



**CITY OF HUGHSON  
SPECIAL CITY COUNCIL MEETING  
SAMARITAN VILLAGE ALMOND ROOM  
7700 Fox Road, Hughson, CA. 95326**



***STATE OF THE CITY ADDRESS***



**AGENDA  
MONDAY, FEBRUARY 23, 2015 – 6:00 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: State of the City Address, presented by Mayor Matt Beekman.

**ADJOURN TO A RECESS AND REFRESHMENTS – Approx. 30 Minutes**

**RECONVENE TO THE CITY COUNCIL MEETING**

**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 February 9, 2015 Council Meeting.

3.2: Approve the Warrants Register.

3.3: Accept the Quarterly City of Hughson Legislative Report.

**4. UNFINISHED BUSINESS:**

4.1: Authorize the City Manager on behalf of the City of Hughson to execute the State of California-Natural Resources Agency Department of Parks and Recreation Grant Contract from the Land and Water Conservation Fund for the Seventh Street Park Acquisition Project and the purchase of 19.65 acres of real property owned by the Hughson Unified School District near the corner of Whitmore Avenue and Seventh Street.

**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: 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:**

**ADJOURNMENT:**

**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:** February 19, 2015 **TIME:** 6:00 P.M.**NAME:** Dominique Spinale Romo **TITLE:** 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.

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**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](http://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:** February 23, 2015  
**Subject:** Approval of the City Council Minutes  
**Presented By:** Dominique Spinale Romo, Assistant to the CM/City Clerk

**Approved By:** \_\_\_\_\_

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### **Staff Recommendation:**

Approve the Regular Meeting Minutes of February 9, 2015 session.

### **Background and Overview:**

The draft minutes of the February 9, 2015 meetings are prepared for the Council's review.



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

**MINUTES  
MONDAY, FEBRUARY 9, 2015 – 7:00 P.M.**

**CALL TO ORDER:** Mayor Matt Beekman

**ROLL CALL:**

Present: Mayor Matt Beekman  
Mayor Pro Tem Jeramy Young  
Councilmember George Carr  
Councilmember Harold Hill

Absent: Councilmember Jill Silva

Staff Present: Raul L. Mendez, City Manager  
Daniel J. Schroeder, City Attorney  
Jaylen French, Community Development Director  
Darin Gharat, Chief of Police Services  
Margaret Souza, Finance Director  
Juan Padilla, City Treasurer  
Dominique Spinale, Assistant to the City Manager/City Clerk  
Sam Rush, Public Works Superintendent

**FLAG SALUTE:** Mayor Matt Beekman

**INVOCATION:** Mayor Matt Beekman

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

No Public Comments.

**2. PRESENTATIONS:** NONE.

### **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 January 26, 2015.
- 3.2: Approve the Warrants Register.
- 3.3: Approve the Treasurer's Report for December 2014.
- 3.4: Review and Approve the AB 1600 Annual Report for the Year Ending June 30, 2014.

**Mayor Beekman pulled Consent Calendar Item 3.4 for discussion.**

**BEEKMAN/HILL 4-0 (SILVA- Absent) motion passes to approve Consent Calendar Items 3.1, 3.2, and 3.3.**

**Mayor Beekman had questions on the Facility Development Fund (Fund Account 41) and Staff provided responses to his questions and concerns for this account.**

**BEEKMAN/HILL 4-0 (SILVA- Absent) motion passes to approve Consent Calendar Item 3.4.**

### **4. UNFINISHED BUSINESS:**

- 4.1: Adopt Resolution No. 2015-03, Approving Adjustments to the Operating Budget for Fiscal Year 2014-2015.

**Director Souza presented the Staff Report on this item by reviewing the budget adjustments with the Council and providing additional clarification when requested.**

**BEEKMAN/YOUNG 4-0 (SILVA- Absent) motion passes to adopt Resolution No. 2015-03, Approving Adjustments to the Operating Budget for Fiscal Year 2014-2015.**

- 4.2: Authorize the City Manager on behalf of the City of Hughson to execute the State of California-Natural Resources Agency Department of Parks and Recreation Grant Contract from the Land and Water Conservation Fund for the Seventh Street Park Acquisition Project and the purchase of 19.65 acres of real property owned by the Hughson Unified School District near the corner of Whitmore Avenue and Seventh Street.

City Manager Mendez presented the Staff Report on this item, and provided a brief summary on the status of this item and the current items city and legal staff was working on to continue working forward with the project.

Randy Garcia, local farmer who farms a portion of the property for the school district for the Ag Program, was present at the meeting to provide additional information and feedback to the Council and staff regarding the property. Mr. Garcia shared his experience and knowledge on the property and on an irrigation line located on the property.

City staff and the City Council deliberated on this item and discussed their concerns regarding the property and the use of grant funds as a funding source to assist the City in acquiring the property. They also discussed some alternatives that the City and staff may wish to research in order to better assist the City in conducting their due diligence in obtaining all potential costs the City may incur as a result of owning the property; as well as obtaining as much information as possible to make the most informed decision when needed.

Each of the Councilmembers expressed concerns regarding the potential costs in acquiring the property, and requested that staff provide additional information on this item at the next meeting.

No action by Council was taken on this item and Council requested that this item be continued to the February 23 meeting.

**5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.**

**6. NEW BUSINESS:**

6.1: Review and Discuss City Staff's Draft Update to the Land Use Category of the City of Hughson's 2015 Goals and Objectives Document.

Director French presented the Staff Report on this item. Mayor Beekman and Mayor Pro Tem Young provided feedback on the updated format of the document.

Mayor Beekman asked staff to add the following items as Objectives: Initiate an Ag Buffer Zone with the City of Ceres for 2015, and designate area as Ag Investment Zone.

Mayor Pro Tem Young asked staff to add a Capital Improvements Plan (CIP) update to the document.

No action by Council was taken on this item.

**7. CORRESPONDENCE:**

**7.1:** Update of the Hatch Road and Santa Fe Avenue Signal Project.

**7.2:** Parks and Recreation Commission Agenda, February 10, 2015.

**8. COMMENTS:**

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

**City Manager:** City Manager Mendez updated the Council on the Fire 2+2 meeting scheduled for February 11, the LOVE Hughson Event scheduled for April 18, and the State of the City Address scheduled for February 23. He also updated the Council on the status of the Finance Director Recruitment and the results of the recent income survey conducted in the City.

**City Clerk:** City Clerk Spinale updated the Council on the schedule Request for Proposals Schedule for the Refuse and Garbage Contract, as well as reviewed the annual Form 700 requirements for the FPPC April 1 deadline.

**Community Development Director:** Director French updated the Council on the current inquiries regarding planning and development in the City, as well as providing an update on the current items under review with the Parks and Recreation Commission and Planning Commission.

**Director of Finance:**

**Police Services:** Chief Gharat updated the Council on the recent repairs to the speed radar trailers and reviewed the use of the SLESF funding this fiscal year, in case Council had any questions.

**City Attorney:**

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

**Councilmember Carr updated the Council on his attendance at the Turlock Mosquito Abatement District Meeting and the Ag Boosters Dinner Auction Event. He also updated the Council on that this June will be 100 years for the Hughson Fire Protection District, so a centennial event is under way.**

**Councilmember Hill complimented Councilmember Carr on his recent Letter to the Editor regarding the Hughson Community. He also updated the Council that he will be attending the upcoming Parks and Recreation Commission, Fire 2+2, and Economic Development Action Committee meetings.**

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

**Mayor Beekman updated the Council on his attendance at the LAFCO meeting, and advised the Council that the City of Hughson is the model used by LAFCO for Ag Preservation Programs.**

**9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.**

***Closed Session was cancelled for this meeting by Mayor Beekman.***

**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: NONE.****ADJOURNMENT:**

**HILL/BEEKMAN motion passes to adjourn the meeting at 9:23 P.M.**

**MATT BEEKMAN, Mayor**

**DOMINIQUE SPINALE ROMO, City Clerk**



## CITY OF HUGHSON AGENDA ITEM NO. 3.2

### SECTION 3: CONSENT CALENDAR

**Meeting Date:** February 23, 2015  
**Subject:** Approval of Warrants Register  
**Enclosure:** Warrants Register  
**Presented By:** Lisa Whiteside, Finance Manager

**Approved By:** \_\_\_\_\_

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#### **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 February 11, 2015 through February 19, 2015.

#### **Fiscal Impact:**

There are reductions in various funds for payment of expenses.

REPORT.: Feb 19 15 Thursday  
 RUN....: Feb 19 15 Time: 12:31  
 Run By.: Lisa Whiteside

City of Hughson  
 Cash Disbursement Detail Report  
 Check Listing for 02-15 Bank Account.: 0100

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

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Payment Invoice #	Description
46138	2/11/2015	EMP01	STATE OF CALIFORNIA	\$ 2,460.02	B50211	PAYROLL TAXES 2/15/2015
46139	2/11/2015	HAR02	THE HARTFORD	\$ 454.66	B50211	DEFERRED COMPENSATION
46140	2/11/2015	PER01	P.E.R.S.	\$ 8,402.96	B50211	RETIREMENT
46141	2/11/2015	STA23	CalPERS SUPPLEMENTAL INCO	\$ 370.00	B50211	DEFERRED COMPENSATION
46142	2/11/2015	UNI07	UNITED WAY OF STANISLAUS	\$ 34.00	B50211	UNITED WAY
46143	2/19/2015	ABS00	ABS PRESORT	\$ 655.87	97313	PRINTING UTILITY BILL FEB 2015
46144	2/19/2015	AFL01	AFLAC	\$ 1,000.68	745516	AFLAC
46145	2/19/2015	ALF00	ALFA LAVAL ASHBROOK SIMON	\$ 1,692.37	134284	REPLACEMENT OF SPARE BELT
46146	2/19/2015	ATT01	AT&T	\$ 25.42	B50218	PHONE
46147	2/19/2015	AWD00	AW DIRECT	\$ 942.15	B50218	WARNING LIGHT BAR
46148	2/19/2015	CHA01	CHARTER COMMUNICATION	\$ 67.91	B50218	IP ADDRESS
46149	2/19/2015	CLA03	CLARK'S PEST CONTROL	\$ 159.00	B50218	PEST CONTROL
46150	2/19/2015	CON14	CONDOR EARTH TECHNOLOGIES	\$ 537.85	70336	GROUNDWATER MONITORING
				\$ 1,011.25	70346	MS4 PERMIT SUPPORT
			Check Total:	\$ 1,549.10		
46151	2/19/2015	GAR13	GARZA, HOMER	\$ 60.00	B50218	RENEWAL FOR QAC PESTICIDE LICENSE
46152	2/19/2015	GEO01	GEOANALYTICAL LABORATORIE	\$ 697.03	B5A1315	LAB TESTING FOR WATER
46153	2/19/2015	HUG11	HUGHSON FARM SUPPLY	\$ 168.52	H123782	TOOLS AND SUPPLIES
46154	2/19/2015	LEG01	LEGAL SHIELD	\$ 51.80	B50218	LEGAL SVCS
46155	2/19/2015	LUN01	LUNA, SAM	\$ 190.82	B50219	PESTICIDE CLASS RENEWAL
46156	2/19/2015	MAD18	MADRIGAL, BERTHA	\$ 175.00	B50218	HCSC DAMAGE DEPOSIT REFUND 1/24/15
46157	2/19/2015	MCR01	MCR ENGINEERING, INC	\$ 3,190.00	10695	TULLY RD RR CROSSING
46158	2/19/2015	MIN00	MINTIERHARNISH PLANNING C	\$ 2,603.65	HughHEU01	HOUSING ELEMENT UPDATE
				\$ 1,827.50	HughHEU02	HOUSING ELEMENT UPDATE
			Check Total:	\$ 4,431.15		
46159	2/19/2015	MIS01	MISSION UNIFORM SERVICE	\$ 619.23	B50218	UNIFORM SERVICE
46160	2/19/2015	MOD01	THE MODESTO BEE	\$ 344.35	353263	FINANCE DIRECTOR AD
46161	2/19/2015	MUN01	MUNIMETRIX	\$ 1,878.00	1503017	IMAGE FLOW SOFTWARE SUPPORT 3/17/15-03/16/16
46162	2/19/2015	OFF06	OFFICE TEAM	\$ 1,289.10	42276885	EXTRA HELP 1/30/15

46163	2/19/2015	OPE01	OPERATING ENGINEERS LOCAL	\$ 376.00	B50218	LOCAL UNION #3 DUES
46164	2/19/2015	PAC05	PACIFIC PLAN REVIEW	\$ 4,652.79	B50218	CONTRACT SRVCS PLANNING/B
46165	2/19/2015	QUI03	QUICK N SAVE	\$ 204.71	B50219	DIESEL
46166	2/19/2015	REG00	REGIONAL GOVERNMENT SERVI	\$ 1,874.24	4721	CONTRACTED SERVICES
46167	2/19/2015	RES02	RESENDEZ, VENNESSA	\$ 210.00	B50218	HCSC DAMAGE DEPOSIT REFUND
46168	2/19/2015	SHA01	SHAPE INCORP.	\$ 1,543.18	120014	REPAIR STORM WATER PUMP
46169	2/19/2015	STA47	STANISLAUS COUNTY SHERIFF	\$ 2,764.35	1415-062	SLESF - EXTRA PATROL
				\$ 11,060.86	1415-134	SLESF DEPUTY
			Check Total:	\$ 13,825.21		
46170	2/19/2015	THE03	THE MAGNOLIA FARMHOUSE MA	\$ 150.00	2	BUSINESS INCENTIVE/MAGNOLIA FARMHOUSE MARKET
46171	2/19/2015	UNI11	UNIVAR USA, INC	\$ 419.58	SJ668627	SODIUM HYPOCHLORITE
46172	2/19/2015	USA02	USA MOBILITY	\$ 11.67	B50218	PAGER SERVICE
46173	2/19/2015	USH00	US HEALTHWORKS MEDICAL	\$ 180.00	95373	PROF SERVICES
			Cash Account Total:	\$ 54,356.52		
			Total Disbursements:	\$ 54,356.52		



## **CITY OF HUGHSON AGENDA ITEM NO. 3.3 SECTION 3: CONSENT CALENDAR**

**Meeting Date:** February 23, 2015  
**Subject:** Consideration of the Quarterly City of Hughson  
Legislative Report  
**Enclosures:** League of California Cities Materials from City Manager  
Department Meeting (Various)  
**Presented By:** Raul L. Mendez, City Manager  
**Approved By:** \_\_\_\_\_

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### **Staff Recommendation:**

Accept the Quarterly City of Hughson Legislative Report.

### **Background and Overview:**

On March 24, 2014, the Hughson City Council adopted Resolution No. 2014-10, establishing the City of Hughson's Legislative Program. The Legislative Program contains General Principles (Home Rule, Annexation, Right of Way and Unfunded Mandates) and focuses on key policy areas: Environmental/Utilities and Public Works/Transportations/Telecommunications. The Legislative Program is intended to be a fluid document that is revisited periodically to enable the City Council and staff to react and respond when appropriate to legislative issues as they arise throughout the year in a timely manner. The document is made available to State and Federal elected representatives so that they are made aware of the issues that are important to Hughson and can advocate on those issues on the City's behalf.

Historically, the City of Hughson has conducted legislative advocacy through its work by designated members of the City Council with organizations such as the League of California Cities (LOCC) and the California Local Agency Formation Commission (CALAFCO). Due to limited staffing resources, this model has served the City of Hughson well. Occasionally, the City of Hughson is asked to consider taking positions of support or opposition on Federal and State Legislation and such requests are handled on a case-by-case basis by the Hughson City Council through its regular or special meetings.

Under the new model, the City Manager and staff conduct the initial review of legislative requests. If determine to be consistent with the City's Legislative Program they are further research and then discussed with the Mayor and Mayor Pro Tem prior to bringing forward for consideration by the full City Council. Matters not brought forward are shared with the City Council in a quarterly legislative report

by the City Manager. The work by designated members on the Hughson City Council on the LOCC and CALAFCO continue as traditionally done. This approach ensures that staffing resources are utilized wisely to only conduct extensive work and analysis on those legislative matters consistent with the adopted Hughson Legislative Program.

The following is a summary of key legislative activity since the reporting. City staff will prepare this report on a quarterly basis to keep the City Council and public informed of discussions and actions occurring at the Federal or State level.

### ***State Budget***

On January 9, 2015, Governor Edmund G. Brown Jr. proposed a balanced budget that provides billions of dollars more into schools and health care coverage, holds college tuition flat and delivers on Propositions 1 and 2 by investing in water projects and saving money, while continuing to chip away at the State's other long-term liabilities – debt, infrastructure, retiree health care and climate change.

#### Significant details of the 2015-2016 Proposed State Budget:

Invests in Water, Flood Protection and Combating Climate Change – Includes the first \$532 million in expenditures from the Proposition 1 water bond to continue the implementation of the Water Action Plan, the administration's five-year roadmap towards sustainable water management. Additionally, includes the last \$1.1 billion in spending from the 2006 flood bond to bolster California's protection from floods. It also proposes \$1 billion in cap-and-trade expenditures for the continuing investments in low-carbon transportation, sustainable communities, energy efficiency, urban forests and high-speed rail.

Implements Strengthened Rainy Day Fund and Pays Off Debt – California's Rainy Day Fund will have a total balance of \$2.8 billion by the end of the year – an insurance policy against future economic downturns. The Proposed Budget spends an additional \$1.2 billion from Proposition 2 funds on paying off loans from special funds and past liabilities from Proposition 98. In addition, it repays the remaining \$1 billion in deferrals to schools and community colleges, makes the last payment on the \$15 billion in Economic Recovery Bonds that was borrowed to cover budget deficits from as far back as 2002 and repays local governments \$533 million in mandate reimbursements.

Increases K-12 School Spending by \$2,600 Per Student – For K-12 schools, funding levels will increase by more than \$2,600 per student in 2015-2016 over 2011-2012 levels.

Holds Tuition Flat for College Students – Commits \$762 million to each of the university systems that is directly attributable to the passage of Proposition 30. This increased funding is provided contingent on tuition remaining flat. All cost containment strategies must be explored before asking California families to pay even more for tuition.

Expands Workforce Training – Provides over \$1.2 billion in funding to support a coordinated framework for adult education, career technical education, workforce investment and apprenticeships. These funds are intended to provide training and education to workers in California so they can develop the skills they need for self-sufficiency and greater personal advancement.

Provides Medi-Cal Health Care Coverage to Californians – Due principally to the implementation of Federal health care reform, Medi-Cal caseload has increased from 7.9 million in 2012-2013 to an estimated 12.2 million this coming year. The program now covers 32 percent of California's population.

Prefunds Retiree Health Care – The State's unfunded liability for retiree health care benefits is currently estimated at \$72 billion. State health care benefits for retired employees remain one of the fastest growing areas of the State budget: in 2001, retiree health benefits made up 0.6 percent of the General Fund budget (\$458 million) but today absorb 1.6 percent (\$1.9 billion). Without action, the State's unfunded liability will grow to \$100 billion by 2020-2021 and \$300 billion by 2047-2048. The Budget proposes a plan to make these benefits more affordable by adopting various measures to lower the growth in premium costs. The Proposed Budget calls for the State and its employees to share equally in the prefunding of retiree health benefits, to be phased in as labor contracts come up for renewal. Under this plan, investment returns will help pay for future benefits, just as with the State's pension plans, to eventually eliminate the unfunded liability by 2044-2045. Over the next 50 years, this approach is expected to save nearly \$200 billion.

### ***Legislative Outlook***

There is key legislation being tracked by the City of Hughson based on the potential impact to the community or region. These include:

Massage Therapy Establishments – The Stanislaus County District Attorney's Office is working with the County of Stanislaus and the incorporated cities on a model ordinance in light of recently enacted legislation in this area. The City of Hughson has already taken affirmative steps in this regard in early 2014 but both the City Manager and City Attorney are participating in discussions to determine if additional modifications to the Hughson Municipal Code are necessary.

Medical Marijuana – The League of California Cities is continuing to work with the California Police Chiefs Association on legislated related to medical marijuana to fend off efforts to supersede local control and safety concerns. Although not successful last session with SB 1262, new legislation has been authored by Assembly Member Ken Cooley (AB 266) and will be monitored by City staff accordingly to determine whether a position letter would be necessary.

Redevelopment Clarification – The League of California Cities is analyzing the draft trailer bill on the Redevelopment Dissolution Budget Proposal to determine the impact to municipalities. City staff is reviewing now and will provide additional details during the upcoming quarterly report or sooner if necessary.

## ***League of California Cities (LOCC)***

The LOCC has already hosted various events this year for City officials and staff to assist with legislative advocacy and keeping a current pulse on State initiatives. Examples included the New Mayors and City Council Members Academy (January 14-16, 2015) and the City Managers Department Meeting (January 28-30, 2015). Mayor Pro Tem Young and City Manager Mendez attended each event respectively representing the City of Hughson and gathering information and insight on happenings at the State Capitol in preparation for the upcoming calendar year.

Examples of the subject matter obtained (and attached for reference) during the events include:

- California Voters Rights Act;
- Sales Tax Trends; and
- California Pension Retirement System.

The LOCC does an excellent job of sharing current information regarding the State Budget and key legislation of interest to municipalities.

Upcoming events for the current calendar year include:

Legislative Action Day - Sacramento – April 29, 2015.

Annual Conference - San Jose – September 30 – October 2, 2015.

### **Fiscal Impact:**

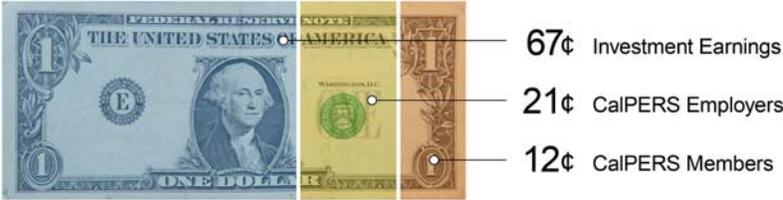
Implementation of the City of Hughson's Legislative Program is managed by existing staff and through existing budgeted allocations.

League of California Cities  
Anne Stausboll  
Chief Executive Officer  
January 28, 2015



League of California Cities

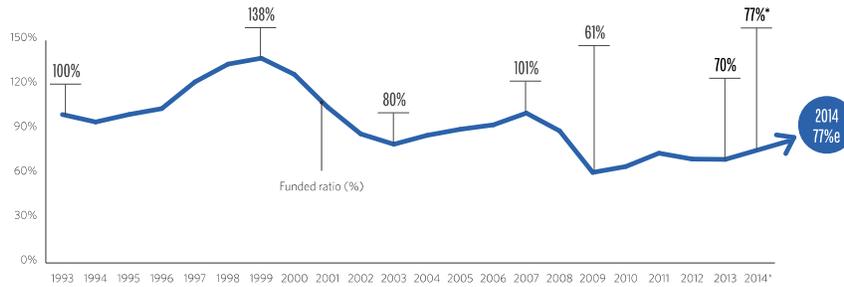
CalPERS "Pension Buck"



Source: CalPERS income over the last 20 years as of June 2014.



## CalPERS Funded Status

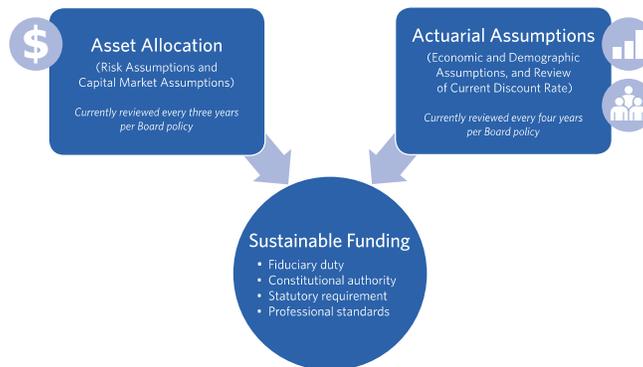


\* Estimated funding levels as of June 30, 2014.

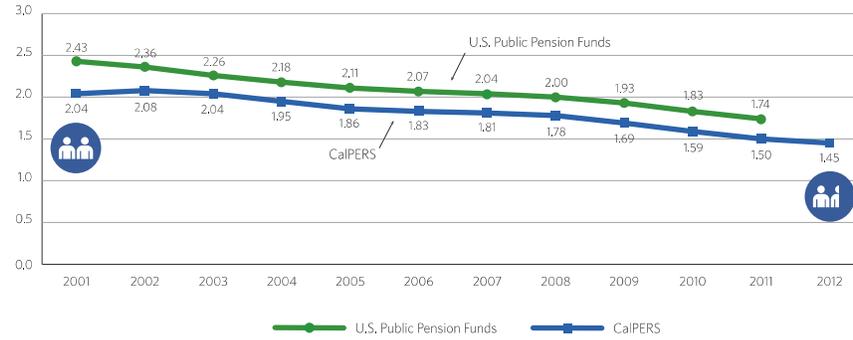


## Asset Liability Management Framework

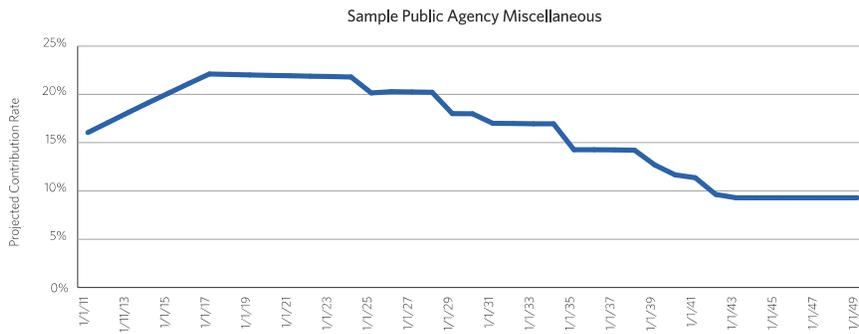
An integrated approach that considers assets, liability, and risk to ensure the sustainable funding of the system.



## Ratio of Actives to Retirees



## Path of Future Employer Contributions







## LOCAL SALES TAX TRENDS

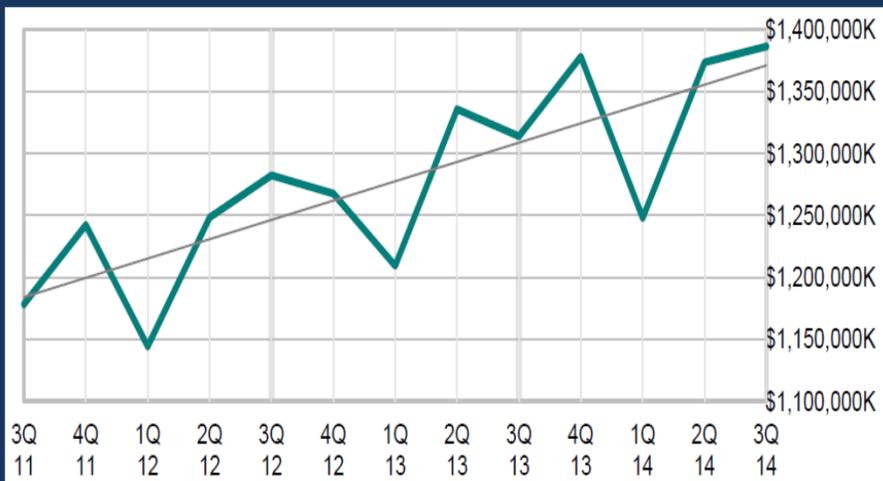
### Demographics ..Technology.. And Giving it Away

League of California Cities  
City Managers Department  
January 30, 2015

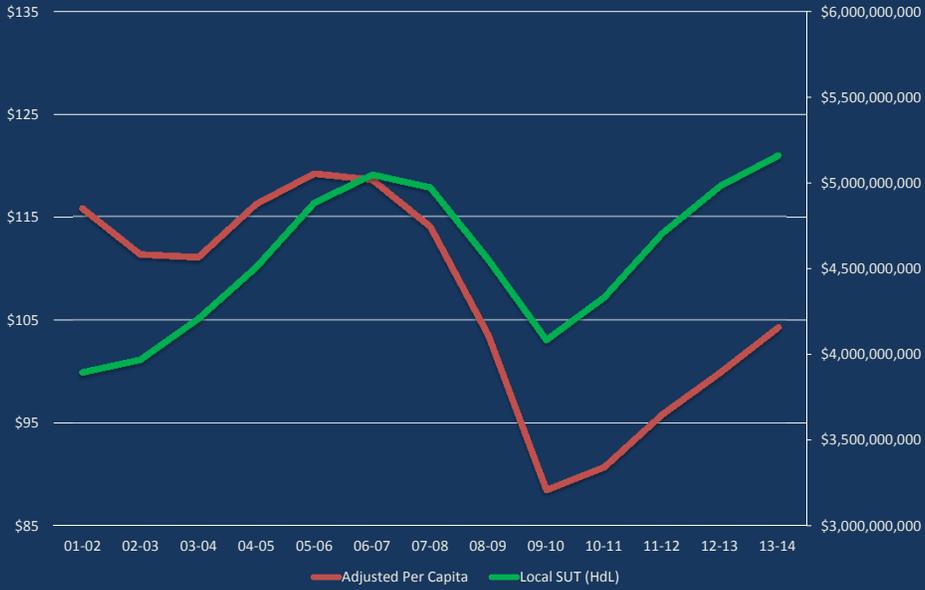


## STATE OF CALIFORNIA – HdL DATABASE

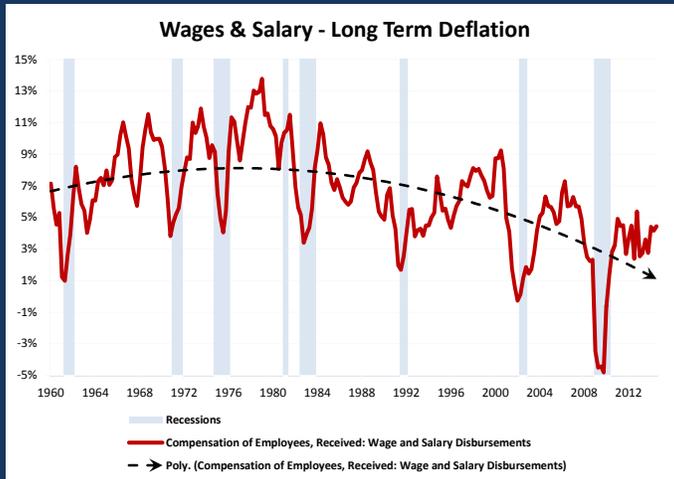
### The One Cent Bradley-Burns Tax



## STATEWIDE LOCAL SALES TAX AND USE TAX



## Wages & Salary - Long Term Deflation



Sources: St. Louis Federal Reserve

## SPENDING PRIORITIES MOVING FROM TAXABLE GOODS.....

- 🌐 27% Increase in Household Spending 2000 -2010:
  - ✓ Housing
  - ✓ Healthcare
  - ✓ Food
  - ✓ Entertainment
  - ✓ Education
- 🌐 Entire gain by top 20% income Households – Household spending by remaining 80% declined.



## Declining Prices of Tangible Goods

- 🌐 Technology reducing cost of goods – autos, apparel, electronics.
- 🌐 On-line shopping forcing increased price competition.
- 🌐 Shopping Habits of Affluent shifting downward.



## Technology Reducing What is Taxable

- Digitally transferred goods not considered as tangible personal property...books, music, movies, etc.
- Cloud computing services reducing investment in taxable hardware and infrastructure.
- Litigation expanding definition of non-taxable goods...Lucent Technologies...Nortel Networks.....
- Energy efficiency reducing taxable fuel purchases.



## Changing Demographics

- Aging Population – 20% of State over 65 by 2030.
  - More for services, less on taxable goods.
- Millennials (Generation Y) - less materialistic.
  - Lower Financial Expectations.
  - Prefers Education and Social Networking over stuff.
  - Traders, Borrowers, Renters, Recyclers.
  - Masters of the Collaborative Economy.
- Teenagers (Generation Z) - What is a Mall?

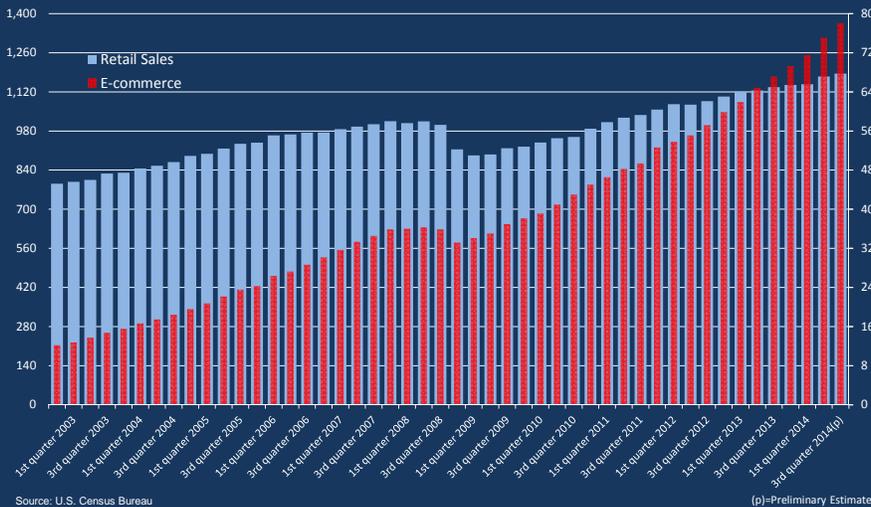


## CONSTANT NARROWING OF THE BASE WITH MORE EXEMPTIONS...

- |  |   |   |  |
|--|---|---|--|
| <ul style="list-style-type: none"> <li>ADMISSION CHARGES</li> <li>AIRCRAFT LEASES (FOREIGN)</li> <li>AIRCRAFT SALES (FOREIGN)</li> <li>ALTERATION OF GARMENTS</li> <li>ALTERNATE ENERGY PROJECT</li> <li>ANIMAL LIFE, FEED, SEEDS</li> <li>ART TRANSFERS (ENTERTAINMENT)</li> <li>ART WORKS</li> <li>AUXILIARY SVCS TO MUSEUMS</li> <li>BLOOD STORAGE UNITS</li> <li>BRACELETS - POW</li> <li>"BUDDY POPPIES"</li> <li>CA GOLD MEDALLIONS</li> <li>CA SCIENCE CENTER</li> <li>CARBON DIOXIDE</li> <li>CASH DISCOUNTS</li> <li>CHARITABLE ORGANIZATIONS</li> <li>COGENERATION TECHNOLOGY</li> <li>COMMON CARRIERS</li> <li>COMPONENTS - RAILROAD</li> <li>CONSTRUCTION OUTSIDE CA</li> <li>CONSUMER COOPERATIVES</li> <li>CONTAINERS</li> <li>CREDIT - TAX TO OTHER STATES</li> <li>CUSTOM COMPUTER PROGRAMS</li> <li>DELIVERY TO EXPORT PACKERS</li> <li>DEMONSTRATION AND DISPLAY</li> <li>DIESEL AND USE FUEL TAX</li> <li>DIESEL FUEL - FARM &amp; FOOD PROC</li> <li>DONATIONS</li> <li>ENDANGERED ANIMALS/PLANTS</li> <li>EXCISE TAX ON FUEL</li> <li>FACTORY BUILT HOUSING</li> <li>FACTORY BUILT SCHOOL BLDGS</li> <li>FARM EQUIPMENT</li> <li>FEDERAL EXCISE TAXES</li> <li>FINANCE CHARGES</li> <li>FOOD PRODUCTS</li> <li>FOOD - VENDING MACHINES</li> </ul> | <ul style="list-style-type: none"> <li>FOOD STAMP PURCHASES</li> <li>FOREIGN GOVERNMENTS</li> <li>FRIENDS OF LIBRARY</li> <li>FUEL - ORGANIC</li> <li>FUEL - AIR COMMON CARRIERS</li> <li>FUNGIBLE GOODS</li> <li>GAS, ELECTRICITY, WATER, STEAM</li> <li>GROUND CONTROL STATIONS</li> <li>HAY PRODUCERS</li> <li>HEALTH/SAFETY MATERIALS</li> <li>HOT FOOD - AIR CARRIERS</li> <li>ICE OR DRY ICE</li> <li>INDIAN TRIBAL TAXES</li> <li>INSTALLATION LABOR</li> <li>INTANGIBLE PERSONAL PROP</li> <li>INTERSTATE/FOREIGN COMMERCE</li> <li>LEASE OF MOTION PICTURES</li> <li>LEASE, CERTAIN PROP EXCLUDED</li> <li>LEASES OF MOBILE TRANS EQUIP</li> <li>LEASES OF MOBILE HOMES</li> <li>LEASES OF OCCASION, SALE PROP</li> <li>LEASES PROPERTY - TAX PAID</li> <li>LOANS TO CUSTOMERS</li> <li>LOCAL TAXES</li> <li>LODGING</li> <li>MAILING LISTS</li> <li>MASS COMMUTING VEHICLES</li> <li>MASTER RECORDS &amp; TAPES</li> <li>MEALS TO ELDERLY/DISABLED</li> <li>MEALS BY INSTITUTIONS</li> <li>MEALS, ELDERLY CONDO</li> <li>MEALS, LOW-INCOME ELDERLY</li> <li>MEDICAL ID TAGS</li> <li>MEDICAL HEALTH INFORMATION</li> <li>MEDICATED FEED &amp; WATER</li> <li>MONETIZED/MON BULLION &amp; COINS</li> <li>MOTION PICTURE PROD PARTNERS</li> <li>MOTION PICTURE PROD SVCS</li> <li>MOTOR VEHICLE FUEL</li> </ul> | <ul style="list-style-type: none"> <li>MOTOR VEHICLE FEES &amp; TAXES</li> <li>MUSEUMS</li> <li>NEW MOBILE HOMES</li> <li>NEW TRAILERS</li> <li>NEW VEHICLES - FOREIGN RES</li> <li>NEW VEHICLES - OUT OF STATE</li> <li>NEWSPAPERS/PERIODICALS</li> <li>NONPROFIT - KID'S CLOTHES</li> <li>NONPROFIT - AUCTION</li> <li>NONPROFIT - HANDCRAFTED</li> <li>NONPROFIT - THRIFT STORE</li> <li>NONPROFIT - VETERANS ORG</li> <li>NONPROFIT - VETERAN MEALS</li> <li>OCCASIONAL SALE - BUSINESS</li> <li>OCCASIONAL SALES</li> <li>OXYGEN DELIVERIES</li> <li>PARENT/TEACHER ASSOC</li> <li>PARENT COOP NURSERY SCH</li> <li>PASSENGER VEHICLES</li> <li>PERIODICALS</li> <li>PET ADOPTION</li> <li>POLLUTION CONTROL</li> <li>POULTRY LITTER</li> <li>PRESCRIPTION MEDS</li> <li>PRINTED SALES MATERIAL</li> <li>PRINTING MATERIALS</li> <li>PROFESSIONAL HEALTH SVCS</li> <li>PROPERTY LOANED - EDUC</li> <li>PUBLIC PASSENGER VEHIC</li> <li>PURCHASES - FOREIGN CTRY</li> <li>PURCHASES FROM UNITED STS</li> <li>RACEHORSE BREEDING</li> <li>RAIL FREIGHT CARS</li> <li>REAL PROPERTY</li> <li>RELIGIOUS ORGANIZATIONS</li> <li>RENTAL RECEIPTS - OUT OF CA</li> <li>RENTAL - HOUSE FURNITURE</li> <li>RENTAL - LINEN SUPPLIES</li> <li>RETURNED MERCHANDISE</li> </ul> | <ul style="list-style-type: none"> <li>SALE &amp; LEASEBACK ARRANGE</li> <li>SALES FOR RESALE</li> <li>SAN DIEGO AEROSPACE MUSEUM</li> <li>SCHOOL YEARBOOKS</li> <li>SECURITIES</li> <li>SERVICES</li> <li>SPACE FLIGHT PROPERTY</li> <li>STATE GOVERNMENTS</li> <li>STORAGE &amp; USE</li> <li>STUDENT MEALS</li> <li>TAX-PAID PURCHASES RESOLD</li> <li>TELEPHONE LINES/POLES</li> <li>TELEPRODUCTION EQUIP</li> <li>TIMBER HARVESTING EQUIP</li> <li>TRAILERS - NEW OR USED</li> <li>TRANSPORTATION CHARGES</li> <li>TRANSPORTATION OF LANDFILL</li> <li>TRAVEL ACCOMMODATIONS</li> <li>UNITED STATES SALES</li> <li>USE OF PROPTY HELD FOR SALE</li> <li>USED FLOATING HOMES</li> <li>USED MOBILE HOMES</li> <li>VEHICLE MODS - HANDICAPPED</li> <li>VEHICLES LOANED TO NIVERSITY</li> <li>VEHICLES PURCHASED OUT OF A</li> <li>VEHICLES SOLD TO FAMILY</li> <li>VEHICLES SOLD TO FOREIGN RES</li> <li>VEHICLES SOLD TO LESSEE</li> <li>VEHICLES - SAME OWNER</li> <li>VENDING MACHINE SALES</li> <li>VENDING MACHINE SALES - FOOD</li> <li>VESSELS</li> <li>VETERINARIANS</li> <li>WATER COMMON CARRIERS</li> <li>WATERCRAFT</li> <li>WHEELCHAIRS &amp; WALKERS</li> <li>WORTHLESS ACCOUNTS</li> <li>YOUTH ORGANIZATIONS</li> </ul> |
|--|---|---|--|



## Percentage Growth in E-Commerce Sales versus Total Retail Sales (Billions of Dollars)



## TRADITIONAL RETAIL CONCEPTS....

### Gone:

Anchor Blue, Bassett Furniture, Blockbuster Video, Bombay Company, Borders Books, Cala Foods, Circuit City, Coldwater Creek, Comp USA, DEMO, Discovery Channel Stores, Geoffrey Beene, Good Guys, Gottschalks, Great Indoors, Hollywood Video, Home Expo, KB Toys, Linens N Things, Linder's Furniture, Loehmann's, Maytag Stores, Mervyns, Petite Sophisticate, Rent A Center, Ritz Cameras, Sharper Image, Shoe Pavilion, Smith & Hawken, Steve & Barry, Tower Records, Virgin Mega Stores, Walden Books, Wickes Furniture, Wild Oaks Markets, Wilson's Leather, Yard Birds...

### Reducing Number of Stores:

Abercrombie & Fitch, Aeropostale, American Eagle, Albertsons, Barnes and Noble, Best Buy, Coach, Family Dollar, Foot Locker, Fresh & Easy, Game Stop, Gap, J.C. Penny, K-Mart, Lowes, Macy's, Men's Wearhouse, Office Depot, Old Navy, Payless Shoes, Pep Boys, Pier One, Radio Shack, Raley's, Saks, Sears, Staples, Wet Seal, Talbots, Thomasville Furniture.....



## Shifting Retail Strategies

- 🌐 Same or Next Day Delivery - Industry becoming the New Big Box Retail.
- 🌐 Smaller Stores & Stores within Stores – Right tenant mix crucial.
- 🌐 Shopping secondary to gathering and hanging out – dining/entertainment/social amenities essential.
- 🌐 Growing popularity of mixed use urban cores served by public transportation.



## CITIES WITH TRANSACTIONS TAX DISTRICTS—2004

Avalon (Hospital)	Sebastopol
Calexico (Hospital)	Truckee
Clearlake	West Sacramento
Clovis	Willits
Placerville	Woodland



## CITIES WITH TRANSACTIONS TAX DISTRICTS—November 2014

Albany	Corte Madera	Grover Beach	Marina	Placerville	San Leandro	South Lake Tahoe
Anderson	Cotati	Guadalupe	Merced	Point Arena	San Luis Obispo	Stanton
Antioch	Culver City	Gustine	Montclair	Port Hueneme	San Mateo	Stockton
Arcata	Davis	Half Moon Bay	Moraga	Porterville	San Pablo	Tracy
Arroyo Grande	Del Rey Oaks	Hayward	Morro Bay	Rancho Cordova	San Rafael	Trinidad
Arvin	Delano	Healdsburg	Mount Shasta	Red Bluff	Sand City	Truckee
Atascadero	Dinuba	Hercules	National City	Reedley	Sanger	Tulare
Atwater	Dunsmuir	Hollister	Nevada City	Richmond	Santa Cruz	Ukiah
Avalon	El Cajon	Huron	Novato	Ridgecrest	Santa Maria	Union City
Benicia	El Cerrito	Inglewood	Oakdale	Rio Dell	Santa Monica	Vacaville
Calexico	El Monte	King City	Orinda	Rio Vista	Santa Rosa	Vallejo
Campbell	Eureka	La Habra	Oxnard	Rohnert Park	Scotts Valley	Visalia
Capitola	Fairfax	La Mesa	Pacific Grove	Sacramento	Seaside	Vista
Carmel	Fairfield	La Mirada	Palm Springs	Salinas	Sebastopol	Watsonville
Cathedral City	Farmersville	Lakeport	Paradise	Sausalito	Selma	Weed
Ceres	Fort Bragg	Larkspur	Paso Robles	San Anselmo	Soledad	West Sacramento
Clearlake	Galt	Lathrop	Pico Rivera	San Bernardino	Sonoma	Wheatland
Clovis	Gonzales	Los Banos	Pinole	San Fernando	Sonora	Williams
Commerce	Grass Valley	Mammoth Lakes	Pismo Beach	San Francisco	South El Monte	Willits
Concord	Greenfield	Manteca	Pittsburg	San Juan Bautista	South Gate	Woodland



## COMPETING BY REDUCING THE SIZE OF THE PIE

- 🌸 Bidding of kickbacks for “points of sale” at an all time high... 85% To Owens & Minor, 80% to Kohl’s, 75% to Home Depot, 70% to Office Depot, 65% to CDW, 55% to Pottery Barn/Williams Sonoma, 50% to CEMEX, etc., etc.
- 🌸 20% to 30% of Bradley-Burns revenue pie rebated back to corporate bottom lines.
- 🌸 The smaller the pie, the more desperate the bidding.....

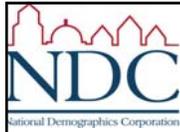


The World is Changing at Lighting Speed –  
California’s Tax Structure Isn’t!

## The Policy Issues.....

- 🌸 **What is taxed**....Current base has no relevancy to this century’s economy.
- 🌸 **How it is distributed**....Need for more equability... destination, pools or other?
- 🌸 **Standards for tax rebates**...Eliminate the “if we don’t do it, the city next door will” problem.



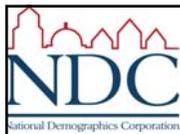


www.NDCresearch.com  
@NDCresearch

## The Districting Process The Demographer's Perspective

January 29, 2015

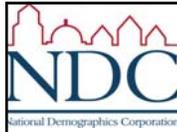
Douglas Johnson, President  
National Demographics Corporation (NDC)



2

## Which Cities are Vulnerable?

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## Factors Leading to Lawsuits

3

- Election System
- Demographics
- Election history
- Location
- Controversy / Trigger

January 29, 2015



## The Largest Cities

4

Tpop Rank	City	Election System	Council	2012 Pct. of CVAP				2010 Total Pop.
				Latinos	Latino	NH Wht	African-Amer.	
1	Los Angeles	By D	5	32%	41%	6%	10%	3,792,621
2	San Diego	By D	3	20%	55%	4%	12%	1,307,402
3	San Jose	By D	2	24%	39%	2%	28%	945,942
4	San Francisco	By D	0	11%	48%	4%	26%	805,235
5	Fresno	By D	1	36%	42%	4%	8%	494,665
6	Sacramento	By D	0	18%	44%	7%	14%	466,488
7	Long Beach	By D	1	27%	41%	8%	11%	462,257
8	Oakland	Mixed	1	12%	34%	15%	14%	390,724
9	Bakersfield	By D	0	34%	49%	5%	4%	347,483
10	Anaheim	By D	0	34%	43%	2%	16%	336,265
11	Santa Ana	From D	7	59%	21%	2%	15%	324,528
12	Riverside	By D	0	36%	45%	5%	6%	303,871
13	Stockton	From D	2	29%	33%	7%	17%	291,707
14	Chula Vista	By D	3	48%	29%	4%	13%	243,916
15	Fremont	At L	0	13%	37%	3%	38%	214,089
16	Irvine	At L	0	9%	53%	1%	27%	212,375
17	San Bernardino	By D	1	47%	29%	9%	4%	209,924
18	Modesto	By D	2	25%	60%	2%	5%	201,165
19	Oxnard	At L	2	56%	27%	2%	9%	197,899
20	Fontana	At L	0	54%	24%	8%	6%	196,069
21	Moreno Valley	By D	3	41%	29%	10%	6%	193,365
22	Glendale	At L	1	15%	66%	1%	13%	191,719
23	Huntington Beach	At L	0	13%	74%	1%	9%	189,992
24	Santa Clara	At L	0	21%	65%	2%	7%	176,320
25	Garden Grove	At L	0	23%	52%	1%	38%	170,883
26	Santa Rosa	At L	1	14%	76%	2%	4%	167,815
27	Oceanside	At L	1	23%	61%	3%	6%	167,086
28	Rancho Cucamonga	At L	0	31%	49%	5%	8%	165,269
29	Ontario	At L	1	55%	29%	5%	4%	163,924
30	Lancaster	At L	0	30%	43%	11%	4%	156,633

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<http://bit.ly/11SenKn>



## Cities by Population

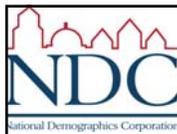
5

	# Cities	Mixed / By-District	Pct
250,000+	13	11	85%
150,000 - 250,000	21	5	24%
100,000 - 150,000	32	7	22%
50,000 - 100,000	105	13	12%
25,000 - 50,000	93	2	2%
<25,000	216	5	2%
Total in Database	480	43	9%

Hollister, Los Banos  
Bradbury, Parlier, Dinuba,  
Seal Beach, Sanger

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<http://bit.ly/1SsnKa>



6

## Drawing Trustee Areas

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# NDC The Process

National Demographics Corporation

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1. Announce decision to change and begin public outreach
2. Adopt Criteria
3. Kickoff Round of Hearings / Forums (optional)
4. Public & Consultant Draft Plans
5. Public Forums and Council Hearings on Draft Plans
6. Council Consideration (and likely plan revisions)
7. Adoption of a Final Plan
8. Public Vote on the Change to By-District Elections \*
9. Implementation with County Registrar
10. Notify Voters
11. Transition Elections



\* Charter cities can change the charter before drawing lines.

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# NDC NDC's "3 E's" of Public Outreach

National Demographics Corporation

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- **Engage**
  - Let people know the process is occurring
- **Educate**
  - Teach people about the rules and tools
- **Empower**
  - Let people be heard and even draw their own maps

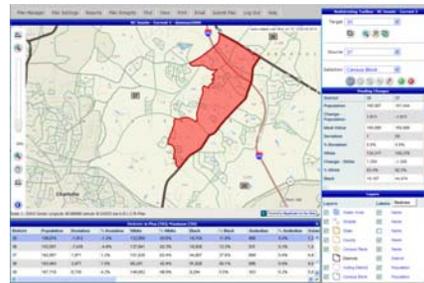


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## Decide on Tools

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- ❑ Is there budget and time for:
  - ❑ Online system?
  - ❑ Paper participation kit?
  - ❑ Public forums to distribute, explain, and assist?



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## Initial Outreach

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- ❑ Utility bill mailing
- ❑ Separate mailing
- ❑ City email lists
- ❑ City Social Media outlets
- ❑ **Engaged / Interested organizations, especially “Protected Class” groups**
- ❑ Schools
- ❑ **Councilmembers’ personal connections**
- ❑ Council meetings
- ❑ Cable TV announcements
- ❑ Media articles
- ❑ Newspaper advertisements
- ❑ **News coverage**



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## Kickoff Hearings/Forums

11

- Optional: 1<sup>st</sup> round “blank slate” informal forum(s) or Council Hearing(s)
  - Discuss “communities of interest”
  - Gather public input on what are the “communities of interest”
  - (if used) distribute and train on plan-drawing tools
  
- “Blank Slate” forums have lower attendance than forums after draft plans are released, but some groups want / demand input before draft plans are drawn

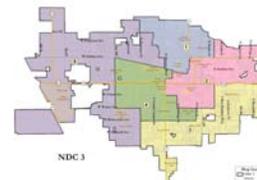
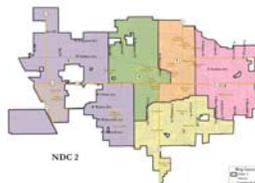


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## Draft Plans Created

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- The public (hopefully) will submit plan suggestions and/or full plans
  
- Your demographer will also submit draft plans
  
- The more plans, the better!
  - Your demographer will organize and summarize the plans for you



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## Draft Plan Forums/Hearings

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- Once an initial set of plans is released, the media and public will engage on a much broader level
- Plans are meant to change
- Additional plans are still possible
- City can decide whether to hold informal community forums, or to go straight to Council Hearings



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## Vote & Implementation

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- A simple majority vote is all that is required to adopt a plan
- A separate vote to place the measure on the ballot is needed
- If voters approve the change, the demographer will work with the County Registrar to implement the by-district map



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# NDC Transition

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- Districts hold elections on same timeline as at-large Councilmember terms expire
- Vacancies are filled in same manner as departing Councilmember was elected
- Incumbents may move residences or shift terms



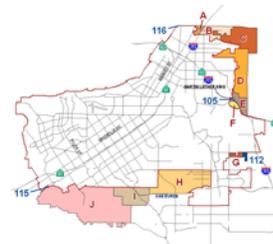
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# NDC Changes in City Operations

National Demographics Corporation

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- No changes in operations legally required
- But change often happens
- Future annexations need to have their district assignments specified when approved
- Redistrict after every decennial Census
  - Data released before April 1 of years ending in "1"



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## City Staff Considerations

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- ❑ Districting and redistricting get a lot of Councilmember time and attention
- ❑ Councilmembers often have unspoken agendas in districting and redistricting
- ❑ Drawing lines can get contentious and resentment can linger for months
- ❑ Be careful when considering how active a role to have City staff play in drawing lines
  
- ❑ If the change is made, Councilmembers elected by district have different voters, different agendas, and different motivations, than Councilmembers elected at-large



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## More Information

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- ❑ Follow our Facebook page and/or Twitter feed for updates
  - @NDCresearch.com
  - Sign up for email newsletter on [www.NDCresearch.com](http://www.NDCresearch.com)
  - Follow “National Demographics Corporation” on Facebook
  - Follow “California Voting Rights Act” on Facebook
- ❑ Coverage includes:
  - Updates on CVRA and by-district activity
  - Lists of jurisdictions converting to by-district elections
  - Track potential CVRA changes in Sacramento and/or legal rulings



January 29, 2015



## **CITY OF HUGHSON AGENDA ITEM NO. 4.1**

### **SECTION 4: UNFINISHED BUSINESS**

**Meeting Date:** February 23, 2015

**Subject:** Approval of State of California-Natural Resources Agency Department of Parks and Recreation Grant Contract from the Land and Water Conservation Fund for the Seventh Street Park Acquisition Project

**Enclosures:** 1) Land and Water Conservation Fund Grant Contract Project Number 06-01771 Contract Number C8957012  
2) Williamson Act Contract #76-2397 LAFCO Protest Documentation

**Presented By:** Raul L. Mendez, City Manager

**Approved By:** \_\_\_\_\_

---

#### **Staff Recommendation:**

Authorize the City Manager on behalf of the City of Hughson to execute the State of California-Natural Resources Agency Department of Parks and Recreation Grant Contract from the Land and Water Conservation Fund for the Seventh Street Park Acquisition Project and the purchase of 19.65 acres of real property owned by the Hughson Unified School District near the corner of Whitmore Avenue and Seventh Street.

#### **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 subject property consisted of 19.65 acres of real property owned by the Hughson Unified School District and located near the corner of Whitmore Avenue and Seventh Street.

The Land and Water Conservation Fund program required that an appraisal and independent review be conducted. The City and School District cooperatively shared in the cost of the appraisal performed by Way and Associates. The final appraisal estimated the proposed property value at \$685,000.

The grant provides 50% of the cost for property acquisition based on the appraised value and will 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 proposed park site.

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. In order to secure the funding, the City and the School District entered into a Memorandum of Understanding on May 15, 2014 indicating their intent to negotiate the purchase price and allow the public surplus property disposition process to be completed.

In September 2014, the Hughson Unified School District notified the City of Hughson that it had concluded its public surplus property disposition process for the subject property as required by the State of California Education Code. The School District indicated that it had received interest to purchase the surplus property from one party--the City of Hughson.

On October 13, 2014, the Hughson City Council directed City staff to proceed with the purchase of the subject property from the Hughson Unified School District and the park acquisition project consistent with the Land and Water Conservation Fund grant application. The City Attorney was directed to work the School District legal counsel to finalize the language in the purchase price agreement and the City Manager was authorized to execute the document. City and School District staff worked cooperatively to complete this necessary task and the item has been brought back to the City Council in near final form to allow for the review of the terms and conditions.

On November 25, 2014, the City Manager fully executed the Agreement for Purchase and Sale of Real Property and Initial Escrow Instructions. The School Superintendent took similar action on November 18, 2014. Shortly thereafter, respective legal counsels from both agencies commenced initial escrow instructions. In order to allow the Hughson Unified School District adequate time to provide documentation as specified in the Agreement, on December 19, 2014, an amendment was agreed that provided additional time for items such as delivery of diligence documentation (January 12, 2015), notification of any initial disapproved matters (February 12, 2015), inspection period (March 30, 2015) and closing date (April 27, 2015 or other date mutually agreed upon).

#### Land and Water Conservation Fund Contract

On December 23, 2014, the City of Hughson received the contract for the above reference project from the State of California-Natural Resources Agency Department of Parks and Recreation. Per the notice received, the National Park Service confirmed Federal approval on September 3, 2014—this date will act as the start date of the grant performance period shown on the enclosed contract. The City of Hughson was instructed to sign and return the contract within 30 days to the Office of Grants and Local Services. A copy will be returned to the City after it is signed by the State of California.

As part of the review of the Preliminary Title Report prepared by Old Republic Title Company, the City Attorney identified two encumbrances on the title that could affect the transaction. The first is an easement over the entire parcel allowing adjacent parcels a right to install ditches to convey agriculture water through the

subject parcel dated August 20, 1907 in perpetuity. The second is that the title report references that the property has a Williamson Act-Land Conservation contract dated February 19, 1976.

City staff brought these findings to the City Council during its regular meeting on January 12, 2015. At that time, the City Attorney indicated that it had been in contact with the California Department of Parks and Recreation and had received a 30-day extension on the contract to allow enough time to research these two issues and address them accordingly. The City Council hence tabled authorizing execution of the contract until this work could be conducted by City staff. Since the property is included within an agricultural preserve by County ordinance, the City Council did authorize the City Manager to provide notice of its planned purchase in accordance with the notice provisions of the law finding that a primary consideration of the purchase of the land is not the lower cost of agricultural preserved land.

The following is a summary of the work conducted and conclusions reached to be the basis for staff's recommendation to proceed forward with the Seventh Street Park Project as originally planned.

#### *Ditch to Convey Agriculture Water*

City staff has been in contact with both the Hughson Unified School District and the Turlock Irrigation District regarding the ditch easement restriction. City staff contacted the local farmer whom currently farms the property for the School District to discuss the irrigation pipeline. He indicated that the pipeline serves the property essentially traveling through the 19.65 acre portion ending at the 9.4 acre portion.

City staff was able to confirm the location of the irrigation pipeline with the Turlock Irrigation District, the owner of the infrastructure, who provided the map depicted on the next page for illustration purposes. The Turlock Irrigation District has indicated that the ditch reservation does not appear to present a significant risk since the irrigation distribution system in the area of the subject parcel is already fully developed and all irrigable lands already receive water. Rather, from their perspective the more relevant encumbrance of the subject parcel (19.65 acres) with respect to irrigation is the existing pipeline crossing the parcel, which continues on to also serve the adjacent 9.4 acre parcel. In as much as the pipeline passes through the middle of the subject parcel, any future development of the parcel could require the replacement, and likely relocation, of this pipeline in order to maintain a safe and reliable service to the adjacent parcels.

The ditch encumbrance, while a restriction, is similar to other easements that may exist on the property (i.e., utilities or highway on the property along Seventh Street). As such, the City during its park development design would need to account for all said easements. Through the execution of the State contract, if approved, the City would commit to preserving all easements in perpetuity. Costs related to the preservation of such easements would be addressed and contained in the development of the park and based on the conceptual design. For purposes

of discussion, City staff is gathering information on the anticipated replacement/relocation cost of this component of development and all alternatives.



### *Williamson Act Contract*

As previously mentioned, City staff did some initial research on the Williamson Act Contract restriction last month by contacting both Stanislaus County (Assessor and Planning and Community Development Department) and the California Department of Conservation who both have oversight responsibility in administering the California Land Conservation Act of 1965 which enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural and related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon family and open space uses as opposed to full market value. Stanislaus County informed the City at that time that the Williamson Act Contract was not active nor had it been for some time. City staff

verified this with the California Department of Conservation by reviewing its online maps for active contracts.

The Williamson Act Contract issue in question was recorded on February 19, 1976. With the help of Stanislaus County LAFCO (Local Agency Formation Commission), City staff located the documents showing that the City of Hughson actually protested the execution of the Williamson Act Contract (still appearing of record as Contract No. 76-2397), and that by Resolution dated April 19, 1978, LAFCO upheld the protest. The Hughson Unified School District is exploring filing a notice of termination or cancellation reflecting the successful protest and working with Old Republic Title Company to effectively remove the contract from the real estate records.

Per the requirements of the LWCF grant, a Deed Restriction, must be recorded prior to final payment with the Federal restriction that ensures that the property is used for public outdoor recreation consistent with Section 6(f)(3) of the LWCF Act and for in perpetuity.

#### Discussion at the February 9, 2015 Meeting

This item was discussed at length at the regular meeting of the City Council on February 9, 2014. City staff presented an update on their work to mitigate, as possible, the two encumbrances of note. Mr. Randy Garcia who currently farms the subject property was also there to share relevant information for Council consideration. He discussed the actual location of the irrigation pipeline, irrigation practices, drainage issues, farming agreement and other historical information. The City Council deliberated extensively and the irrigation pipeline became the focus of the discussion in regards to ensuring service and access to the corner property if purchased, current location, possible relocation and replacement, associated costs (replacement and maintenance), liability, etc.

City staff was directed to gather additional information regarding the irrigation pipeline and return back with information and possible options to minimize the exposure, risk and cost. As of the timing of the preparation of this staff report, City staff was still gathering this information and will present all such findings during the meeting.

The City Manager has met with the School District Superintendent to discuss these issues in light of the executed purchase price agreement and the State funding contract currently under consideration by the City Council. Furthermore, the City Attorney has formally expressed the City's concerns with the two encumbrances previously discussed as required and is anticipating a response from the School Districts legal counsel as their plan to cure the two encumbrances.

The schedule per the current purchase price agreement is as follows for reference.

- January 12, 2015 – Delivery of diligence documentation.
- February 12, 2015 – Notification of Any Initial Disapproved Matters.
- February 23, 2015 – Execution of State Grant Contract.
- March 30, 2015 – Inspection period.
- April 27, 2015 – Escrow closing date.

At the February 23, 2015 regular meeting, the Hughson City Council will be asked to give final consideration of staff's recommendation to proceed with the execution of the State funding contract and hence the Seventh Street Park Acquisition Project as contemplated in the City of Hughson's Land and Water Conservation Funds' grant application.

**Fiscal Impact:**

As indicated in the Fiscal Year 2014-2015 Final Adopt Budget, the City anticipates having approximately \$918,000 available in two capital project (Park Development and Park In Lieu) funds at year-end. The City's portion of the acquisition cost is \$342,500, leaving approximately \$575,500 remaining. It is important to note that the City Council recently allocated up to \$80,000 from these funding sources for the Starn Park Playground Replacement Project. If fully utilized, the balance in both accounts would be approximately \$500,000.



DEPARTMENT OF PARKS AND RECREATION  
P.O. Box 942896 • Sacramento, CA 94296-0001  
916-653-7423

Lisa Ann L. Mangat, Acting Director

December 22, 2014

Raul Mendez  
City Manager  
City of Hughson  
7018 Pine Street  
Hughson, CA 95326

Re: Project Name: Seventh Street Park Acquisition  
Program Name: Land and Water Conservation Fund (LWCF)  
Competitive  
Project Number: 06-01771  
Contract Number: C8957012

Dear Raul Mendez,

Enclosed is a contract for the above-referenced project. The National Park Service (NPS) confirmed federal approval on September 3, 2014; this date will act as the start date of the grant performance period shown on the enclosed contract.

Please sign and return the contract within 30 days to the Office of Grants and Local Services (OGALS). We will return a copy after it is signed by the State. Please remember that your project must comply with all applicable state and federal laws and regulations including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and the laws and codes pertaining to individuals with disabilities.

**Deed Restriction**

A Deed Restriction must be recorded prior to final payment. This project's Deed Restriction document along with instructions will be included with the fully executed contract. The Deed Restriction provides notice of the LWCF grant requirements and must be recorded on the title to the property and submitted with the Grant Completion Packet. For more information, see pages 7, 18, and 35 in the LWCF Grant Administration Guide (Final Draft – October 18, 2013) located at [http://www.parks.ca.gov/?Page\\_id=21360](http://www.parks.ca.gov/?Page_id=21360).

CITY OF HUGHSON

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RECEIVED

December 22, 2014  
Page Two

If you have any questions, please contact me directly at (916) 651-7744 or email me at [Melinda.Steinert@parks.ca.gov](mailto:Melinda.Steinert@parks.ca.gov).

Sincerely,

A handwritten signature in cursive script that reads "Melinda Steinert". The signature is written in black ink and is positioned above the typed name.

Melinda Steinert  
Project Officer

Enclosure(s)

State of California - Natural Resources Agency  
**Department of Parks and Recreation**  
**GRANT CONTRACT**  
**Land and Water Conservation Fund**  
**Competitive**

GRANTEE City of Hughson  
 PROJECT TITLE SEVENTH STREET PARK ACQUISITION PROJECT NUMBER 06-01771

GRANT PERFORMANCE PERIOD is from September 03, 2014 thru June 30, 2017

The GRANTEE agrees to the terms and conditions of this contract, hereinafter referred to as AGREEMENT, and the State of California, acting through its Liaison Officer pursuant to the program named above, and agrees to fund the total State grant amount indicated below. The GRANTEE agrees to complete the GRANT SCOPE as defined in the GRANT SCOPE/Cost Estimate Form of the APPLICATION filed with the State of California referenced by the project number indicated above.

**PROJECT DESCRIPTION:**

Acquire approximately 20 acres to create the new 7th Street Park in the City of Hughson.

Total State Grant not to exceed \$342,500.00 (or 50% of the total project, whichever is less.)  
 Rate of Reimbursement 50.00%

City of Hughson  
 \_\_\_\_\_  
 Grantee

The General and Special Provisions attached are made a part of and incorporated into the Contract.

By \_\_\_\_\_  
 Typed or printed name of Authorized Representative

STATE OF CALIFORNIA  
 DEPARTMENT OF PARKS AND RECREATION

\_\_\_\_\_  
 Signature of Authorized Representative

By \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**CERTIFICATION OF FUNDING**

CONTRACT NO C8957012	AMENDMENT NO	CALSTARS VENDOR NO. 400000449500			PROJECT NO. 06-01771
AMOUNT ENCUMBERED BY THIS DOCUMENT \$342,500.00		FUND. Federal Trust Fund			
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT		ITEM 3790-101-0890(2)	CHAPTER 25/14	STATUTE 14	FISCAL YEAR 2014/15
TOTAL AMOUNT ENCUMBERED TO DATE \$ 342,500.00		INDEX. 1091	OBJ. EXPEND 702	PCA. 68958	PROJECT / WORK PHASE 091012-00
T.B.A. NO.	I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.				
B.R.. NO.	ACCOUNTING OFFICER'S SIGNATURE				DATE.

**State of California — The Resources Agency**  
DEPARTMENT OF PARKS AND RECREATION  
**Land and Water Conservation Fund**  
***Grant Contract Provisions***

**Part I - Definitions**

- A. The term "NPS" or "Service" as used herein means the National Park Service, United States Department of the Interior.
- B. The term "Director" as used herein means the Director of the National Park Service, or any representative lawfully delegated the authority to act for such Director.
- C. The term "Manual" as used herein means the Land and Water Conservation Fund State Assistance Program Manual.
- D. The term "project" as used herein means a Land and Water Conservation Fund grant which is subject to the project agreement and/or its subsequent amendments.
- E. The term "State" as used herein means the State or Territory which is a party to the project agreement, and, where applicable, the political subdivision or public agency to which funds are to be transferred pursuant to this agreement. Wherever a term, condition, obligation, or requirement refers to the State, such term, condition, obligation, or requirement shall also apply to the recipient political subdivision or public agency, except where it is clear from the nature of the term, condition, obligation, or requirement that it is to apply solely to the State. For purposes of these provisions, the terms "State," "grantee," and "recipient" are deemed synonymous.
- F. The term "Secretary" as used herein means the Secretary of the Interior, or any representative lawfully delegated the authority to act for such Secretary.

**Part II - Continuing Assurances**

The parties to the project agreement specifically recognize that the Land and Water Conservation Fund project creates an obligation to maintain the property described in the project agreement and supporting application documentation consistent with the Land and Water Conservation Fund Act and the following requirements.

Further, it is the acknowledged intent of the parties hereto that recipients of assistance will use monies granted hereunder for the purposes of this program, and that assistance granted from the Fund will result in a net increase, commensurate at least with the Federal cost-share, in a participant's outdoor recreation.

It is intended by both parties hereto that assistance from the Fund will be added to, rather than replace or be substituted for, State and local outdoor recreation funds.

- A. The State agrees, as recipient of this assistance, that it will meet the following specific requirements and that it will further impose these requirements, and the terms of the project agreement, upon any political subdivision or public agency to which funds are transferred pursuant to the project agreement. The State also agrees that it shall be responsible for compliance with the terms of the project agreement by such a political subdivision or public agency and that failure by such political subdivision or public agency to so comply shall be deemed a failure by the State to comply with the terms of this agreement.

B. The State agrees that the property described in the project agreement and the NPS signed and dated project boundary map made part of that agreement is being acquired or developed with Land and Water Conservation Fund assistance, or is integral to such acquisition or development, and that, without the approval of the Secretary, it shall not be converted to other than public outdoor recreation use but shall be maintained in public outdoor recreation in perpetuity or for the term of the lease in the case of leased property. The Secretary shall approve such conversion only if it is found to be in accord with the then existing comprehensive statewide outdoor recreation plan and only upon such conditions deemed necessary to assure the substitution of other recreation properties of at least equal fair market value and of reasonably equivalent usefulness and location pursuant to Title 36 Part 59.3 of the Code of Federal Regulations. This replacement land becomes subject to Section 6(f)(3) protection. The approval of a conversion shall be at the sole discretion of the Secretary, or his designee.

Prior to the completion of this project, the State and the Director may mutually alter the area described in the project agreement and the signed and dated project boundary map to provide the most satisfactory public outdoor recreation unit, except that acquired parcels are afforded Section 6(f)(3) protection as Fund reimbursement is provided.

In the event the NPS provides Land and Water Conservation Fund assistance for the acquisition and/or development of property with full knowledge that the project is subject to reversionary rights and outstanding interests, conversion of said property to other than public outdoor recreation uses as a result of such right or interest being exercised will occur. In receipt of this approval, the State agrees to notify the Service of the potential conversion as soon as possible and to seek approval of replacement property in accord with the conditions set forth in these provisions and program regulations. The provisions of this paragraph are also applicable to: leased properties acquired and/or developed with Fund assistance where such lease is terminated prior to its full term due to the existence of provisions in such lease known and agreed to by the Service; and properties subject to other outstanding rights and interests that may result in a conversion when known and agreed to by the Service.

C. The State agrees that the benefit to be derived by the United States from the full compliance by the State with the terms of this agreement is the preservation, protection, and the net increase in the quality of public outdoor recreation facilities and resources which are available to the people of the State and of the United States, and such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the United States by way of assistance under the terms of this agreement. The State agrees that payment by the State to the United States of an amount equal to the amount of assistance extended under this agreement by the United States would be inadequate compensation to the United States for any breach by the State of this agreement.

The State further agrees, therefore, that the appropriate remedy in the event of a breach by the State of this agreement shall be the specific performance of this agreement or the submission and approval of a conversion-of-use request as described in Section II.B above.

D. The State agrees to comply with the policies and procedures set forth in Manual. Provisions of said Manual are incorporated into and made a part of the project agreement.

E. The State agrees that the property and facilities described in the project agreement shall be operated and maintained as prescribed by Manual requirements and published post-completion compliance regulations (Title 36 Part 59 of the Code of Federal Regulations).

F. The State agrees that a permanent record shall be kept in the participant's public property records and available for public inspection to the effect that the property described in the scope of the project agreement, and the signed and dated project boundary map made part of that agreement, has been acquired or developed with Land and Water Conservation Fund assistance and that it cannot be converted to other than public outdoor recreation use without the written approval of the Secretary of the Interior.

#### G. Nondiscrimination

1. By signing the LWCF agreement, the State certifies that it will comply with all Federal laws relating to nondiscrimination as outlined in the Civil Rights Assurance appearing at Part III-I herein.

2. The State shall not discriminate against any person on the basis of residence, except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence as set forth in the Manual.

### **Part III - Project Assurances**

#### A. Applicable Federal Circulars

The State shall comply with applicable regulations, policies, guidelines and requirements as they relate to the application, acceptance and use of Federal funds for this federally assisted project, including:

- OMB Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments;
- 43 CFR Part 12, Administrative and Audit Requirements and Cost Principles for Assistance Programs, Department of the Interior;
- A-87, Cost Principles for State, Local, and Indian Tribal Governments; and
- A-133, Audits of States, Local Governments, and Non-Profit Organizations.

#### B. Project Application

1. The Application for Federal Assistance bearing the same project number as the agreement and associated documents is by this reference made a part of the agreement.

2. The State possesses legal authority to apply for the grant, and to finance and construct the proposed facilities. A resolution, motion or similar action has been duly adopted or passed authorizing the filing of the application, including all understandings and assurances contained herein, and directing and authorizing the person identified as

the official representative of the State to act in connection with the application and to provide such additional information as may be required.

3. The State has the capability to finance the non-Federal share of the costs for the project. Sufficient funds will be available to assure effective operation and maintenance of the facilities acquired or developed by the project.

#### C. Project Execution

1. The project period shall begin with the date of approval of the project agreement or the effective date of a waiver of retroactivity and shall terminate at the end of the stated or amended project period unless the project is completed or terminated sooner in which event the project shall end on the date of completion or termination.

2. The State shall transfer to the project sponsor identified in the Application for Federal Assistance or the Description and Notification Form all funds granted hereunder except those reimbursed to the State to cover eligible administrative expenses.

3. The State will cause work on the project to be commenced within a reasonable time after receipt of notification that funds have been approved and assure that the project will be prosecuted to completion with reasonable diligence.

4. The State will require the facility to be designed to comply with the Architectural Barriers Act of 1968 (Public Law 90-480) and DOI Section 504 Regulations (43 CFR Part 17). The State will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

5. The State shall secure completion of the work in accordance with approved construction plans and specifications, and shall secure compliance with all applicable Federal, State, and local laws and regulations.

6. In the event the project covered by the project agreement, cannot be completed in accordance with the plans and specifications for the project; the State shall bring the project to a point of recreational usefulness agreed upon by the State and the Director or his designee.

7. The State will provide for and maintain competent and adequate architectural/engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications; that it will furnish progress reports and such other information as the NPS may require.

8. The State will comply with the terms of Title II and Title III, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), 94 Stat. 1894 (1970), and the applicable regulations and procedures implementing such Act for all real property acquisitions and where applicable shall assure that the Act has been complied with for property to be developed with assistance under the project agreement.

9. The State will comply with the provisions of: Executive Order 11988, relating to evaluation of flood hazards; Executive Order 11288, relating to the prevention, control, and abatement of water pollution, and Executive Order 11990 relating to the protection of wetlands.

10. The State will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available, as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes, for use in any area that has been identified as an area having special flood hazards by the Flood Insurance Administration of the Federal Emergency Management Agency. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

11. The State will assist the NPS in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archaeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to effects (see CFR Part 800.8) by the activity, and notifying the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties.

12. The State will comply with "Minority Business Enterprises" and "Women's Business Enterprises" pursuant to Executive Orders 11625 and 12138 as follows:

- (1) Place minority and women business firms on bidder's mailing lists.
- (2) Solicit these firms whenever they are potential sources of supplies, equipment, construction, or services.
- (3) Where feasible, divide total requirements into smaller needs, and set delivery schedules that will encourage participation by these firms.
- (4) The Department of the Interior is committed to the objectives of this policy and encourages all recipients of its grants and cooperative agreements to take affirmative steps to ensure such fairness.

The National Park Service Regional Offices will work closely with the States to ensure full compliance and that grant recipients take affirmative action in placing a fair share of purchases with minority business firms.

13. The State will comply with the intergovernmental review requirements of Executive Order 12372.

D. Construction Contracted for by the State Shall Meet the Following Requirements:

1. Contracts for construction shall comply with the provisions of 43 CFR Part 12 (Administrative and Audit Requirements and Cost Principles for Assistance Programs, Department of the Interior).

2. No grant or contract may be awarded by any grantee, subgrantee or contractor of any grantee or subgrantee to any party which has been debarred or suspended under Executive Order 12549. By signing the LWCF agreement, the State certifies that it will comply with debarment and suspension provisions appearing at Part III-J herein.

#### E. Retention and Custodial Requirements for Records

1. Financial records, supporting documents, statistical records, and all other records pertinent to this grant shall be retained in accordance with 43 CFR Part 12 for a period of three years; except the records shall be retained beyond the three-year period if audit findings have not been resolved.
2. The retention period starts from the date of the final expenditure report for the project.
3. State and local governments are authorized to substitute copies in lieu of original records.
4. The Secretary of the Interior and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the State and local governments and their subgrantees which are pertinent to a specific project for the purpose of making audit, examination, excerpts and transcripts.

#### F. Project Termination

1. The Director may temporarily suspend Federal assistance under the project pending corrective action by the State or pending a decision to terminate the grant by the Service.
2. The State may unilaterally terminate the project at any time prior to the first payment on the project. After the initial payment, the project may be terminated, modified, or amended by the State only by mutual agreement.
3. The Director may terminate the project in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of the grant. The Director will promptly notify the State in writing of the determination and the reasons for the termination, together with the effective date. Payments made to States or recoveries by the Service under projects terminated for cause shall be in accord with the legal rights and liabilities of the parties.
4. The Director or State may terminate grants in whole, or in part at any time before the date of completion, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The NPS may allow full credit to the State for the Federal share of the noncancelable obligations, properly incurred by the GRANTEE prior to termination.
5. Termination either for cause or for convenience requires that the project in question be brought to a state of recreational usefulness agreed upon by the State and the Director or that all funds provided by the National Park Service be returned.

#### G. Lobbying with Appropriated Funds

The State must certify, for the award of grants exceeding \$100,000 in Federal assistance, that no Federally appropriated funds have been paid or will be paid, by or

on behalf of the State, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding, extension, continuation, renewal, amendment, or modification of this grant. In compliance with Section 1352, title 31, U.S. Code, the State certifies, as follows:

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### H. Provision of a Drug-Free Workplace

In compliance with the Drug-Free Workplace Act of 1988 (43 CFR Part 12, Subpart D), the State certifies, as follows:

The grantee certifies that it will or continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about:

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of a grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted;

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The State must include with its application for assistance a specification of the site(s) for the performance of work to be done in connection with the grant.

#### I. Civil Rights Assurance

The State certifies that, as a condition to receiving any Federal assistance from the Department of the Interior, it will comply with all Federal laws relating to nondiscrimination. These laws include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-1), which prohibits discrimination on the basis of race, color, or national origin; (b) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicap; (c) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et. seq.), which prohibits discrimination on the basis of age; and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, handicap or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity conducted by the

applicant. THE APPLICANT HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE shall apply to all aspects of the applicant's operations including those parts that have not received or benefited from Federal financial assistance.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Department.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Department, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date.

The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United State shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, and subrecipients and the person whose signature appears on the grant agreement and who is authorized to sign on behalf of the Applicant

#### J. Debarment and Suspension

#### **Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The State further agrees that it will include the clause "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" appearing below in any agreement entered into with lower tier participants in the implementation of this grant. Department of Interior Form 1954 (DI-1954) may be used for this purpose.

**Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions**

(1) The prospective lower tier participant certifies, by submission of this application that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this application.

**K. Hold Harmless**

The Grantee shall indemnify the State of California and its officer, agents and employees against and hold the same free and harmless from any and all claims, demands, damages, losses, costs, and/or expenses of liability due to, or arising out of, either in whole or in part, whether directly or indirectly, the organization, Development, construction, operation, or maintenance of the Project.

1 HUGHSON CITY COUNCIL

2 RESOLUTION NO. 76-18

3 RESOLUTION PROTESTING EXECUTION OF WILLIAMSON ACT CONTRACT  
4

5 WHEREAS, the City of Hughson has been notified of the  
6 Open-Space Contract Application No. 76-2387 received by the  
7 Stanislaus County Board of Supervisors from R. O. Camagna, et al  
8 with respect to real property located at 7448 East Whitmore  
9 Avenue near the City of Hughson in Stanislaus County; and

10 WHEREAS, the City of Hughson has been notified that said  
11 property lies within one mile of the corporate limits of the City  
12 of Hughson and that the Board of Supervisors of Stanislaus County  
13 intends to consider a contract with respect to said property  
14 under the California Land Conservation Act of 1965 on February  
15 10, 1976; and

16 WHEREAS, the Hughson City Council finds and determines  
17 that said property of R. O. Camagna, et al which is the subject  
18 of said application is within the City's 20 year sewer service  
19 planning area and within the area of potential and anticipated  
20 growth of the City of Hughson within the reasonably foreseeable  
21 future, and that it would be in the best interests of the City  
22 should it not have to succeed to all the rights, duties and  
23 powers of the County under such proposed contract in the event  
24 of annexation of said property;

25 NOW, THEREFORE, BE IT RESOLVED by the Hughson City  
26 Council that the City of Hughson does hereby protest the execu-  
27 tion of an Open-Space Contract by and between the County of Stan-  
28 islaus and R. O. Camagna, et al with respect to the real property  
29 located at 7448 East Whitmore Avenue which is the subject of  
30 Open-Space Contract Application No. 76-2387.

31 FURTHER RESOLVED that the City Administrator be, and he  
32 hereby is, authorized and instructed to deliver a certified copy

1 of this Resolution forthwith to the Stanislaus County Local  
2 Agency Formation Commission, and a copy thereof to the Stanislaus  
3 County Planning Commission.

4 PASSED AND ADOPTED by the Hughson City Council at a  
5 regular meeting thereof held on February 4, 1976 by the following  
6 vote:

7 AYES: Councilmen COMBS, BETTENCOURT, GALT, SCHRADER  
8 and FINK  
9 NOES: None  
10 ABSENT: None

11 Curtis L. Fink  
12 Mayor

13 ATTEST:  
14 Mary I. Holland  
15 City Clerk

16  
17 CLERK'S CERTIFICATE

18 I, MARY I. HOLLAND, City Clerk of the City of Hughson,  
19 do hereby certify that the foregoing is a full, true and correct  
20 copy of a Resolution duly passed and adopted by the Hughson City  
21 Council at a regular meeting thereof held on February 4, 1976.

22 Mary I. Holland  
23 Mary I. Holland  
24  
25  
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1 HUGHSON CITY COUNCIL

2 RESOLUTION NO. 76-19

3 RESOLUTION PROTESTING EXECUTION OF WILLIAMSON ACT CONTRACT  
4

5 WHEREAS, the City of Hughson has been notified of the  
6 Open-Space Contract Application No. 76-2349 received by the  
7 Stanislaus County Board of Supervisors from Wesley L. Peterson  
8 with respect to real property located at 820 Charles Avenue near  
9 the City of Hughson in Stanislaus County; and

10 WHEREAS, the City of Hughson has been notified that said  
11 property lies within one mile of the corporate limits of the City  
12 of Hughson and that the Board of Supervisors of Stanislaus County  
13 intends to consider a contract with respect to said property  
14 under the California Land Conservation Act of 1965 on February  
15 10, 1976; and

16 WHEREAS, the Hughson City Council finds and determines  
17 that said property of Wesley L. Peterson which is the subject of  
18 said application is within the City's 20 year sewer service  
19 planning area and within the area of potential and anticipated  
20 growth of the City of Hughson within the reasonably foreseeable  
21 future, and that it would be in the best interests of the City  
22 should it not have to succeed to all the rights, duties and  
23 powers of the County under such proposed contract in the event  
24 of annexation of said property;

25 NOW, THEREFORE, BE IT RESOLVED by the Hughson City  
26 Council that the City of Hughson does hereby protest the execu-  
27 tion of an Open-Space Contract by and between the County of Stan-  
28 islaus and Wesley L. Peterson with respect to the real property  
29 located at 820 Charles Avenue which is the subject of Open-Space  
30 Contract Application No. 76-2349.

31 FURTHER RESOLVED that the City Administrator be, and he  
32 hereby is, authorized and instructed to deliver a certified copy

1 of this Resolution forthwith to the Stanislaus County Local  
2 Agency Formation Commission, and a copy thereof to the Stanislaus  
3 County Planning Commission.

4 PASSED AND ADOPTED by the Hughson City Council at a  
5 regular meeting thereof held on February 4, 1976 by the following  
6 vote:

7 AYES: Councilmen COMBS, BETTENCOURT, GALT, SCHRADER  
8 and FINK

9 NOES: None

10 ABSENT: None

11 Curtis L. Fink  
12 Mayor

13 ATTEST:

14 Mary I. Holland  
15 City Clerk

16 CLERK'S CERTIFICATE

17 I, MARY I. HOLLAND, City Clerk of the City of Hughson,  
18 do hereby certify that the foregoing is a full, true and correct  
19 copy of a Resolution duly passed and adopted by the Hughson City  
20 Council at a regular meeting thereof held on February 4, 1976.

21  
22 Mary I. Holland  
23 Mary I. Holland

1 HUGHSON CITY COUNCIL

2 RESOLUTION NO. 76-20

3 RESOLUTION PROTESTING EXECUTION OF WILLIAMSON ACT CONTRACT  
4

5 WHEREAS, the City of Hughson has been notified of the  
6 Open-Space Contract Application No. 76-2287 received by the Stan-  
7 islaus County Board of Supervisors from Kenneth and Carol Lundell  
8 with respect to real property located at 1830 Euclid Road near  
9 the City of Hughson in Stanislaus County; and

10 WHEREAS, the City of Hughson has been notified that said  
11 property lies within one mile of the corporate limits of the City  
12 of Hughson and that the Board of Supervisors of Stanislaus County  
13 intends to consider a contract with respect to said property  
14 under the California Land Conservation Act of 1965 on February  
15 10, 1976; and

16 WHEREAS, the Hughson City Council finds and determines  
17 that said property of Kenneth and Carol Lundell which is the sub-  
18 ject of said application is within the City's 20 year sewer serv-  
19 ice planning area and within the area of potential and antici-  
20 pated growth of the City of Hughson within the reasonably fore-  
21 seeable future, and that it would be in the best interests of the  
22 City should it not have to succeed to all the rights, duties and  
23 powers of the County under such proposed contract in the event  
24 of annexation of said property;

25 NOW, THEREFORE, BE IT RESOLVED by the Hughson City  
26 Council that the City of Hughson does hereby protest the execu-  
27 tion of an Open-Space Contract by and between the County of Stan-  
28 islaus and Kenneth and Carol Lundell with respect to the real  
29 property located at 1830 Euclid Road which is the subject of  
30 Open-Space Contract Application No. 76-2287.

31 FURTHER RESOLVED that the City Administrator be, and he  
32 hereby is, authorized and instructed to deliver a certified copy

1 of this Resolution forthwith to the Stanislaus County Local  
2 Agency Formation Commission, and a copy thereof to the Stanislaus  
3 County Planning Commission.

4 PASSED AND ADOPTED by the Hughson City Council at a  
5 regular meeting thereof held on February 4, 1976 by the following  
6 vote:

7 AYES: Councilmen COMBS, BETTENCOURT, GALT, SCHRADER  
8 and FINK

9 NOES: None

10 ABSENT: None

11 Curtis L. Fink  
12 Mayor

13 ATTEST:

14 Mary I. Holland  
15 City Clerk

16 CLERK'S CERTIFICATE

17 I, MARY I. HOLLAND, City Clerk of the City of Hughson,  
18 do hereby certify that the foregoing is a full, true and correct  
19 copy of a Resolution duly passed and adopted by the Hughson City  
20 Council at a regular meeting thereof held on February 4, 1976.

21  
22 Mary I. Holland  
23 Mary I. Holland

1 HUGHSON CITY COUNCIL

2 RESOLUTION NO. 76-21

3 RESOLUTION PROTESTING EXECUTION OF WILLIAMSON ACT CONTRACT  
4

5 WHEREAS, the City of Hughson has been notified of the  
6 Open-Space Contract Application No. 76-2336 received by the Stan-  
7 islaus County Board of Supervisors from George R. Crabtree with  
8 respect to real property located at 1554 Tully Road and 1784 and  
9 1984 Santa Fe Avenue near the City of Hughson in Stanislaus  
10 County; and

11 WHEREAS, the City of Hughson has been notified that said  
12 property lies within one mile of the corporate limits of the City  
13 of Hughson and that the Board of Supervisors of Stanislaus County  
14 intends to consider a contract with respect to said property  
15 under the California Land Conservation Act of 1965 on February  
16 10, 1976; and

17 WHEREAS, the Hughson City Council finds and determines  
18 that said property of George R. Crabtree which is the subject of  
19 said application is within the City's 20 year sewer service  
20 planning area and within the area of potential and anticipated  
21 growth of the City of Hughson within the reasonably foreseeable  
22 future, and that it would be in the best interests of the City  
23 should it not have to succeed to all the rights, duties and  
24 powers of the County under such proposed contract in the event  
25 of annexation of said property;

26 NOW, THEREFORE, BE IT RESOLVED by the Hughson City  
27 Council that the City of Hughson does hereby protest the execu-  
28 tion of an Open-Space Contract by and between the County of Stan-  
29 islaus and George R. Crabtree with respect to the real property  
30 located at 1554 Tully Road and 1784 and 1984 Santa Fe Avenue  
31 which is the subject of Open-Space Contract Application No. 76-  
32 2336.



1 HUGHSON CITY COUNCIL

2 RESOLUTION NO. 76-22

3 RESOLUTION PROTESTING EXECUTION OF WILLIAMSON ACT CONTRACT  
4

5 WHEREAS, the City of Hughson has been notified of the  
6 Open-Space Contract Application No. 76-2415 received by the Stan-  
7 islaus County Board of Supervisors from W. R. and Geraldine  
8 Conley with respect to real property located at 2907 Tully Road  
9 near the City of Hughson in Stanislaus County; and

10 WHEREAS, the City of Hughson has been notified that said  
11 property lies within one mile of the corporate limits of the City  
12 of Hughson and that the Board of Supervisors of Stanislaus County  
13 intends to consider a contract with respect to said property  
14 under the California Land Conservation Act of 1965 on February  
15 10, 1976; and

16 WHEREAS, the Hughson City Council finds and determines  
17 that said property of W. R. and Geraldine Conley which is the  
18 subject of said application is within the City's 20 year sewer  
19 service planning area and within the area of potential and antici-  
20 pated growth of the City of Hughson within the reasonably fore-  
21 seeable future, and that it would be in the best interests of the  
22 City should it not have to succeed to all the rights, duties and  
23 powers of the County under such proposed contract in the event  
24 of annexation of said property;

25 NOW, THEREFORE, BE IT RESOLVED by the Hughson City  
26 Council that the City of Hughson does hereby protest the execu-  
27 tion of an Open-Space Contract by and between the County of Stan-  
28 islaus and W. R. and Geraldine Conley with respect to the real  
29 property located at 2907 Tully Road which is the subject of  
30 Open-Space Contract Application No. 76-2415.

31 FURTHER RESOLVED that the City Administrator be, and he  
32 hereby is, authorized and instructed to deliver a certified copy

1 of this Resolution forthwith to the Stanislaus County Local  
2 Agency Formation Commission, and a copy thereof to the Stanislaus  
3 County Planning Commission.

4 PASSED AND ADOPTED by the Hughson City Council at a  
5 regular meeting thereof held on February 4, 1976 by the following  
6 vote:

7 AYES: Councilmen COMBS, BETTENCOURT, GALT, SCHRADER  
8 and FINK

9 NOES: None

10 ABSENT: None

11 Curtis L. Fink  
12 Mayor

13 ATTEST:

14 Mary I. Holland  
15 City Clerk

16  
17 CLERK'S CERTIFICATE

18 I, MARY I. HOLLAND, City Clerk of the City of Hughson,  
19 do hereby certify that the foregoing is a full, true and correct  
20 copy of a Resolution duly passed and adopted by the Hughson City  
21 Council at a regular meeting thereof held on February 4, 1976.

22  
23 Mary I. Holland  
24 Mary I. Holland