is his or her immediate supervisor, or the grievant is a Department Head, in which event the grievance shall be to the City Manager). The formal grievance shall be initiated within fifteen (15) working days of the decision rendered in the informal grievance procedure. A formal written grievance shall state the date and nature of the grievance, and shall state all specific facts or omissions upon which the grievance is based. The formal grievance shall be filed with the Department Head.
- (2) Within five (5) working days after the filing of the formal grievance, the department head shall give his or her decision in writing to the grievant.

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F. Grievance Procedure/Third Step (Appeal)

If the grievant is not satisfied with the decision rendered by the Department Head, the grievant may appeal the decision in writing within five (5) working days to the City Manager. If the grievant does not appeal the decision to the City Manager in writing within five (5) working days, the issue will be considered settled. The appeal shall state the date and nature of the grievance, and shall state all specific facts or omissions upon which the appeal is based.

G. Consideration of Appeal

Within ten (10) working days of the filing of an appeal, the City Manager shall have a meeting with the aggrieved and/or his or her representative, and other persons as the City Manager shall direct.

H. Decision of Appeal

Within ten (10) working days of the hearing of the appeal, the City Manager shall issue a written decision concerning the employee's appeal. The decision of the City Manager shall be final.

SECTION 21. "Y" RATE

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

SECTION 22. UNIFORM ALLOWANCE

The City will provide uniforms and laundering thereof for each Public Works Department employee and said employees shall wear the uniforms on the job. Additionally the City will provide a winter weight safety coat in safety orange or yellow as part of the City's uniform. Any special uniform requirements will be determined with Department Head approval and as to appropriateness.

SECTION 23 SAFETY EQUIPMENT

The City shall provide or reimburse the employee for the cost of safety shoes where required and the cost shall be established by the City.

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SECTION 24. STAND-BY LEAVE

When necessary and in the interest of City operations, a department head may assign employees to "standby" status.

Application of "standby" shall be as follows:

- (1) Each employee so assigned to "standby" shall be provided with a city issued cell phone or pager while on standby duty and shall be able to report to the work site within thirty (30) minutes.
- (2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with department head approval.
- (3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday-Friday workweek standby may be 8, 16 or 24-hour blocks.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday-Sunday or Saturday-Monday) will be assigned in 8 to 48 hour blocks.

Compensation for "standby" shall be as follows:

- (1) Employees assigned to standby duty shall be paid two (2) hours of straight time pay for every eight (8) hours of standby, and time and one-half (1 ½) for all actual time worked while on standby duty status.
- (2) Employees assigned to standby duty on holidays observed by the City shall be paid two (2) hours of straight time pay for every eight (8) hours of standby, and double time and one-half (2 ½) for all time worked while on standby duty status.

SECTION 25. CALL BACK

When an employee returns to work duty at the request of the department head or his designee for an emergency or for some other need of the City after said employee has been released from work duty, said employee shall be entitled to call-back compensation.

Call back compensation shall be paid at time and one-half (1 ½) for all time actually worked with a minimum of two (2) hours pay. For the purposes of computing time for this provision, time will commence when the employee leaves their home to respond to the call back and will end when they return home.

SECTION 26. ENTIRE UNDERSTANDING

This Understanding supersedes and cancels all prior practices and agreements, whether written or oral, unless expressly stated to the contrary herein. The parties acknowledged

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that during the negotiations, which resulted in this Understanding, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Understanding. The bargaining unit recognizes that the City has the freedom to make changes in all operations or terms and conditions of employment without further negotiations with the bargaining unit except as such may violate any expressed terms of this Understanding. This constitutes the complete and entire agreement between the parties and may only be amended during its term by the parties' mutual agreement in writing and, if required, approved by the City Council, except that for any matters not covered herein, but covered in the City's Personnel Rules or Regulations, the latter shall control.

SECTION 27. SAVINGS

If any provision of this Understanding is subsequently declared by legislative or judicial authority to be invalid, unlawful, unenforceable, or not in accordance with applicable statutes, all other provisions of this Understanding shall remain in full force and effect.

If any provisions of this Understanding are found to be in conflict with the statutory powers of the City, said statutory powers shall take precedence.

The provisions of this Understanding shall be subordinate and subject to any present or subsequent federal law, state law, or City Charter provision.

The terms of this Understanding supersedes any inconsistent provision in an ordinance, rule or other governing document with the City has power to amend.

SECTION 28. FULL UNDERSTANDING, MODIFICATION AND WAIVER

This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and nay and all prior or existing Memoranda of Understanding, Understandings, and Agreements, regarding the matters set forth herein, whether formal or informal are hereby superseded and terminated in their entirety.

Existing practices and/or benefits, which have a direct effect on employee wages, hours, and other terms and conditions of employment, which are not referenced in the Agreement shall continue without change unless modified or abolished by mutual agreement of the parties.

It is the intent of the parties that Ordinances, Board resolutions, rules and regulations enacted pursuant to this Agreement be administered and observed in good faith.

Nothing in this Agreement shall preclude the parties' from mutually agreeing to meet and confer on any subject within the scope of representation during the term of this agreement.

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SECTION 29. INCENTIVE PAY

The following incentives are available to employees within this bargaining unit. Those employees who are required through their job description to maintain a listed license, certificate or degree are not eligible for that incentive.

Maintenance Worker Classifications:

- | | |
|--|----|
| a. Water Distribution Operator I | 1% |
| b. Water Distribution Operator II | 1% |
| c. Water Treatment Operator I | 1% |
| d. Water Treatment Operator II | 1% |
| e. Pesticide Qualified Applicator License (QAL)
(Management will identify and select one member of
Public Works who will receive the QAL incentive pay.) | 1% |

Professional and Technical Classifications:

Bilingual Pay (Accounting Technician I/II only):

- a. Employees who are certified as bilingual in English –Spanish in the spoken word shall receive additional compensation in the amount of one and one-half percent (1.5%) of base pay.
- b. Employees who are certified as bilingual in English-Spanish both spoken and written shall receive additional compensation in the amount of two and one-half percent (2.5%) of base pay. Said certification shall be determined by the City subject to review and input by the union. Bilingual employees shall be fluent to a level so as to easily communicate with Spanish speaking customers and the public on City business matters.
- c. The maximum Bilingual Pay incentive that can be received is two and one-half percent (2.5%) of base pay.

Education Pay (All City of Hughson Employees Association members):

- a. Employees who have obtained a job related Associates of Science or Arts degree from an accredited college shall receive additional compensation in the amount of one and one-half percent (1.5%) of base pay.
- b. An employee who has obtained a Bachelor of Science or Arts Degree shall receive additional compensation of three percent (3%) of base pay.

The maximum incentive pay an employee can receive for qualified certificates is three percent (3%).

The maximum education incentive pay an employee can receive for a qualified degree is three percent (3%).

City of Hughson Employees Association

The maximum incentive pay an employee can receive for the combination of qualified certificates and degrees is five percent (5%).

Proof of certification must be presented to the City Manager for approval. The incentive pay will be included on the payroll following approval by the City Manager. It is the responsibility of the employee to provide certification.

City of Hughson Employees Association

EXHIBIT "A"

Job Title	Current Range	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018
Accounting Technician I	44	47	50	53	56
Accounting Technician II	63	66	69	72	75
Building Inspector	90	93	96	99	102
Code Enforcement Officer	65	68	71	74	77
Maintenance Worker I	42	45	48	51	54
Maintenance Worker II	60	63	66	69	72
Mechanic/Maintenance Worker II	68	71	74	77	80
Park and Recreation Coordinator	20	23	26	29	32
Park Maintenance Worker	60	63	66	69	72
Planning and Building Assistant	90	93	96	99	102
Public Works Supervisor	85	88	91	94	97
Redevelopment and Housing Program Analyst	90	93	96	99	102
Senior Accounting Technician	75	78	81	84	87
Senior Maintenance Worker	68	71	74	77	80
Senior Parks Maintenance Worker	68	71	74	77	80
Senior Water Distribution System Operator	80	83	86	89	92
Senior Water Distribution/Treatment System Operator	88	91	94	97	100
Wastewater Chief Plant Operator	88	91	94	97	100
Wastewater Treatment Plant Operator I	72	75	78	81	84
Wastewater Treatment Plant Operator II	80	83	86	89	92
Wastewater Treatment Plant Operator-In-Training	51	54	57	60	63
Water Distribution System Operator	72	75	78	81	84

City of Hughson Employees Association

**For Operating Engineers Local Union No. 3
of the International Union of Operating Engineers, AFL-CIO**

Russ Burns
Business Manager

Date

Carl Goff
President

Date

Dan Reding
Vice-President

Date

James K. Sullivan
Recording-Corresponding Secretary

Date

Carl D. Carey
Director, Public Employee Division

Date

Darren Semore
Business Representative

Date

For City of Hughson

Raul L. Mendez
City Manager

Date



CITY OF HUGHSON AGENDA ITEM NO. 3.7

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Adoption of Resolution No. 2014-21, Amending the Salary Range Schedule for Designated Management Classifications
Presented By: Raul L. Mendez, City Manager
Approved By: _____

Staff Recommendation:

Adopt Resolution No. 2014-21, amending the salary schedule range schedule for designated management classifications.

Background and Overview:

In preparation for the expiration of the current Memorandum of Understanding (MOU) between the City of Hughson and Operating Engineers Local Union No. 3 on behalf of the City of Hughson Employees Association set to expire June 30, 2014 current agreement, the City Manager and his leadership team began meeting with labor representatives to initiate discussions in early 2014. Labor negotiations continued during subsequent months and through the collective work of both negotiating teams the MOU is provided for City Council consideration and approval under a separate item. The proposed MOU was voted on and ratified by represented employees on June 16, 2014.

This item ensures consistency among all City classifications based on the negotiated MOU. The City of Hughson Personnel Manual will also be updated under a separate item during the first meeting in July and will contain necessary amendments as well.

Details of New MOU:

In summary, most of the details of the new MOU have remained the same as the current agreement with a few exceptions noted below:

- **Term:** July 1, 2014 to June 30, 2018 unless modified, changed, or otherwise altered by force of law or by mutual agreement between the parties of this agreement.
- **Retirement:** Current members as defined by the California Public Employees' Pension Reform Act of 2013 to pay 2% increase per year of PERS employee share

contribution. New members would fall under the California Public Employees' Pension Reform Act of 2013 and pay the full amount of the employee share contribution.

Annual PERS employee share contribution (Current members):

Fiscal Year 2014-2015:	2% increase from prior year.
Fiscal Year 2015-2016:	2% increase from prior year.
Fiscal Year 2016-2017:	2% increase from prior year.
Fiscal Year 2017-2018:	2% increase from prior year.

- **Group Medical-Dental-Vision:** For employees hired prior to July 1, 2014, the City will establish a maximum payment level for Group Medical-Dental-Vision costs based on the San Joaquin Valley Insurance Authority (SJVIA) Anthem Blue Cross PPO rate (effective July 2014). At initial enrollment, the employee will have the one-time option to change current status (single employee, employee and spouse, employee and child or family). For employees hired after July 1, 2014, the City will pay the cost of Group Medical-Dental-Vision for employee and dependents to a maximum of \$920 per month. The City and employee will share equally in the cost of any excess above these maximum thresholds.

- **Pay Rates:** Annual pay rate salary increase:

Fiscal Year 2014-2015:	3% increase from prior year.
Fiscal Year 2015-2016:	3% increase from prior year.
Fiscal Year 2016-2017:	3% increase from prior year.
Fiscal Year 2017-2018:	3% increase from prior year.

- **Technical Amendments:** Technical amendments to Overtime, Vacation Leave and Cash Payment Option for Vacation.

Fiscal Impact:

If approved, salary and benefit information will be updated as part of the City of Hughson's Final Budget for Fiscal Year 2014-2015 and will be the basis for budget preparation during upcoming fiscal years through June 30, 2018.

CITY OF HUGHSON
CITY COUNCIL
RESOLUTION NO. 2014-21

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON AMENDING
THE SALARY RANGE FOR DESIGNATED MANAGEMENT CLASSIFICATIONS**

WHEREAS, City Council establishes the salary range for designated management classifications; and

WHEREAS, City management has negotiated for consideration and adoption of a new Memorandum of Understanding for the period between Fiscal Year 2014-2015 and Fiscal Year 2017-2018; and

WHEREAS, the City's practice has been to apply any items negotiated with represented employees to all City employees including management classifications; and

WHEREAS, the salary range for designated management classifications as amended and as shown in the attached *Exhibit A*, Salary Range Schedule for designated management employees provides consistency for the entire organization based on the recent labor negotiations; and

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hughson does hereby amend the salary range schedule for designated management employees as shown in Exhibit A.

PASSED AND ADOPTED by the Hughson City Council at a regular meeting thereof held on June 23, 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

MATT BEEKMAN, Mayor

ATTEST:

DOMINIQUE SPINALE, Deputy City Clerk

Exhibit A

Salary Range Schedule for Designated Management Employees

Job Title	Range	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Current	2014-2015	2015-2016	2016-2017	2017-2018
City Manager	176	179	182	185	188
City Clerk/Assistant to the City Manager	110	113	116	119	122
Director of Administrative Services	130	133	139	139	142
Management Analyst	95	98	101	104	107
Community Development Director	132	135	138	141	144
Finance Director	130	133	136	139	142
Accounting Manager	105	108	111	114	117
Public Works Supervisor	95	98	101	104	107
Director of Parks and Recreation	130	133	136	139	142
Parks and Recreation Manager	95	98	101	104	107



CITY OF HUGHSON AGENDA ITEM NO. 3.8

SECTION 3: CONSENT CALENDAR

Meeting Date: June 23, 2014
Subject: Parks and Recreation Commission Appointments
Presented By: Dominique Spinale, Management Analyst

Approval: _____

Staff Recommendation:

Approve the re-appointment of Billy Redding, Juan Codallos, Todd Brownell, and Raymond Lopez to the Hughson Parks and Recreation Commission and continue to advertise the vacant seat (1) until filled.

Background and Overview:

The Parks and Recreation Commission is a vital asset to the City Council and the City of Hughson. This appointed body is responsible in providing recommendations to the City Council regarding policies for acquisition, development, maintenance, and improvement of park facilities. The Commission is also responsible for formulating and recommending appropriate fee schedules, policies, rules and regulations for park sites and other recreation facilities.

At the May 12 meeting, the City Council authorized City staff to advertise for applications for the Parks and Recreation Commission for 30 days to provide an opportunity to anyone in the City who may be interested. Staff also reached out to the four current commissioners and all remain interested in continuing to serve on the Commission. Staff has not received any applications at this time and recommends that the current commissioners be re-appointed. Re-appointment of the current commissioners will adjust their terms of office as follows:

Todd Brownell, term expires June 30, 2015
Juan Hernandez-Codallos, term expires June 30, 2015
Billy Redding, term expires June 30, 2016
Raymond Lopez, term expires June 30, 2016

The remaining vacant seat will continue to be advertised and will remain open until filled. The Parks and Recreation Commission's first 2014 meeting will be held on July 8. Staff looks forward to working with the Commission on the Seventh Street Park Project and various other future projects within the city and the community.

Fiscal Impact:

Per the Hughson Municipal Code, Parks and Recreation Commissioners are not compensated.



CITY OF HUGHSON AGENDA ITEM NO. 4.1 SECTION 4: UNFINISHED BUSINESS

Meeting Date: June 23, 2014
Subject: City of Hughson's 2014-2015 Investment Policy
Presented By: John Padilla, City Treasurer

Approved By: _____

Staff Recommendation:

Consider the adoption of Resolution No. 2014-20, approving the City of Hughson's 2014-2015 Investment Policy.

Summary:

In accordance with the provisions of California Government Code Section 53646 and the City of Hughson's Investment Policy, the Treasurer or Fiscal Officer of the City shall prepare and submit a Statement of Investment Policy to the City Council for their consideration. Upon review at the Budget and Finance Subcommittee on May 30, 2014, discussions indicate that the City of Hughson's 2010 Investment Policy be reviewed and updated as to more accurately fit the goals of the City.

Background and Overview:

The proposed Investment Policy provides a guide and procedures for establishing and maintaining the City's investments. The primary objectives of the City's policy are, in priority of order: safety, liquidity, and return on investments.

It is the policy of the City of Hughson to review and approve the City's Investment Policy on an annual basis. Any modifications to the Policy must be approved by the City Council. The Investment Policy in review reflects the City of Hughson's most recent Investment Policy adopted in 2010.

Proposed Modifications:

Proposed Investment Policy modifications can be applied to: 1) Section 4.0 Delegation to Authority, 2) Section 5.0 Ethics and Conflict of Interest, 3) Section 7.0 Authorized and Suitable Investments, 4) Section 10.0 Diversification, 5) Section 11.0 Reporting, and 6) Section 14.0 Glossary. In addition to the modifications made to the aforementioned

sections, the inclusion of bolded keywords as well as minor grammatical edits can also be found throughout the document.

Section 4.0 Delegation to Authority

Proposed modifications to Section 4.0 Delegation to Authority include a review, and possible removal of sentence 3 stating, “Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts, as appropriate.” Upon research and staff discussion, the City does not currently partake in the aforesaid procedures (i.e. safekeeping, PSA repurchase agreements, etc). Furthermore, the Public Securities Association (PSA) is an outdated organization; at the moment, it is unclear whether such an association is aligned with the investment goals of the City of Hughson.

Section 5.0 Ethics and Conflicts of Interest

Proposed modifications to Section 5.0 Ethics and Conflicts of Interest include an additional paragraph regarding the ethical conduct of employees and investment officials. While these modifications may not necessarily be needed, such parameters may promote transparency by further ensuring that employees and investment officials are conducting business in an ethical manner.

Section 7.0 Authorized and Suitable Investments

Modifications to Section 7.0 Authorized and Suitable Investments include additional information to Sections 7.0 (C), (D), (E), and (F) as found in the California Government Code 53601. The inclusion of Section 7.0 (D) has also been added, as the California Governments Code empowers the City to make such investments. Finally Section 7.0 (N) stating, “Any mortgage pass through security ...” has been stricken from the document, per a previous 2010 request from Mayor Beekman.

Section 10.0 Diversification

Proposed modifications to Section 10.0 Diversification, per 2010 Mayor Beekman’s request include the replacement of the fourth sentence clarifying how often diversification strategies shall be reviewed.

Section 11.0 Reporting

Proposed modifications to Section 11.0 Reporting include either the addition of terms as found in California Code Section 53646(b)(1), or a more detailed description of Reporting expectations. While both options are aligned with the California Code Section 53646(b)(1), the latter option may more comprehensively describe reporting expectations.

Section 14.0 Glossary

Proposed modifications to Section 14.0 Glossary include the addition of additional terms used throughout the document. The addition of such terms allows for an overall more comprehensible document.

Bolded Keywords

Because the language involved with investment policies often consist of specialized terms, the contents of such an important document can often be overlooked by members of the public. The inclusion of bolded terms indicates which terms can be clarified and defined in the document's Glossary. Such inclusions allow for a more comprehensive document and appeals to a more diverse variety of investment policy readers.

Fiscal Impact:

There is no direct fiscal impact of the policy however; it will provide a guide for prudently and safely investing the City's funds.

**CITY OF HUGHSON
CITY COUNCIL
RESOLUTION NO 2014-20**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON ADOPTING
AN INVESTMENT POLICY**

WHEREAS, the California Government Code 53600 et. al. recommends the annual review and adoption of a City Investment Policy, and

WHEREAS, the City Treasurer or fiscal officer of the City of Hughson shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the City Council at a public meeting in accordance with the provisions of California Government Code Section 53646; and

WHEREAS, it shall be the policy of the City of Hughson to invest funds in a manner that reflect the goals of safety, liquidity and return on investments while meeting the daily cash flow demands of the City and conforming to all statutes governing the Investment of the City of Hughson's funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hughson hereby adopts the Investment Policy attached hereto as Exhibit "A" which was last updated in 2010 by Resolution No. 2010-04.

PASSED AND ADOPTED by the City Council of the City of Hughson at its regularly scheduled meeting on this 23rd day of June, 2014 by the following roll call vote;

AYES:

NOES:

ABSTENTIONS:

ABSENT:

MATT BEEKMAN, Mayor

ATTEST:

DOMINIQUE SPINALE, Deputy City Clerk

CITY OF HUGHSON INVESTMENT POLICY

1.0 SCOPE

This investment policy applies to all financial assets of the City of Hughson. These funds are accounted for in the annual City audit and include: All funds.

Funds not included in the policy include: None.

2.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing including, but not limited to, the general economic conditions and the anticipated needs of the City of Hughson, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3.0 OBJECTIVES:

As specified in California Government Code Sections 53600.1 and 53630.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Hughson shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall **portfolio**. To attain this objective, **diversification** is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio
- B. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City of Hughson to meet all operating requirements which might be reasonably anticipated.
- C. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market **rate of return** throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

4.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code Sections 53600 et seq. Management responsibility for the investment program, including but not limited to the authority to invest or to reinvest funds, to sell or exchange securities, and to deposit funds for safekeeping, is hereby delegated to the City Manager, who is the finance officer of the City of Hughson, who shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Manager. The City Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code Section 53600.3, the City Manager is a trustee and a fiduciary subject to the prudent investor standard.

5.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment portfolio. Employees and officers shall refrain from undertaking personal investment transaction with the same individual with whom business is conducted on behalf of the City.

6.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The City Manager will maintain a list of financial institutions, selected on the basis of **credit worthiness**, financial strength, experience, and minimal capitalization, authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For **brokers/dealers** of government securities and other investments, the City Manager shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the City Manager shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the City of Hughson's account with that firm has reviewed the

City of Hughson's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the City of Hughson that are appropriate under the terms and conditions of the Investment Policy.

7.0 AUTHORIZED AND SUITABLE INVESTMENTS:

The City of Hughson is empowered by California Government Code Sections 53601 and 53635 to invest in the following:

- A. **Bonds** issued by the City of Hughson, or by a department, board, agency or authority of the City of Hughson.
- B. United States Treasury **Bills, Notes & Bonds**.
- C. Registered state **warrants** or treasury notes or bonds issued by the State of California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state
- D. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- E. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- F. Federal agency or United States government-sponsored enterprise **obligations**, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprise.
- G. **Bankers acceptances (BA)** with a term not to exceed 180 days. Not more than 40% of surplus funds can be invested in bankers acceptances and no more than 30% of surplus funds can be invested in the bankers acceptances of any single commercial bank.
- H. **Commercial Paper** of "prime" quality with a term not to exceed 270 days issued by either (1) a U.S. Corporation with the highest ranking provided by a nationally recognized statistical rating organization with total assets in excess of 500 million dollars with debt other than commercial paper that is rated "A" or higher by a nationally recognized statistical rating organization, or (2) a U.S. special purpose corporation, trust or limited liability company with programwide credit enhancements and which has commercial paper that is rated "A-1" or higher, or

the equivalent, by a nationally recognized statistical-rating organization. Commercial paper cannot exceed 25% of total City funds.

- I. **Negotiable Certificates of Deposit (NCD)** issued by nationally or state chartered banks or state or federal associations or credit unions. Not more than 30% of City funds can be invested in certificates of deposit, and the amount of surplus funds is limited by the requirements of California Government Code section 53638.
- J. **Repurchase/Reverse Repurchase Agreements** of any securities authorized by California Government Code section 53601, subdivision (i).
- K. Medium term notes (not to exceed 5 Years) of U.S. corporations rated "A" or better by a nationally recognized rating service. Not more than 30% of City funds can be invested in medium term notes.
- L. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by this Section. Such Funds must carry the highest rating of at least two of the nationally recognized statistical rating organization. Not more than 10% of the City's funds can be invested in any one mutual fund.
- M. Funds held under the terms of a **trust indenture** or other contract or agreement may be invested according to the provisions of those indentures or agreements.
- N. **Collateralized bank deposits** with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- P. Shares of beneficial interest issued by a joint power authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions 7.0.A through 7.0.N, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
 - (1) The advisor is registered or exempt from registration with the Securities and Exchange Commission.
 - (2) The advisor has no less than five years of experience investing in the securities and obligations authorized in subdivisions 7.0.A through 7.0.N, inclusive.
 - (3) The advisor has assets under management in excess of five hundred million dollars (\$500,000,000).
- Q. Any other investment security authorized under the provisions of California Government Code Sections 5922, 53601 and 53635.

California Government Code Sections 53601 and 53635 contain a detailed summary of the limitations and special conditions that apply to each of the above-listed investment securities.

Prohibited Investments. Under the provisions of California Government Code Section 53601.6, the City of Hughson shall not invest any funds covered by this Investment Policy in **inverse floaters**, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

8.0 COLLATERALIZATION:

All certificates of deposits must be **collateralized** by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under California Government Code Sections 53601(i)(2).

9.0 SAFEKEEPING AND CUSTODY:

All security transactions entered into by the City of Hughson shall be conducted on **delivery-versus-payment (DVP)** basis. All securities purchased or acquired shall be delivered to the City of Hughson by book entry, physical delivery or by third party custodial agreement as required by California Government Code Sections 53601 and 53635.

10.0 DIVERSIFICATION:

The City of Hughson will diversify its investments by security type and institution. It is the policy of the City of Hughson to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. **Diversification** strategies shall be reviewed on an annual basis at minimum. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. **Portfolio** maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. **Maturities** selected shall provide for stability of income and **liquidity**.
- C. Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

11.0 REPORTING

In accordance with California Government Code Section 53646(b)(1), the Treasurer or City Manager shall submit to the City Council a quarterly investment report. The report

shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par and dollar values and the current market values of each component of the portfolio, including funds managed for the City of Hughson by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in California Government Code Section 53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the City of Hughson will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646 (b)(2) and (3) respectively. The City Manager shall maintain a complete and timely record of all investment transactions.

Or

The Treasurer or City Manager shall report to the City Council on a monthly and annual basis. The monthly investment report submitted to the City Council will contain the following:

- a. An investment inventory including types and amounts of investments, issuing financial institutions and maturates
 - b. Average maturity of the portfolio
 - c. Current market value of investments with maturities of more than 12 months
 - d. A statement indicating that the City can meet its expenditure requirements for the upcoming 180 days
 - e. A statement indicating that the portfolio complies with the City's Investment Policy
 - f. Percent of portfolio invested by type of instrument
 - g. Comparison of portfolio performance to the average yield rate for the three-month treasury bill
- Written explanation for any variances to policy

As specified in California Government Code Section 53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions.

12.0 ALTERNATE POLICY*

In lieu of investing excess funds as provided herein, in accordance with Government Code Section 53684, the City Council may, by resolution, deposit excess funds with the Treasurer of the State of California, for investment in the Local Agency Investment Fund ("LAIF"), provided that approximately one month's revenues of the City shall be kept in an authorized depository for payment of appropriate costs of the City, and the excess thereof shall be invested in the LAIF.

13.0 INVESTMENT POLICY REVIEW AND MODIFICATIONS

The Policy shall be reviewed on an annual basis, and modifications must be approved by the City Council.

14.0 Glossary

GLOSSARY*

AGENCIES. Federal agency securities and/or government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED BANK DEPOSITS: Non-negotiable Certificate of Deposit issued by a nationally or state – chartered bank or association or a State – licensed branch or a foreign bank (insured by the federal government); Bank Collateralized Savings.

COMMERCIAL PAPER (CP): An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date. **DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

*Subject to applicable provisions of law

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e. g., U. S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on

a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D. C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U. S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHa mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

INVERSE FLOATER: a bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. When the interest rate goes up the coupon payment rate will go down because the interest rate is deducted, this less is paid to the holder.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT POOL (LAIF): The aggregate of all funds from California political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD): a certificate of deposit (CD) with a minimum face value of \$100,000. There are guaranteed by the bank and can usually be sold in a highly liquid secondary market, but cannot be cashed-in before maturity.

OBLIGATIONS: A federally guaranteed obligation is debt that is backed by the full power of the United States government. This type of debt is considered risk-free because it is guaranteed by the full faith and credit of the United States.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state-the do-called legal list. In other states, the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE/REVERSE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and

the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables for all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (E.G., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U. S. treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to ten years.

TRUSTEE: A person or firm that holds or administers property or assets for the benefit of a third party.

TRUST INDENTURE: An agreement in the bond contract made between a bond issuer and a trustee that represents the bondholder's interests by highlighting the rules and responsibilities that each party must adhere to. It may also indicate where the income stream for the bond is derived from.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE RATE OF RETURN: Rate of return calculated based on interest earning and length of actual holding for each individual security.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



CITY COUNCIL AGENDA ITEM NO. 4.2

SECTION 4: UNFINISHED BUSINESS

Meeting Date: June 23, 2014
Subject: Discussion of Preliminary Park Cost Estimate for the Potential Future Seventh Street Park
Presented By: Jaylen French, Community Development Director
Enclosures: Preliminary Park Cost Estimate for Development and Long Term Maintenance

Approved By: _____

Staff Recommendation:

Discuss the preliminary park cost estimate for the potential future Seventh Street Park.

Background and Overview:

On January 27, 2014, the Hughson City Council approved submitting a grant application to the Federal Land and Water Conservation Fund (LWCF) for a park acquisition project.

The City Manager and District Superintendent discussed the desire to submit an application during the current funding cycle to present the acquisition project as envisioned by the City of Hughson back in 2010 for potential funding.

The Land and Water Conservation Fund program required that an appraisal and independent review be conducted for any property acquisition projects. The final appraisal made minor modification to the preliminary value provided in the City's grant application submission. The proposed property is valued at \$685,000 for Legal Parcel 2 (19.65 acres).

The grant would provide 50% of the cost for property acquisition based on the appraised value and not require the City to deplete a majority of its Parks Project In-Lieu and Park Development Impact Fee funds and instead make them available for use during future development of the park site. If successful in the property acquisition, City staff will focus future grant writing efforts on development of the park.

On April 18, 2014, the California Department of Parks and Recreation sent a letter to the City of Hughson indicating that the Seventh Street Park Acquisition Project was being recommended for funding to the National Park Service (NPS) at the requested amount of \$342,500.

Discussion:

The intent of this item is to provide the City Council with an initial estimate of the development and long term maintenance costs of the potential park. City staff has developed two initial conceptual park designs solely for the purpose of developing initial cost estimates to provide the City Council with an idea of the development and long term costs in order to make an informed decision regarding the acquisition of the park site. City staff developed the conceptual park designs by revisiting the work done in 2010 with local residents and other partners. One design is for a passive park, which the City is required to provide within three years per the LWCF grant. The other design is for a built-out community gathering park.

It should be noted that City staff intends to go through a full public process to develop the final park plan should the City acquire the site. As part of this effort, the City will reconvene the Hughson Parks and Recreation Commission to facilitate this process as discussed with the City Council during its May 12, 2014 regular meeting.

In summary, the passive cost could cost approximately \$ 1,200,000 to develop and nearly \$35,000 per year in staff time to maintain.

The built out park could cost approximately \$3,500,000 to develop and nearly \$82,500 per year in staff time to maintain.

Attached to this staff report is a spreadsheet which includes the line-item estimates for the development costs and maintenance costs for each park.

Fiscal Impact:

The City of Hughson has two capital project funds that can be utilized as the source for the match and cash flow requirements (Park Project In Lieu and Park Development Impact Fees) and for future development. As indicated in the City's Final Adopted Budget for Fiscal Year 2013-2014, it is anticipated that the City will have a combined fund balance of nearly \$800,000 at year end. With the proposed acquisition of the 19.65 acres of District property for future development of the Seventh Street Park, the City's capital projects funds for parks would be reduced by \$342,500. Costs associated with the preparation of the grant application including staffing and the appraisal, environmental filing and surveying are being covered within the City's existing adopted budget. Excluding staffing, the costs incurred thus far are approximately \$5,000.

7th Street Community Park

Cost Estimate

Passive Park

Elements	Development	Maintenance/Year¹
Grass	\$ 745,000	\$ 20,540
<i>Optional Natural Area (Oak Trees) Plus Grass</i>	<i>(\$470,000)</i>	<i>Same</i>
Parking	\$ 180,000	\$ 2,055
Sidewalk Trail	\$ 90,000	-
Statue	\$ 30,000	-
Picnic / BBQ	\$ 57,000	\$ 4,110
Storm Basin	\$ 30,000	\$ 8,220
Connection to Non-Potable	\$ 10,000	-
Irrigation System, etc.	\$ 45,000	\$ 1,025
TOTAL	\$ 1,187,000 (\$ 912,000)	\$ 34,925 / year

Community Gathering Park

Elements	Development	Maintenance/Year¹
Grass & Landscape	\$ 400,000	\$ 20,540
Parking	\$ 270,000	\$ 2,055
Sidewalk Trail	\$ 150,000	-
Statue	\$ 30,000	-
Picnic area / BBQ	\$ 120,000	\$ 4,110
Gazebo	\$ 80,000	\$ 2,055
Storm Basin	\$ 30,000	\$ 8,220
Connection to Non-Potable	\$ 10,000	-
Irrigation System, etc.	\$ 45,000	-
Amphitheatre / Community Square	\$ 250,000	\$ 8,220
Water Park / Community Pool	\$ 750,000	\$ 4,110
		\$ 11,520 ²
Skate Park	\$ 680,000	\$ 8,220
Tennis	\$ 170,000	\$ 4,110
Community Garden	\$ 50,000	\$ 4,110
Tot Lot / Playground (Ag themed)	\$ 130,000	\$ 4,110
Park Lighting	\$ 300,000	\$ 1,025
TOTAL	\$ 3,465,000	\$ 82,405 / year

Costs are based on average loaded cost for Park Maintenance I & II, except where otherwise noted.

¹ Labor costs do not include fertilizers, sanitary supplies and irrigation maintenance material.

² Based on lifeguard wages of \$9.00/hour for 40 hours a week for 32 months a year.