ROLL CALL:
Mayor/Chairman/President:
Bob J. Archuleta
Mayor Pro Tempore/Vice Chairman/Vice President:
Gustavo V. Camacho
Councilmembers/Directors/Commissioners:
David W. Armenta
Gregory Salcido
Brent A. Tercero

Meeting jointly and regularly with the Pico Rivera Successor Agency to the Pico Rivera Redevelopment Agency (as needed); Pico Rivera *Housing Assistance Agency (as needed); Pico Rivera Water Authority (as needed); and Public Financing Authority (as needed)

TELECONFERENCE NOTICE
Pursuant to Government Code Section 54953, subdivision (b), the following Council meeting will include teleconference participation by Councilmember David Armenta from:

1174 Sheephorn Road
Big Bear City, California 93215

The Notice and Agenda will be posted at the teleconference location. Public comment from this address shall be allowed pursuant to Government Code Section 54954.3

COMMISSIONERS SCHEDULED TO BE PRESENT:
Esther Celiz, Planning Commission
Linda Martinez, Sister City Commission

INVOCATION:

PLEDGE OF ALLEGIANCE:

SPECIAL PRESENTATIONS:

- Certificate of Recognition presented to Deputy of the Month Jesus Perez
- Sister City Commission presentation – Chapala, Jalisco, Mexico, Friendship City

*Commissioners receive a $30.00 stipend per each meeting held and attended.
PLEASE TURN OFF ALL PAGERS AND/OR PHONES WHILE MEETING IS IN SESSION AND PLEASE REFRAIN FROM TEXTING DURING THE MEETING

In compliance with the Americans with Disabilities Act of 1990, the City of Pico Rivera is committed to providing reasonable accommodations for a person with a disability. Please call the City Clerk’s office at (562) 801-4389, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged (within 24 to 48 hours’ notice).

PUBLIC COMMENTS - IF YOU WOULD LIKE TO SPEAK ON ANY LISTED AGENDA ITEMS OR NON-AGENDA ITEMS, PLEASE FILL OUT A GREEN PUBLIC COMMENT REQUEST FORM AND PROVIDE IT TO THE STAFF MEMBER AT THE BACK TABLE BEFORE THE MEETING STARTS.

When you are called to speak, please come forward and state your name and city of residency for the record. You have three (3) minutes to make your remarks. In accordance with Government Code Section 54954.2, members of the City Council may only: 1) respond briefly to statements made or questions posed by the public; 2) ask a question for clarification; 3) provide a reference to staff or other resources for factual information; 4) request staff to report to the City Council at a subsequent meeting concerning any matter raised by the public; and 5) direct staff to place a matter of business on a future agenda. City Council members cannot comment on items that are not listed on a posted agenda.

CONSENT CALENDAR ITEMS:
All items listed on the Consent Calendar may be acted on by a single motion without separate discussion. Any motion relating to a Resolution or Ordinance shall also waive the reading of the titles in full and include its adoption as appropriate. If discussion or separate vote on any item is desired by a Councilmember or staff, that item may be pulled from the Consent Calendar for separate consideration.

City Council:

1. Minutes:
   - City Council meeting of February 28, 2017
   **Recommendation:** Approve
   - Planning Commission meetings of October 3, 2016 and January 23, 2017
   **Recommendation:** Receive and file

2. 13th Warrant Register of the 2016-2017 Fiscal Year.
   Check Numbers: 275209-275265; 275267-275333
   Special Check Numbers: 275266
   **Recommendation:** Approve

3. Renewal of General Services Agreement with the County of Los Angeles.
   **Recommendation:**
   1. Adopt a resolution approving the renewal of the City’s General Services Agreement with the County of Los Angeles and authorizing the Mayor to execute the agreement.
Resolution No. _______  A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, RENEWING THE GENERAL SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR AN ADDITIONAL FIVE-YEAR PERIOD

Agreement No. ________

4. California High-Speed Rail Authority (HSRA) – Reimbursement Agreement.
Recommendation: (500)
1. Authorize the Mayor to execute Reimbursement Agreement No. HSR16-60, in a form approved by the City Attorney, with the California High-Speed Rail Authority (HSRA) for reimbursement of City expenses to review submittals and coordinate with the HSRA in an amount not-to-exceed $231,806.

Agreement No. ________

5. Sheriff Expansion Parking Lot Improvements (CIP No. 21304) – Award Construction.
Recommendations: (500)
1. Award a construction contract in the amount of $256,614 to Ruiz Concrete and Paving, Inc. for the Sheriff Expansion Parking Lot Improvements (CIP No. 21304) and authorize the Mayor to execute the contract in a form approved by the City Attorney;
2. Approve a budget amendment to the General Fund appropriating $50,000 to the Project Budget (CIP No. 21304), utilizing available General Fund reserves; and
3. Approve the Total Project Budget.

Agreement No. ________

Recommendations: (500)
1. Award a Professional Services Agreement to KOA Corporation to provide engineering design services for the redesign of the Paramount Boulevard Landscape Median Improvements from Whittier Boulevard to Mines Avenue (CIP No. 21272), for an amount not-to-exceed $64,500, and authorize the Mayor to execute the Agreement in a form approved by the City Attorney; and
2. Approve the Total Project Budget.

Agreement No. ________

Water Authority:

7. Minutes:
   - Water Authority meeting of February 28, 2017

Recommendation: Approve
8. Resolution Amending Water Enterprise Management Agreement and Appropriating Reserve Funds. (500)

Recommendation:

1. Adopt a resolution approving the First Amendment to the Water Enterprise Management Agreement and adjusting reserves to the Water Authority Operating Fund (Fund Number 550) and Water Authority Enterprise Fund (Fund Number 551) as described below.

Resolution No. _______ A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PICO RIVERA WATER AUTHORITY APPROVING THE FIRST AMENDMENT TO THE WATER ENTERPRISE MANAGEMENT AGREEMENT OF 1999

Agreement No. ________

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION:

REGULAR AGENDA:

City Council:

9. Approve a Memorandum of Understanding Between the City of Pico Rivera and the Mid-Managers and Professional and Confidential Employee Association for a Three Year Term, July 1, 2017 through June 30, 2020. (200)

Recommendations:

1. Adopt a resolution approving a Memorandum of Understanding (MOU) between the City of Pico Rivera and the Mid-Managers and Professional and Confidential employees association for a three year period (July 1, 2017 – June 30, 2020);

2. Approve the salary schedule effective for the period of July 1, 2017 through June 30, 2018 for the job classifications belonging to the Mid-Managers and Professional and Confidential Employees Association; and

3. Approve the schedules designating the job classifications belonging to the Mid-Managers and Professional and Confidential Employees Association.


MAYOR/COUNCILMEMBER REPORTS ON INTERGOVERNMENTAL AGENCY MEETINGS:

AB1234 REPORTS ON TRAVEL AND CONFERENCE ATTENDANCE (RESOLUTION NO. 6640):
NEW BUSINESS:

OLD BUSINESS:

CLOSED SESSION:

a. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
   Pursuant to Government Code Section 54956.9(d)(1)
   Various litigation claims

ADJOURNMENT:

AFFIDAVIT OF POSTING

I, Anna M. Jerome, City Clerk, for the City of Pico Rivera, DO HEREBY CERTIFY, under penalty of perjury under the laws of the State of California, that the foregoing notice was posted at the Pico Rivera City Hall bulletin board, Pico Rivera website, Pico Rivera Post Office and Parks: Smith, Pico and Rivera which are available for the public to view on this 9th, day of March 2017.

Dated this 9th, day of March 2017

Anna M. Jerome, CMC
City Clerk

SB343 NOTICE

In compliance with and pursuant to the provisions of SB343 any public writing distributed by the City Clerk to at least a majority of the City Council Members regarding any item on this regular meeting agenda will be available on the back table at the entrance of the Council Chamber at the time of the City Council meeting and at the counter of City Hall at 6615 Passons Boulevard, Pico Rivera, California during normal business hours.
STATEMENT REGARDING DECORUM AT CITY COUNCIL MEETINGS

If you wish to speak at the time set aside for public comments, the City Council has established the following standards and Rules of Decorum as allowed by State law.

- Public comment is limited to those portions of the meeting referred to as Public Comments. These portions are intended for members of the public to address the City Council, Successor Agency, Housing Assistance Agency or Water Authority on matters related to agendas or any other items under the subject matter jurisdiction of the City Council or Agencies.

- A **yellow** Public Hearing Comment Request card must be completed to speak during a Public Hearing.

- A **green** Public Comment Request – Card is for those wishing to address the Council/Agency on agenda items or any other items under the subject jurisdiction of the City Council/Agency.

- Citizens may address the Council, Successor Agency or Housing Assistance Agency once for a **maximum of three minutes**. After each speaker returns to his/her seat, the Mayor shall determine the time and manner of response, but typically if answers are available, they will be given after all speakers have had an opportunity to address the City Council.

- Members of the audience are asked to refrain from clapping or otherwise speaking from their seats. Those not meeting the standards for decorum may be escorted from the meeting.

**RULES OF DECORUM CAN BE FOUND IN THE PICO RIVERA MUNICIPAL CODE SECTION 2.08.050 AS ESTABLISHED BY ORDINANCE 783 ADOPTED ON AUGUST 20, 1990 AND AMENDED BY ORDINANCES 822 (SEPTEMBER 21, 1992) AND 1020 (MARCH 21, 2006).**
A Regular Meeting of the City Council, Successor Agency to the Pico Rivera Redevelopment Agency, Water Authority and Public Financing Authority was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Mayor/Chairman/President Archuleta called the meeting to order at 6:10 p.m. on behalf of the City Council/Successor Agency/Water Authority/Public Financing Authority.

PRESENT: Armenta, Camacho, Salcido, Tercero, Archuleta
ABSENT: None

COMMISSIONERS PRESENT:
Esther Celiz, Planning Commission
Patricia Saucedo, Parks & Recreation Commission

INVOCATION: Delivered by Pastor Danny Jacobo, Calvary Chapel

PLEDGE OF ALLEGIANCE: Led by Parks & Recreation Commissioner Saucedo

SPECIAL PRESENTATIONS:

- Certificate of Recognition presented to Youth of the Year, Gabrielle Martinez, 2017 Boys and Girls Club
- City Magazine presentation presented by staff members Carmela Garcia and Rudy Alvarado

PUBLIC COMMENTS:

Lauren Talbott, Pico Rivera Community Library Manager:
- Addressed the City Council to speak of upcoming library events taking place in March.

Charles Pell:
- Addressed the City Council regarding the city’s reputation and ties with the Montebello Unified School District.

CONSENT CALENDAR:

City Council:

1. Minutes:
• Approved City Council meeting of February 14, 2017; and

2. **Approved 12th Warrant Register of the 2016-2017 Fiscal Year.** 700
Check Numbers: 275030-275110; 275112-275208
Special Check Numbers: 275111

3. **Resolution Appointing a Member and Alternates to the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority Governing Board for the Ongoing Term Ending on September 30, 2017.**

1. Adopted Resolution No. 6888 appointing Public Works Director/City Engineer James Enriquez as a Board member, Gabriel Gomez and Robert Delgadillo as alternates to the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority Governing Board for the ongoing term.

Resolution No. 6888 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPOINTING A MEMBER AND ALTERNATE(S) TO THE GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY GOVERNING BOARD

4. **Adoption of Municipal Debt Management Policy.** 300


Resolution No. 6889 A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AND THE BOARD OF THE PICO RIVERA PUBLIC FINANCING AUTHORITY, ADOPTING A MUNICIPAL DEBT MANAGEMENT POLICY

5. **Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (MTA) for Collecting and Reporting Data for the National Transit Database for Report Year 2014.** 500

1. Approved the Memorandum of Understanding (MOU) with National Transit Database (NTD) to receive reimbursement for the City’s reporting of Fiscal Year 2013-14 transit data for their submission to the NTD through the
MTA’s consolidated report, and authorized the City Manager to sign the attached MOU.

6. City Yard Fuel Tank Removal (CIP No. 21252) – Notice of Completion. (500)

1. Accepted the work as completed for the City Yard Underground Storage Tank Removal Project (CIP No. 21252) constructed by JDS Tank Testing & Repair, Inc. and authorized the City Clerk to file the Notice of Completion with the Los Angeles County Registrar-Recorder; and
2. Approved the Final Total Project Budget and authorized the City Manager to release the retention payment and all other monies due to JDS Tank Testing & Repair, Inc. following the mandatory waiting period from the date the Notice of Completion is recorded.

Successor Agency to the Pico Rivera Redevelopment Agency:

7. Minutes:
   • Received and filed Successor Agency to the Pico Rivera Redevelopment Agency meeting of January 24, 2017

8. Resolution Validating the Supplemental Educational Revenue Augmentation Fund Loans Repayment Agreement and Schedule. (500)

   1. Adopted Resolution No. SA-17-10 of the Successor Agency to the Pico Rivera Redevelopment Agency (Successor Agency) validating the Supplemental Educational Revenue Augmentation Fund (“SERAF”) Loans Repayment Agreement and Schedule.

Resoluion No. SA-17-10 A RESOLUTION OF THE SUCCESSOR AGENCY TO THE PICO RIVERA REDEVELOPMENT AGENCY, VALIDATING THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND LOANS REPAYMENT AGREEMENT AND SCHEDULE

Water Authority:

9. Minutes:
   • Received and filed Water Authority meeting of January 24, 2017

10. Resolution Appointing a Member and Alternates to the Los Angeles Gateway Regional Integrated Regional Water Management Joint Powers Authority Governing Board for the Ongoing Term ending on September 30, 2017.

   1. Adopted Resolution No. 17-22 appointing Public Works Director/City Engineer James Enriquez as a Board Member, Gabriel Gomez and Robert Delgadillo as alternates to the Los Angeles Gateway Region Integrated
Regional Water Management Joint Powers Authority Governing Board for the ongoing term.

Resolution No. 17-22  A RESOLUTION OF THE PICO RIVERA WATER AUTHORITY, CALIFORNIA, APPOINTING A MEMBER AND ALTERNATE(S) TO THE GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY GOVERNING BOARD

Public Financing Authority:

11. Minutes:
   - Received and filed Public Financing Authority meeting of June 28, 2016

12. Adoption of Municipal Debt Management Policy.  


Resolution No. PFA-17-11  A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AND THE BOARD OF THE PICO RIVERA PUBLIC FINANCING AUTHORITY, ADOPTING A MUNICIPAL DEBT MANAGEMENT POLICY

Motion by Councilmember/Director/Commissioner Armenta, seconded by Councilmember/Director/Commissioner Salcido to approve Consent Calendar Items No. 1 through 12. Motion carries by the following roll call vote:

AYES: Armenta, Camacho, Salcido, Tercero, Archuleta
NOES: None

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION:

REGULAR AGENDA: None.

MAYOR/COUNCILMEMBER REPORTS ON INTERGOVERNMENTAL AGENCY MEETINGS: None.

AB1234 REPORTS ON TRAVEL AND CONFERENCE ATTENDANCE (RESOLUTION NO. 6640): None.

NEW BUSINESS: None.

OLD BUSINESS:
Councilmember Salcido asked staff to schedule a Marijuana Ad Hoc Committee meeting and asked for an update on the Rivera Gardens facility. In regard to the Rivera Gardens facility, City Manager Bobadilla stated he will setup a meeting with the Vagrancy Ad Hoc Committee and Councilmember Tercero deferred his appointed position on that committee to Councilmember Salcido upon the Mayor’s approval. Mayor Archuleta approved the re-appointment from Councilmember Tercero to Councilmember Salcido to the Vagrancy Ad Hoc Committee.

A discussion ensued amongst the City Council and City Attorney in regard to a Closed Session and personnel matters. City Attorney Alvarez-Glasman will be providing a status report to the City Council on the personnel matters in question.

ADJOURNMENT:

Mayor/Chairman/President Archuleta adjourned the City Council/Successor Agency/Water Authority and Public Financing Authority meeting at 7:31 p.m. in memory of Mrs. Barbara Palombi, mother to Parks & Recreation Commissioner Joseph Palombi. There being no objection it was so ordered.

AYES: Armenta, Camacho, Salcido, Tercero, Archuleta
NOES: None

_______________________________
Bob J. Archuleta, Mayor/Chairman

ATTEST:

_______________________________
Anna M. Jerome, City Clerk/Secretary

I hereby certify that the foregoing is a true and correct report of the proceedings of the City Council/Successor Agency/Water Authority/Public Financing Authority regular meeting dated February 28, 2017 and approved by the City Council//Water Authority on March 14, 2017.

_______________________________
Anna M. Jerome, City Clerk/Secretary
A regular meeting of the Planning Commission was called to order by Chairperson Gomez at 6:00 p.m., in the City Hall Council Chambers, 6615 Passons Boulevard, Pico Rivera, CA.

**STAFF PRESENT:**

Julia Gonzalez, Deputy Director  
James Coiner, Public Works Superintendent  
Evelyn Millare, Executive Assistant

**ROLL CALL:**

**PRESENT:** Celiz, Elialdez, Gomez, Zermeno  
**ABSENT:** Garcia

**FLAG SALUTE:** Led by Commissioner Zermeno

**APPROVAL OF MINUTES:**

Approval of the minutes for July 18, 2016 and September 19, 2016 to be approved at the next Planning Commission meeting.

**PUBLIC HEARING:**

A. **CONTINUED PUBLIC HEARING – CONDITIONAL USE PERMIT MODIFICATION NO. 532.3 TO ALLOW THE APPLICANT OF CULICHITOWN RESTAURANT TO SELL DISTILLED SPIRITS AND OBTAIN A TYPE 47 CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL LICENSE AT THE PROPERTY LOCATED AT 9333 SLAUSON AVENUE**

- **Project Location:** 9333 Slauson Avenue  
Pico Rivera, CA 90660

- **Applicant:** Sonia Huitron  
9333 Slauson Avenue  
Pico Rivera, CA 90660

- **Project Planner:** Julia Gonzalez  
Deputy Director

Commissioner Gomez stated that the public hearing will be continued to November 7, 2016 Planning Commission meeting.

Commissioner Gomez stated there was no one present in the audience.
Commissioner Elisaldez asked about the situation with valet parking at Culichitown.

Deputy Director Gonzalez informed the Commission that there are no specific regulations with respect to valet parking. She said that staff met with the applicant to require valet parking on weekends and that parking should be stacked at the rear parking lot with property owner approval. She stated there have been no recent complaints and added that a Conditional Use Permit will include valet parking conditions.

Commissioner Celiz asked why the Conditional Use Permit process for Culichitown is taking so long.

Deputy Director Gonzalez said that the applicant still needs to resolve building permit issues and staff is requiring they complete these issues first before proceeding with the conditional use permit application.

AYES: Elisaldez, Gomez, Zermeno, Celiz
NOES: None
ABSENT: None

CONTINUED/OLD BUSINESS:

Superintendent Coiner reported that the tree trimming company contracted by the City would remove dead trees along San Gabriel River Parkway. With regards to the ivy growing along the street, Public Works staff was directed to perform trim. He explained that taking the ivy out completely would involve taking down the fence that could be on private property.

Commissioner Zermeno stated the residents want to improve and beautify the area but need direction. He suggested that the City work with the residents and develop a plan to address the numerous eye sores that have been ignored for many years.

Deputy Director Gonzalez stated these matters will be discussed with Code Enforcement and the Building Division.

Superintendent Coiner stated that he is hoping that the WRD project can be a source for the City for reclaimed water to use for the medians. He said he saw no benefit in planting additional trees if there is not a water source.

Commissioner Celiz asked if the City Council is aware of the concerns and questions brought up by the Planning Commission.

Deputy Director Gonzalez stated the issues are in the meeting minutes.

Commissioner Celiz asked if the company contracted by the City to trim City trees can work in the City for a longer period of time.
Commissioner Celiz stated that the company who trims the trees in the City does not place signs up only cones. She said that with the parked cars in the way, the company is not able to trim appropriately.

Superintendent Coiner stated that the company is supposed to place up notifications of scheduled tree trimmings and would speak with the company.

Commissioner Gomez asked how staff knows how many days are spent cutting City trees.

Superintendent Coiner said the company notifies the City Arborist, Martin Rios. He added that trimming in the City is done by grids.

Commissioner Celiz reported she observed vendors at Smith Park and as she has expressed at prior meetings, these vendors are taking money that would otherwise be made by the snack bar.

Commissioner Gomez stated that the City does not make money from items sold in the snack bar. Individual sports leagues run the snack bars and it appears they are okay with the outside vendors.

Commissioner Gomez asked Superintendent Coiner if there are any other plans for the center medians in the City as a whole where there are dead weeds.

Superintendent Coiner said there are plans in 2016-2017 to try out artificial turn on Washington Boulevard and that specs are in the works for installation and design.

Commissioner Gomez stated he thought there is an ordinance against artificial turf.

Deputy Director Gonzalez said staff would look into this to confirm there has been no change.

Commissioner Zermeno asked Superintendent Coiner if he could contact L.A. County about cleaning up the area off Rose Hills Road as motorists are entering the City.

Mr. Coiner said he would see what he can do.

Commissioner Celiz asked what was happening with the in-door swap meet property. She said she had heard that Costco in Montebello was closing and that Costco would be moving into the property.

Deputy Director Gonzalez stated that the land was recently purchased. She said the preliminary proposal from the new buyer was for an industrial building but nothing has been formally submitted. She stated she would check with the Economic Development team about a potential Costco.

Commissioner Zermeno asked for restaurants at the county lot located at the corner of San Gabriel River Parkway and Beverly Boulevard. He said it would be great revenue
for the City.

Deputy Director Gonzalez said there was nothing formal but would look into the item.

The Commissioners thanked Superintendent Coiner for coming in.

**PLANNING COMMISSION REPORTS:**

CITY COUNCIL MEETING OF Tuesday, Tuesday, September 27, 2016 – Commissioner Celiz Zermeno had nothing to report.

Commissioner Gomez confirmed that he will be attending the City Council meeting on Tuesday, October 11, 2016.

There being no further business the Planning Commission meeting was adjourned at 6:59.

____________________________________________________
Julia Gonzalez, Interim Secretary
Planning Commission
Deputy Director of Community and Economic Development
An Adjourned Regular Meeting of the Planning Commission was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Chairperson Paul Gomez called the meeting to order at 6:00 p.m. on behalf of the Planning Commission.

PRESENT: Gomez, Elaisaldez, Celiz, Garcia, Zermeno
ABSENT: None

PLEDGE OF ALLEGIANCE: Led by Commissioner Zermeno

Chairperson Gomez turned the meeting over to Deputy Director Julia Gonzalez to open nominations for Chairperson and Vice Chairperson.

Commissioner Zermeno was nominated for Chairperson. There were no other nominations.

AYES: Gomez, Elaisaldez, Celiz, Garcia, Zermeno
NOES: None
ABSENT: None

Commissioner Celiz was nominated for Vice Chairperson. There were no other nominations.

AYES: Gomez, Elaisaldez, Celiz, Garcia, Zermeno
NOES: None
ABSENT: None

Deputy Director Gonzalez introduced Steve Carmona, the new Community and Economic Development Director.

Director Carmona congratulated the new Chairperson and Vice Chairperson. He provided the Commission a brief background of his professional experience.

PUBLIC HEARING(S):

1. Public Hearing – Conditional Use Permit No. 726 to construct a 2-story, 8-unit apartment complex on a 12,410 square foot site located at 9224 Beverly Road (Assessor Parcel No. 6374-005-037) in the Community Commercial (C-C) Zoned District.

Senior Planner Christina Gallagher presented the Staff Report using PowerPoint that included photos. Ms. Gallagher stated that the applicant’s request is to construct an eight-unit residential apartment complex consisting of two separate two-story buildings.
Ms. Gallagher stated that according to City records the project site was previously an auto service station which was demolished approximately 45 years ago, and the site has since been vacant and undeveloped.

Ms. Gallagher described the units of the proposed development. She stated that each unit would have a two-car tandem garage and added that as a condition of approval, garages are to be maintained and not used for other purpose other than vehicle parking only.

Ms. Gallagher stated that she conducted research about possible permitted underground tanks and found none in the state websites. She also stated that an environmental consultant was hired to look for underground storage tanks but none were found. Inclusive, she received an email from the Fire Department stating that there was no possibility for a storage tank based on the study by the consultant.

Ms. Gallagher stated there were two Community Open Houses held and notices were mailed to residences within 750 feet of the project site. The first one was held June 30, 2016 and was attended by nine residents and the second one, held July 28, 2016, was attended by five residents. Ms. Gallagher stated that the applicant hired an outreach consultant to conduct one-on-one outreach to community members. She stated that community concerns were parking, project density, safety, privacy and the possibility of remaining underground storage tanks.

Ms. Gallagher concluded her report recommending adoption of the resolution approving the development subject to the conditions of approval.

**PUBLIC COMMENTS:**

Mr. Inzunza, the developer consultant stated that the general feeling after the outreach meetings is that Pico Rivera is oversaturated with affordable housing and that the community has enough Section 8 Housing. He emphasized that the project is not an apartment complex but a project that consists of eight homes designed as townhomes and designed for those who cannot afford to buy a home. He mentioned that the developer understands the concerns of the community and is determined to go above and beyond what is necessary. He concluded by saying that the proposed development took into consideration the recommendation by City staff and the community.

Ms. Jasmine Garcia, a City of Montebello resident, commended the City for building great parks and investing in businesses that have grown in the City. She stated that the proposed development is a great project for the City.

Mr. Dewell Cooper, a resident, stated he did not have a problem with the proposed project. However, he had a couple of issues in regards to parking and the possibility of tanks underground. Mr. Cooper pointed out that the gasoline used during that period was lead based so there may be the possibility of hazardous material. He stated that the real issue is the possibility of contamination that is not detected by sonar testing or
cross-trenching. Mr. Cooper concluded by pointing out the inaccuracy in the description of tandem parking.

Mr. John Vargas, a resident stated that he is not against the development in the City. He stated that parking has been and continues to be a problem. He said the other issue is landscaping and its upkeep which are really important.

Mr. Rudy Vargas, a resident stated that he is not against the project. He stated he has been a resident in the City since the 1960’s and remembers the site as a gas station and is also concerned about underground storage tanks. Mr. Vargas suggested that if the project is approved he would like to see if parking on Durfee Avenue, directly in front of the proposed project, be limited to 20 minutes.

Mr. James Vargas, a resident stated he is against the proposed project because it will add to the existing parking problem. He also asked that the City look further into the matter regarding the underground tanks before deciding on the project.

Mr. Robert Alba asked that another study be done regarding the underground tanks to ensure there are none under the project site. He reiterated what the other speakers said about parking.

Commissioner Gomez stated he is concerned with the soil condition and that soil sampling be done. He said that parking is definitely a problem for the entire City. He asked who would monitor the garages to ensure they are used adequately.

Commissioner Elisalde stated he was surprised none of the residents in the surrounding home are present because vehicles coming from and going to the complex would be affected. He had the same concerns regarding parking problems and the need for soil sampling. He stated that it was hard to believe that the traffic study indicated that there would be no significant impact on traffic.

Commissioner Celiz stated that she also agrees with the speakers and the other Commissioners with regards to parking. She asked the applicant if the proposed development would be under HUD Section 8.

Mr. Inzunza stated the project would not be under Section 8. He said that the applicant would agree to a yearly inspection as a condition of approval, at the cost of the developer, to ensure the garages are not converted. Mr. Inzunza added that the developer is willing to accept a continuance to make the necessary amendments to the project.

Commissioner Elisalde asked Senior Planner Gallagher to clarify how many guest parking spaces the proposed development would have. Ms. Gallagher said one is required per the code.

Commissioner Zermen recommend to send the item back to the City’s Planning Division to look into the issues.
Commissioner Elisaldez clarified to the audience that the Commission is in favor of development to enhance the community and the value of the properties. He stated that as appointees, their obligation is to the residents first. He said the Commission is not anti-development.

Commissioner Garcia made a motion to send back the item back to the City’s Planning Division to look further into the issues of parking, soil sampling, Durfee Underpass, underground tanks, privacy, permit parking.

AYES: Gomez, Elisaldez, Celiz, Garcia, Zermeno  
NOES: None  
ABSENT: None

2. Public Hearing – Conditional Use Permit No. 731 to serve beer and wine in conjunction with a sit-down restaurant located at 4233 Rosemead Boulevard (Assessor’s Identification No. 5272-016-008) in the General Commercial (C-G) Zoned District and the Mixed-Use (M-U) Overlay Zone

Deputy Director Gonzalez stated that item would be pulled from the agenda. It was correctly noticed in the Whittier Daily News, however, notices were not sent to the surrounding community properly. She stated that staff would notice the item again for the next Planning Commission meeting.

There were no Public Comments on this item

PUBLIC COMMENTS ON NON-AGENDA ITEMS:

Mr. Robert Alba, a resident, suggested that the City look into making the Durfee Corridor reflect what old town Pico used to be. He said it would make the area look nicer and people would have a place to go to and walk around.

3. Minutes:
   - Commissioner Elisaldez made a motion to approve minutes of the Planning Commission meetings of July 18, 2016, August 1, 2016, September 19, 2016, October 3, 2016, November 7, 2016, November 21, 2016, and December 5, 2016 as submitted including any corrections, additions, omissions, or deletions. Motion was seconded by Commissioner Gomez. Motion carried.

PLANNING COMMISSION REPORTS:

- City Council meeting of December 13, 2016 – Commissioner Celiz reported that
City Council reorganization took place that resulted in Bob Archuleta becoming Mayor and Gustavo Camacho as Mayor Pro Tem.

- **City Council meeting of January 10, 2017** – Commissioner Zermeno reported that the highlight of the meeting was the recognition of the Pico Rivera Dons Football Team, Peewee Division, for being the San Gabriel Valley Jr. All American Conference Champions. The Twin Cities Wolverines Jr. Peewee Cheer Team was also recognized.

- Commissioner Gomez confirmed his attendance to the City Council meeting of Tuesday, January 24, 2017

**NEW BUSINESS:**

Commissioner Garcia asked if staff can look into placing flashing stop signs along Serapis Avenue from Slauson Avenue to Telegraph Road to help deter speeding motorists.

Commissioner Gomez stated there are many eye sores (empty lots) in the City. He said the Commission wants development but needs to ensure it is a good fit for the City. He added that it comes to a point where the Commission does not want to deny a project because another one may not come up again. He expressed that the Commission is bothered by empty lots.

Director Carmona stated that he has a good sense on what the City needs so moving forward staff can let prospective developers know what the community needs and expects.

Commissioner Garcia stated that the present Commission has been together for some time. He said they don’t always agree but they do respect one another’s opinion. He added that the Commission definitely wants development.

**OLD BUSINESS:** There was none.

**ADJOURNMENT:**

There being no further business the Planning Commission meeting was adjourned at 7:25 p.m.

____________________
Fred Zermeno, Chairperson
ATTEST:

Steven Carmona, Director of Community & Economic Development
Secretary, Planning Commission

I hereby certify that the foregoing is a true and correct report of the proceedings of the Planning Commission Adjourned Regular Meeting dated January 23, 2017 and approved by the Planning Commission on March 6, 2017.

______________________________
Steven Carmona, Director of Community & Economic Development
Secretary, Planning Commission
13th WARRANT REGISTER OF THE 2016-2017 FISCAL YEAR

MEETING DATE: 03/14/17

TOTAL REGISTER AMOUNT: $535,084.09

CHECK NUMBERS: 275209-275265
                275267-275333

SPECIAL CHECK NUMBERS: 275266

ACH NUMBERS: 298-305

REGULAR CHECK TOTAL: $533,584.09

SPECIAL CHECK TOTAL: 1,500.00

TOTAL REGISTER AMOUNT: $535,084.09
PAYROLL REGISTER P/P 02/03/17 - 02/17/17

Pay Date: 02/23/17

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VOID CKS

Scrap:

SPECIAL CKS

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31,075.20

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309,472.95

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User: Georgina Maldonado

Pages: 7 of 8

2/23/2017 12:52:44 PM
### Pico Rivera A/P Checks 02-23-17

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**CBC GenOpe CBC General Operating Totals:**

Checks: 57 $256,728.58

EFTs: 5 $22,696.96

**Total Transaction Amount:** $279,425.54
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**CBC GenOpe CBC General Operating Totals:**

Transactions: 1

Checks: 1          $1,500.00

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CBC GenOpe CBC General Operating Totals: Transactions: 70 $254,158.55

Checks: 67 $116,936.75
EFTs: 3 $137,221.80
To: Mayor and City Council
From: City Manager
Meeting Date: March 14, 2017
Subject: RENEWAL OF GENERAL SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES

Recommendations:

Adopt a Resolution approving the renewal of the City’s General Services Agreement with the County of Los Angeles and authorizing the Mayor to execute the agreement.

Fiscal Impact:

There is no immediate fiscal impact as a result of the recommended action. The agreement recommended for approval is limited to the general contractual relationship under which the County may provide a variety of services to the City. It does not obligate the City to any specific services for any specific cost. Specific services must be requested in writing by the City Manager, or his/her designee, usually online via the County’s City Service Request Tracking System (CSRTS). An estimate is provided for each individual request and the service is not performed until the estimate is approved by the City.

Generally, the costs of services are funded by Capital Improvement Program funds or plan check fees collected, but may also be funded by other accounts as itemized in the approved Fiscal Year Budget for the year in which the service is rendered. City Council approval would be required prior to the County commencing services for which any new budget appropriation is required.

Discussion:

The General Services Agreement (GSA) is general in nature and provides authority for the County to provide a variety of services at the request of the City of Pico Rivera on an as-needed basis. The County provides services such as the processing of Oversize Load Permits, Industrial Waste Discharge Permits, bridge inspection and maintenance services, traffic signal programming, and other specialized technical and maintenance services for which the City lacks expertise and/or resources. County services may also be available to help meet peak workload demands without the need for the City to temporarily obtain additional resources or adjust routine maintenance schedules.
The current GSA was approved by the City Council on March 13, 2012 and will expire on June 30, 2017. The term of the agreement is typically five years. Under the new agreement, the expiration date is extended to June 30, 2022.

The agreement also specifies the methods by which the City requests and pays for a service and provides for the annual adjustment of rates. Costs for services are established in two ways: 1) using a set fee structure; 2) or based on time and materials. Under the agreement, services are performed only when specifically requested by the City Manager, or his/her designee, and only after the estimated cost is approved by the City.

Upon City Council approval of the recommended actions, the GSA and Resolution will be returned to the County for action by the Los Angeles County Board of Supervisors. The deadline for submittal is April 24, 2017.

René Bobadilla

RB:JE:MPC:lg

Enc. 1) Resolution
    2) County of Los Angeles General Services Agreement
RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, RENEWING THE GENERAL SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR AN ADDITIONAL FIVE-YEAR PERIOD

WHEREAS, the City of Pico Rivera and the County of Los Angeles are parties to a General Services Agreement (“Agreement”) which expires on June 30, 2017;

WHEREAS, the City of Pico Rivera and the County of Los Angeles wish to renew the current Agreement for an additional five-year period;

WHEREAS, the County of Los Angeles requires that renewal of the current Agreement take the form of a new five-year Agreement; and

WHEREAS, the County of Los Angeles requires the City of Pico Rivera to certify, by resolution, approval of entering into said Agreement.

THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City approves the renewal of the General Services Agreement for an additional five-year period, ending on the June 30, 2022.

Section 2. The City appoints and authorizes the City Manager or his/her designee to: 1) conduct all negotiations related to the General Services Agreement; 2) execute and submit documents including, but no limited to, applications, agreements, memoranda of understanding, payment requests, certifications and assurances; and 3) request services from the County pursuant to Section 5 of the General Services Agreement.

Section 3. The City Clerk shall attest to the execution of the Agreement.

Section 4. The City Clerk shall certify to the passage and adoption of this Resolution and hereafter the same shall be in full force and effect.

APPROVED AND ADOPTED THIS _____ DAY OF _____________, 2017.

________________________________
Bob J. Archuleta, Mayor

ATTEST:

______________________________ ________________________________
Anna M. Jerome, City Clerk Arnold Alvarez-Glasman, City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:
GENERAL SERVICES AGREEMENT

THIS GENERAL SERVICES AGREEMENT ("Agreement"), dated for purposes of reference only, June 1, 2017, is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Pico Rivera, hereinafter referred to as the "City."

RECITALS:

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56 1/2 of the Charter of the County of Los Angeles and Section 51300, et seq., of the Government Code.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The County agrees, through its officers, agents and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this Agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.
3. No County agent, officer or department shall perform for said City any function not coming within the scope of the duties of such officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County agent, officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County officer or department, such quarters may be used by the County officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost to the City.
7. All persons employed in the performance of such services and functions for the City shall be County agent, officer or employee, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County agent, officer and employee engaged in performing any such service or function shall be deemed to be an agent, officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his or her employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.
10. Each County agent, officer or department performing any service for the City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labor; supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to insure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within
thirty (30) days after the date of the invoice, the County may satisfy such indebtedness,
including interest thereon, from any funds of any such City on deposit with the County
without giving further notice to said City of County’s intention to do so.

14. This Agreement shall become effective on the date herein-above first
mentioned and shall run for a period ending June 30, 2022, and at the option of the City
Council of the City, with the consent of the Board of Supervisors of County, shall be
renewable thereafter for an additional period of not to exceed five (5) years.

15. In the event the City desires to renew this Agreement for said five-year
period, the City Council shall not later than the last day of May 2022, notify the Board of
Supervisors of County that it wishes to renew the same, whereupon the Board of
Supervisors, not later than the last day of June 2022, shall notify the City Council in
writing of its willingness to accept such renewal. Otherwise such Agreement shall finally
terminate at the end of the aforesaid period.

Notwithstanding the provisions of this paragraph herein-above set forth, the
County may terminate this Agreement at any time by giving thirty (30) days’ prior written
notice to the City. The City may terminate this Agreement as of the first day of July of
any year upon thirty (30) days’ prior written notice to the County.

16. This Agreement is designed to cover miscellaneous and sundry services
which may be supplied by the County of Los Angeles and the various departments
thereof. In the event there now exists or there is hereafter adopted a specific contract
between the City and the County with respect to specific services, such contract with
respect to specific services shall be controlling as to the duties and obligations of the
parties anything herein to the contrary notwithstanding, unless such special contract
adopts the provisions hereof by reference.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Executed this 14th day of March 2017.

The City of Pico Rivera,

By ___________________________
Mayor

ATTEST:
City Clerk

By ___________________________
Deputy

THE COUNTY OF LOS ANGELES

By ___________________________
Chair, Board of Supervisors

ATTEST:
LORI GLASGOW
Executive Officer/Clerk
of the Board of Supervisors

By ___________________________
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By ___________________________
Senior Deputy
January 30, 2017

Mr. René Bobadilla
City Manager
City of Pico Rivera
P.O. Box 1016
Pico Rivera, CA 90660

Dear Mr. Bobadilla:

RENEWAL OF GENERAL SERVICES AGREEMENT

The General Services Agreement (GSA) between your City and the County of Los Angeles will expire on June 30, 2017. To ensure continuation of the services you are currently receiving, and to offer you the ability to add or augment services in the future, we would like to work with your city to renew the existing agreement for a five-year period, commencing on July 1, 2017 through June 30, 2022.

General Services Agreements have been executed with most cities within the County. The GSA is general in nature and simply authorizes the County to provide services requested by your city. Services provided under the GSA consist of “as-needed” time-limited services such as predatory animal control, prosecution of city ordinances, direct assessment collection, and a variety of public works services. Ongoing services, such as law enforcement and public health code enforcement, are provided by the responsible County departments through Specific Service Agreements (SSAs). Any SSAs between your City and the County of Los Angeles are not affected by renewal of this GSA.

Four copies of the GSA are enclosed for your Council’s approval. To allow sufficient time to approve renewal of your City’s current GSA prior to its expiration, please retain one copy for your records and return three original, signed copies, to include a certified copy of your Council’s resolution, no later than Monday, April 24, 2017, to:

"To Enrich Lives Through Effective And Caring Service"

Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only
Mr. René Bobadilla  
January 30, 2017  
Page 2

Chief Executive Office  
Legislative Affairs and Intergovernmental Relations  
723 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012  
Attention: Patricia Carbajal

One original will be returned to you upon execution by the Board of Supervisors. If you have any questions or desire additional information, Ms. Carbajal may be reached at (213) 974-1327 or at pcarbajal@ceo.lacounty.gov.

We look forward to our continued association.

Sincerely,

[Signature]

MANUEL RIVAS, JR.  
Assistant Chief Executive Officer  
Legislative Affairs and Intergovernmental Relations

MR:PC:Im

Enclosure
To: Mayor and City Council
From: City Manager
Meeting Date: March 14, 2017
Subject: CALIFORNIA HIGH-SPEED RAIL AUTHORITY (HSRA) – REIMBURSEMENT AGREEMENT

Recommendation:

Authorize the Mayor to execute Reimbursement Agreement No. HSR16-60, in a form approved by the City Attorney, with the California High-Speed Rail Authority (HSRA) for reimbursement of City expenses to review submittals and coordinate with the HSRA in an amount not-to-exceed $231,806.

Fiscal Impact:

Approval of the recommended reimbursement agreement provides a mechanism for the City to invoice the HSRA for the reimbursement of expenses (i.e. staff time, consultant fees, etc.) associated with the review of documents and other coordination activities in support of the high-speed rail program. The initial agreement provides reimbursement in an amount not-to-exceed $231,806 for the period ending on December 31, 2017. Reimbursement for activities in excess of the approved amount or beyond the end of the term will require negotiation with the HSRA and execution of a contract amendment.

Discussion:

The California High Speed Rail Authority (HSRA) is responsible for the planning, design, construction, and operation of the first high-speed rail system in the nation. The HSRA intends that by 2029, high-speed rail will run from San Francisco to the Los Angeles basin in under three hours at speeds of over 200 miles per hour. The system will eventually extend to Sacramento and San Diego, totaling 800 miles with up to 24 stations. Additionally, HSRA is working with regional partners to implement a statewide rail modernization plan that will invest billions of dollars in local and regional rail lines to meet California’s 21st century transportation needs.

HSRA is beginning its detailed study of the Los Angeles segment for the system from Union Station to Anaheim. This includes the segment running through Pico Rivera within the Burlington North Santa Fe (BNSF) railroad right-of-way that runs west to east located north of Slauson Avenue.
In order to ensure cities remain actively engaged in the planning and design process, the HSRA has requested the execution of a reimbursement agreement with all cities along the alignment of the rail corridor. The agreement would allow the City to be reimbursed for staff and consultant costs associated with the review of technical studies, legal documents, design plans, and other documents necessary to plan, design, and construct the project.

Under the proposed agreement, the City could be reimbursed for actual, direct, and necessary expenses for technical and legal reviews associated with the planning and design of the project. Although the specific scope of work that the City will provide has not been determined, it is anticipated that reimbursable activities may include, but are not limited to:

- Technical/engineering review of reports, studies, and plans
- Utility research and coordination to resolve utility conflicts
- Technical and legal review of cooperative agreements, utility agreements, right-of-way transfer agreements, maintenance and operations agreements, etc.
- Preparation for City Council staff reports and supporting materials
- Property rights research
- Technical and legal review of abandonment, vacation, or transfer of right-of-way

Work performed by City staff which would not be reimbursable under this agreement includes:

- Review and preparation of comments in response to project environmental documents
- Attending meetings not authorized by the HSRA
- Acquisition of real property

Execution of a reimbursement agreement is not an indication of City support for the project and would not impact the City’s ability to oppose the project from a policy or legal standpoint, or limit the nature of the City’s comments during the public review period for the environmental document.

René Bobadilla
RB:JE:lg
Enc. 1) Reimbursement Agreement No. HSR16-60
This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY’S NAME
California High-Speed Rail Authority

CONTRACTOR’S NAME
City of Pico Rivera

The term of this Agreement is: October 1, 2016 through December 31, 2017 or upon execution of this Agreement, whichever is later.

The maximum amount of this Agreement is: $231,805.54, Two Hundred Thirty-One Thousand, Eight Hundred Five Dollars and Fifty-Four Cents.

The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Scope of Work</td>
</tr>
<tr>
<td>B</td>
<td>Budget Detail and Payment Provisions</td>
</tr>
<tr>
<td>C</td>
<td>General Terms and Conditions and Contractor Certifications</td>
</tr>
<tr>
<td>D</td>
<td>Special Terms and Conditions</td>
</tr>
<tr>
<td>E</td>
<td>Supplemental Terms And Conditions For Contracts Using Federal Funds</td>
</tr>
<tr>
<td></td>
<td>Attachment 1 – Budget</td>
</tr>
</tbody>
</table>

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR
City of Pico Rivera

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING
David W. Armenta, Mayor

ADDRESS
6615 Passons Blvd., Pico Rivera, CA 90660-1016

STATE OF CALIFORNIA

AGENCY NAME
California High-Speed Rail Authority

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING
Scott Jarvis, Chief Engineer

ADDRESS
770 L Street, Suite 620 MS 2, Sacramento, CA 95814

California Department of General Services
Exempt per: Public Utilities Code Section 185036

Use Only
EXHIBIT A
SCOPE OF WORK

1. BACKGROUND AND PURPOSE

A. The California High-Speed Rail Authority (Authority) is responsible for the planning, design, construction, and operation of the first high-speed rail system in the nation (Project). The California high-speed rail system will connect the mega-regions of the State, contribute to economic development and a cleaner environment, create jobs and preserve agricultural and protected lands. By 2029, high-speed rail will run from San Francisco to the Los Angeles basin in under three hours at speeds of over 200 miles per hour. The system will eventually extend to Sacramento and San Diego, totaling 800 miles with up to 24 stations. In addition, the Authority is working with regional partners to implement a statewide rail modernization plan that will invest billions of dollars in local and regional rail lines to meet the State’s 21st century transportation needs.

B. To facilitate the construction of the high-speed rail system, the Authority requires the City of Pico Rivera (Contractor) to perform the work as described in Section 2 of this Exhibit (Work).

C. All inquiries regarding this Agreement will be directed to the project representatives identified below:

<table>
<thead>
<tr>
<th>AUTHORITY</th>
<th>CONTRACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Manager: Michelle Boehm</td>
<td>Project Manager: James Enriquez, P.E.</td>
</tr>
<tr>
<td>Address: 700 N. Alameda, Room 3-532 Los Angeles, CA 90012</td>
<td>Address: 6615 Passons Blvd. Pico Rivera, CA 90660-1016</td>
</tr>
<tr>
<td>Phone: (213) 308-4507</td>
<td>Phone: (562) 801-4225</td>
</tr>
<tr>
<td>Fax:</td>
<td>Fax: (562) 949-7506</td>
</tr>
<tr>
<td>Email: <a href="mailto:Michelle.Boehm@hsr.ca.gov">Michelle.Boehm@hsr.ca.gov</a></td>
<td>Email: <a href="mailto:jenriquez@pico-rivera.org">jenriquez@pico-rivera.org</a></td>
</tr>
</tbody>
</table>

The Contract Managers may be changed without amendment and with written Notification.

2. SCOPE OF WORK, TASKS, DELIVERABLES, AND SCHEDULE

A. The Authority shall provide the Contractor a Notice to Proceed for the Work under this Agreement from the Authority’s Contract Manager, a proposed alignment, segment number(s) and any other information about the Project segment(s) to assist the Contractor in the investigation of its existing facilities for conflicts with the Project’s proposed alignment.

B. Contractor will be reimbursed for its actual, direct, and necessary expenses in its performance of the following:

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Deliverable</th>
<th>Schedule</th>
</tr>
</thead>
</table>
## EXHIBIT A
### SCOPE OF WORK

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Deliverable</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Agreement Development</td>
<td>Staff time for master agreement development.</td>
<td>Participation in meetings and review of draft contract and other documents.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>5. Agreement Development</td>
<td>Staff time for task order/utility agreement development template.</td>
<td>Participation in meetings and review of draft contract and other documents.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>6. Agreement Development</td>
<td>Staff time for right-of-way transfer agreement development.</td>
<td>Participation in meetings and review of draft contract and other documents.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>7. Agreement Development</td>
<td>Staff time for grade separation agreement development.</td>
<td>Participation in meetings and review of draft contract and other documents.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>8. Agreement Development</td>
<td>Staff time for ownership and maintenance agreement development.</td>
<td>Participation in meetings and review of draft contract and other documents.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>9. Agreement Development</td>
<td>Attorney time for legal review</td>
<td>Legal review of documents and meeting with Authority attorneys.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>10. Agreement Development</td>
<td>Staff and attorney time for preparation of board of directors materials and reports.</td>
<td>Materials and reports for board of directors.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>11. Right-of-way Support</td>
<td>Staff time for property rights research.</td>
<td>Reports detailing property rights.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>12. Right-of-way Support</td>
<td>Staff and attorney time for abandonment, vacation, or legal transfer of right-of-way.</td>
<td>Abandonment, vacation, or legal transfer of right-of-way and supporting documentation.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
<tr>
<td>13. Right-of-way Support</td>
<td>Staff and attorney time for preparation of board of directors materials and reports.</td>
<td>Presentations to board of directors, if any.</td>
<td>Through expiration or termination of the Agreement</td>
</tr>
</tbody>
</table>

Contractor staff and attorney time will be reimbursed at the hourly rates set forth in Attachment 1-Budget. “Attorney time” shall include attorney services provided to Contractor on a contract basis by outside counsel as included above and in the Budget. “Staff time” shall include time for engineering services provided by outside contract as included above and in the Budget. However, Contractor acknowledges that “staff time” does not include time for subcontractors, vendors, and outside
EXHIBIT A
SCOPE OF WORK

counsel. Subcontractor, vendors, and attorney time shall only be reimbursed if specifically included in Attachment 1- Budget.

C. Additionally, Contractor will be reimbursed the actual costs incurred for (i) fringe and overhead rates, and (ii) other direct costs limited to (a) travel; (b) approved subcontractors; and (c) vendors.

D. Except as specifically set forth above, Contractor acknowledges the following costs shall not be reimbursed: (i) reviewing and/or providing comments on environmental documents (including, but not limited to, environmental impact statements and environmental impact reports); (ii) attending meetings, unless at the request of the Authority; (iii) acquisition of real property, which shall be handled through the property acquisition process; (iv) coordination for design and construction activities, which shall be handled through task orders/utility agreements; (v) preliminary and/or final designs, which shall be handled through task orders/utility agreements; (vi) construction, materials, or inspection, which shall be handled through task orders/utility agreement; and (vii) maintenance, which shall be handled through the ownership and maintenance agreement or construction and maintenance agreement, as appropriate.

3. SCHEDULE OF SERVICES

Performance of the work described in Section 2 shall commence upon receipt of Notice to Proceed. Unless terminated as provided herein, the Work shall continue until earlier of (i) completion of the Work or (ii) expiration of the term.
EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. FUNDING REQUIREMENTS

A. This Agreement shall be of no further force and effect if the California State Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the Work identified in Exhibit A. In this event, except as provided in Section 1(B) below, the Authority shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this Agreement and the Contractor shall not be obligated to perform any provision of this Agreement.

B. After execution or commencement of this Agreement, if funding for any fiscal year is reduced or deleted by the California State Budget Act for purposes of the Work, the Authority shall have the option to either: 1) cancel this Agreement with no further liability occurring to the Authority, with the exception of reimbursing Contractor for Work completed prior to the Agreement’s cancellation; or 2) offer an Agreement amendment to the Contractor to reflect the reduced amount, the approval of which shall be subject to the mutual agreement of the Contractor and the Authority.

C. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government or the California State Legislature for the purpose of this Project. In addition, this Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or State Legislature that may affect the provisions, terms or funding of this Agreement in any manner.

2. COMPENSATION, INVOICING, AND PAYMENT

A. The maximum amount of this Agreement is an estimate, and the actual amount of work requested by the Authority may be less. No payment shall be made to the Contractor in advance of services rendered to the Contractor.

B. Contractor shall not be entitled to payment for work performed prior to receipt of Notice to Proceed from the Authority’s Contract Manager. No Work shall begin before that time.

Invoices shall include the Agreement Number, date prepared, and billing period, actual hours worked (by individual name and position), actual costs for salaries (by position), and fringe, overhead and other direct costs. Contractor shall not be paid for claimed costs or expenses not identified on the Attachment 1 –Budget except as such claimed costs or expenses are within the scope of work and otherwise approved in advance by the Authority in writing.

C. For services satisfactorily rendered and approved by the Contract Manager and upon receipt and approval of the invoices, the Authority shall reimburse the Contractor for actual costs incurred. Provide 1 original and 2 copies, as set forth below, of the invoice for payment. Invoices shall be submitted no more than monthly in arrears and within thirty (30) days of when services are provided to:
D. The following certification shall be included on each invoice and signed by the authorized official of the Contractor:

“I certify that this invoice is correct and proper for payment, and reimbursement for these costs has not and will not be received from any other sources, included but not limited to a Government Entity contract, subcontract, or other procurement method.”

E. Payment shall be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. The Authority will accept computer generated or electronically transmitted invoices. The date of “invoice receipt” shall be the date the Authority receives the paper copy.

F. Payments shall be made to the Contractor for undisputed invoices. If the Authority disputes an invoice it shall notify the Contractor within fifteen (15) working days of receipt of the invoice and pay undisputed portions of the invoice in accordance with the Agreement. The invoice may be disputed if additional evidence is required to determine the invoice’s validity, deliverables for the billing period have not been received and approved, inaccuracies of the invoice, or does not otherwise comply with the terms of this Agreement. If a disputed invoice or any disputed portion thereof, is resolved, the Contractor shall issue a new invoice for the resolved amount and the Authority shall pay the invoice in accordance with the terms of this Agreement.
EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

G. Positions listed in the Budget, included as Attachment 1, may be changed without an amendment to the Agreement. A request for change must be in writing, on Contractor’s letterhead, and identify the position and rate that is requested to be added or removed. There shall be no change in the positions without written approval by the Authority’s Contract Manager.

H. There shall be no change in the rate of position without prior written approval by the Authority’s Contract Manager. A request for change must be in writing, on Contractor’s letterhead and identify the reason for rate change.

3. COST PRINCIPLES

Contractor’s performance shall be governed by and in compliance with the following administrative and cost principles:

A. If Contractor is a governmental entity, then Contractor shall comply with Title 49 Code of Federal Regulations, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, as amended.

B. If Contractor is a for-profit organization, then Contractor shall comply with Title 49 Code of Federal Regulations, Part 19, Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations (49 C.F.R. Part 19) and Title 48 Code of Federal Regulations, Federal Acquisition Regulations System, Chapter 1, Part 31 et seq.

C. If Contractor is a non-profit organization, then Contractor shall comply with 49 C.F.R. Part 19 and OMB Circular A-122, Cost Principles for Nonprofit Organizations.

D. If Contractor is an educational institution, then Contractor shall comply with 49 C.F.R. Part 19 and OMB Circular A-21, Cost Principles for Education Institutions.

E. Any subcontract in excess of $25,000, entered into as a result of this Agreement, shall contain all the provisions of this clause.

The identified circulars and regulations are hereby incorporated into this Agreement by reference as if fully set out herein.

If any costs for which payment has been made to the Contractor are determined by subsequent audit to be unallowable under the applicable administrative and cost principles referenced above, then the unallowable costs are subject to repayment by the Contractor to the Authority upon reasonable notice.

4. CONTINGENT FEE

The Contractor certifies, by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a
EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

commission, percentage, brokerage, or contingent fee, with the exception of bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this certification, the Authority has the right to annul this Agreement without liability, pay only for the value of the work actually performed, or in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.
EXHIBIT C
GENERAL TERMS AND CONDITIONS AND CONTRACTOR CERTIFICATIONS

1. GENERAL TERMS AND CONDITIONS

A. APPROVAL. This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such written approval has been obtained.

B. AMENDMENT. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

C. ASSIGNMENT. This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

D. AUDIT. Contractor agrees that the Authority, the Department of General Services, the State Auditor, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7.)

E. INDEMNIFICATION. Each party to this Agreement agrees to indemnify, defend and save harmless the other party, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies limited to the party’s performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by said party in the performance of this Agreement.

F. DISPUTES. The parties shall continue with their respective responsibilities under this Agreement during any dispute.

G. TERMINATION FOR CAUSE. The Authority may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the Authority may proceed with the Work in any manner deemed proper by the Authority. All costs to the Authority shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

H. INDEPENDENT CONTRACTOR. Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

I. NON-DISCRIMINATION CLAUSE. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or
EXHIBIT C
GENERAL TERMS AND CONDITIONS AND CONTRACTOR CERTIFICATIONS

applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

J. TIMELINESS. Time is of the essence in this Agreement.

K. GOVERNING LAW. This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

L. UNENFORCEABLE PROVISION. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

2. CONTRACTOR CERTIFICATIONS

A. STATEMENT OF COMPLIANCE. Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103.)

B. DRUG-FREE WORKPLACE REQUIREMENTS. Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

i. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

ii. Establish a Drug-Free Awareness Program to inform employees about:

   1) the dangers of drug abuse in the workplace;

   2) the person's or organization's policy of maintaining a drug-free workplace;

   3) any available counseling, rehabilitation and employee assistance programs; and,
EXHIBIT C
GENERAL TERMS AND CONDITIONS AND CONTRACTOR CERTIFICATIONS

4) penalties that may be imposed upon employees for drug abuse violations.

iii. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)
EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. EARLY TERMINATION

   A. This Agreement may be terminated at any time by mutual agreement of the parties in writing.

   B. Termination for Convenience. The Authority reserves the right to terminate this Agreement upon thirty (30) calendar days written notice to the Contractor if terminated for the convenience of the Authority. In the event of such termination for convenience, the Authority shall pay Contractor for all Work performed prior to the effective date of termination.

   C. Notice of Termination for Subcontractors, Suppliers, and Service Providers. The Contractor shall notify any subcontractor and service or supply vendor providing services under this Agreement of the early termination date of this Agreement. Failure to notify any subcontractor and service or supply vendor shall result in the Contractor being liable for any termination costs incurred by any subcontractor and service or supply vendor for work performed under this Agreement, except those specifically agreed to by the Authority in writing.

   D. Contractor Claims After Early Termination. The Contractor shall release the Authority from any and all further claims for services performed arising out of this Agreement or its early termination, upon acceptance by the Contractor of payment for costs actually incurred for Work performed prior to receipt of the notice of termination and actual costs incurred as a result of termination.

2. PURCHASE OF EQUIPMENT

   No equipment is approved for purchase.

3. SUBCONTRACTING

   A. Upon prior approval of the Authority, Contractor may subcontract a portion of the Work. Attachment 1 –Budget shall identify the rates for any approved subcontractor. Any substitution of a subcontractor shall be approved in writing by the Authority’s Contract Manager prior to such substituted subcontractor performing work. Unless specifically noted otherwise, any subcontract in excess of $25,000 shall contain all the applicable provisions stipulated in this Agreement.

   B. This Agreement shall not create a contractual relationship between the Authority and any approved subcontractor. A subcontract shall not relieve the Contractor of performance of its duties hereunder. Contractor shall be responsible for the any and all acts and omissions of its subcontractors and their employees.

   C. Contractor’s obligation to pay its subcontractors is independent of the Authority’s obligation to pay the Contractor.
4. **OWNERSHIP OF DATA**

   A. Upon completion of all work under this Agreement, all intellectual property rights, ownership, and title to all reports, documents, plans, specifications, electronic documents, and estimates produced as part of this Agreement will automatically be vested in the Authority and no further agreement will be necessary to transfer ownership to the Authority. The Contractor shall furnish the Authority all necessary copies of data needed to complete the review and approval process.

   B. All calculations, drawings and specifications, whether in hard copy, and electronic or machine readable form, are intended for one-time use in the construction of the Project.

   C. The Contractor is not liable for claims, liabilities or losses arising out of, or connected with the modification or misuse by the Authority of any data provided by the Contractor under this Agreement. The Contractor is not liable for claims, liabilities or losses arising out of, or connected with, any use by the Authority of the project documentation on other projects, for additions to this Project, or for the completion of this Project by others, except for such use as may be authorized, in writing, by the Contractor.

   D. Any subcontract in excess of $25,000, entered into as a result of this Agreement, shall contain all of the provisions of this clause.

5. **CONFIDENTIALITY OF DATA**

   A. All financial, statistical, personal, technical, or other data and information relative to the Authority’s operations, which is designated confidential by the Authority and made available to the Contractor in order to carry out this Agreement, shall be protected by the Contractor from unauthorized use and disclosure.

   B. The Authority and the Contractor agree to protect designated confidential or privileged information intended by the Authority and Contractor to remain so protected, while facilitating the sharing of information as part of both parties’ efforts. Use of data files constitutes agreement on the part of the Contractor to maintain confidentiality if exempt under the California Public Records Act, subject to Government Code Section 6254.5(e). Confidential information shall not be shared with third parties without consultation and approval from the Authority.

   C. The Contractor shall not comment publicly to the press or any other media regarding the High-Speed Rail operations or privileged information regarding the High Speed Rail Project, or the Authority’s actions on the same, except to the Authority’s staff, Contractor’s own personnel, including subcontractors, affiliates, and vendors, involved in the performance of this Agreement, at public hearings, or in response to questions from a Legislative Committee.

   D. The Contractor shall not issue any news release or public relations item of any nature whatsoever regarding the High-Speed Rail operations or privileged information regarding the High-Speed
EXHIBIT D
SPECIAL TERMS AND CONDITIONS

Rail Project without prior review of the contents thereof by the Authority and receipt of the Authority’s written permission.

E. Notwithstanding the provisions of this Section, nothing in this Agreement shall restrict, limit, or otherwise prohibit the Contractor from publically commenting on any analysis, data, information, environmental review, or other materials that are released to the public and pertain to the High-Speed Rail operations or the Project.

F. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of the Confidentiality of Data clause.

6. PUBLIC RECORDS; CONFLICTS OF INTEREST

A. This Agreement shall not limit nor infringe on either parties duty to comply with the California Public Records Act, Government Code Section 6250 et seq.

B. The Contractor and its employees, and all its subcontractors and employees, shall comply with the Authority’s Conflict of Interest Code and Organizational Conflict of Interest Policy.

C. Any subcontract in excess of $25,000, entered into as a result of this Agreement, shall contain all of the provisions of this clause.

7. STOP WORK

A. The Authority’s Contract Manager may, at any time, by written notice to the Contractor require the Contractor to stop all or any part of the work tasks in this Agreement.

B. Upon receipt of such stop work order, the Contractor shall immediately take all necessary steps to comply therewith and to minimize the incurrence of costs allocable to work stopped.

C. The Contractor shall resume the stopped work only upon receipt of written instruction from the Authority Contract Officer canceling the stop work order. An equitable adjustment shall be made by the Authority based upon a written request by the Contractor for an equitable adjustment. Such adjustment request must be made by the Contractor within thirty (30) days from the date of receipt of the stop work notice.

8. SETTLEMENT OF DISPUTES

The parties agree to use their best efforts to resolve disputes concerning a question of fact arising under this Agreement in an informal fashion through consultation and communication, or other forms of non-binding alternative dispute resolution mutually acceptable to the parties.
EXHIBIT D
SPECIAL TERMS AND CONDITIONS

9. HEADINGS

The headings appearing in this contract have been inserted for the purpose of convenience and ready reference and do not define, limit, or extend the scope or intent of the clauses.

10. WAIVER

Failure to enforce any provision of this Agreement shall not operate as a waiver of that or any other provision or any subsequent breach of this Agreement.
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

All terms in Exhibit E must be included in all subcontracts and lower-tier subcontracts regardless of amount expended, unless otherwise noted.

1. FEDERAL REQUIREMENTS

The Contractor understands that the Authority has received Federal funding from the Federal Rail Administration (FRA) for the Project and acknowledges that it is required to comply with all applicable federal laws, regulations, policies and related administrative practices, whether or not they are specifically referenced herein. The Contractor acknowledges that federal laws, regulations, policies, and related administrative practices may change and that such changed requirements will apply to the Project. The Contractor shall ensure compliance by its subcontractors and include appropriate flow down provisions in each of its lower-tier subcontracts as required by applicable federal laws, regulations, policies and related administrative practices, whether or not specifically referenced herein.

Notwithstanding anything to the contrary contained in this Agreement, all FRA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any Authority requests, which would cause the Authority to be in violation of FRA requirements.

2. COMPLIANCE WITH FEDERAL REQUIREMENTS

The Contractor’s failure to comply with Federal Requirements shall constitute a breach of this Agreement.

3. FEDERAL LOBBYING ACTIVITIES CERTIFICATION

The Contractor certifies, to the best of its knowledge and belief, that:

A. No state or federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any State or Federal agency, a member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a member of the Legislature or Congress in connection with the awarding of any State or Federal agreement, the making of any State or Federal grant, the making of any State or Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State or Federal agreement, grant, loan, or cooperative agreement.

B. 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 federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal Agreement, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
C. 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.

D. The Contractor shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000, and that all such subcontractors shall certify and disclose accordingly.

4. DEBARMMENT AND SUSPENSION


To the extent required by the aforementioned U.S. DOT regulations and U.S. OMB guidance, the Contractor must verify that each subcontractor is not excluded or disqualified in accordance with said regulations by reviewing the “Excluded Parties Listing System” at http://www.sam.gov/portal/public/SAM/. The Contractor shall obtain appropriate certifications from each such subcontractor and provide such certifications to the Authority.

The Contractor’s signature affixed herein shall also constitute a certification under penalty of perjury under the laws of the State of California that the Contractor or any person associated therewith in the capacity of owner, partner, director, officer or manager:

1. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;

2. Have not had one or more public transactions (federal, state, and local) terminated within the preceding three years for cause or default;

3. Has not been convicted within the preceding three years of any of the offenses listed in Title 2 Code of Federal Regulations Section 180.800(a) or had a civil judgment rendered against it for one of those offenses within that time period; and

4. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses listed in Title 2 Code of Federal Regulations Section 180.800.
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

Should the Contractor or any subcontractor become excluded or disqualified as defined in this section during the life of the Agreement, the Contractor shall immediately inform the Authority of this exclusion or disqualification. The Contractor shall include a term or condition in the contract documents for each lower-tier covered transaction, assuring that, to the extent required by the U.S. DOT regulations and U.S. OMB guidance, each subcontractor will review the “Excluded Parties Listing System,” will obtain certifications from lower-tier subcontractors, and will include a similar term or condition in each of its lower-tier covered transactions.

5. SITE VISITS

The Contractor acknowledges that FRA, through its authorized representatives, has the right, at all reasonable times, to make site visits to review Project accomplishments and for other reasons. If any site visit is made by FRA on the premises of the Contractor or any of its subcontractors under this Agreement, the Contractor shall provide and shall require its subcontractors to provide, all reasonable facilities and assistance for the safety and convenience of FRA representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner as will not unduly delay work being conducted by the Contractor or subcontractor.

6. SAFETY OVERSIGHT

To the extent applicable, the Contractor shall comply with any Federal regulations, laws, or policies and other guidance that FRA or U.S. DOT may issue pertaining to safety oversight in general, and in the performance of this Agreement, in particular.

7. ENVIRONMENTAL PROTECTION

The Contractor and any subcontractor under this Agreement shall comply with all applicable environmental requirements and regulations, including any amendments, as follows:

A. Clean Air. The Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Contractor shall report each violation to the Authority, and acknowledges that the Authority shall, in turn, report each violation as required to assure notification to the FRA and the appropriate Environmental Protection Agency Regional Office.

B. Clean Water. The Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Contractor shall report each violation to the Authority, and acknowledges that the Authority shall, in turn, report each violation as required to assure notification to the FRA and the appropriate EPA Regional Office.

C. Energy Conservation. The Contractor will comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6421 et seq.)
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

D. **Agreement Not To Use Violating Facilities.** The Contractor will not to use any facility to perform work hereunder that is listed on the List of Violating Facilities maintained by the EPA. The Contractor shall promptly notify the Authority if the Contractor or any subcontractor receives any communication from the EPA indicating that any facility which will be used to perform work pursuant to this Agreement is under consideration to be listed on the EPA’s List of Violating Facilities; provided, however, that the Contractor’s duty of notification hereunder shall extend only to those communications of which it is aware, or should reasonably have been aware.

E. **Environmental Protection.** The Contractor shall comply with all applicable requirements of the National Environmental Policy Act of 1969, as amended, 42 U.S.C. §§ 4321 et seq.

F. **Incorporation of Provisions.** The Contractor shall include the above provisions (A) through (F) in every subcontract hereunder exceeding $50,000 financed in whole or in part with federal assistance provided by the FRA.

8. CIVIL RIGHTS

The following requirements apply to this Agreement:

A. **Nondiscrimination.** In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d; Section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102; Section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132; and 49 U.S.C. § 306, the Contractor will not discriminate against any individual because of race, color, religion, national origin, sex, age or disability in any activities leading up to or in performance of this Agreement. In addition, the Contractor will comply with applicable federal implementing regulations and other implementing requirements that FRA may issue.

B. **Equal Employment Opportunity.** The following equal employment opportunity requirements apply to this Agreement:

i. **Race, Color, Religion, National Origin, Sex:** In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, the Contractor will comply with all applicable equal opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” including 41 C.F.R 60 et seq. (which implements Executive Order No. 11246, “Equal Employment Opportunity,” as amended by Executive Order No. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” 42 U.S.C. § 2000e note), and with any applicable federal statutes, executive orders, regulations, and federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, sex, or age. Such action shall include the following: employment,
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor will comply with any implementing requirements FRA may issue.

ii. Age. In accordance with Section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623, the Contractor will refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor will comply with any implementing requirements FRA may issue.


The Contractor will not to discriminate on the basis of drug abuse, in accordance with the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, alcohol abuse, in accordance with the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, and to comply with Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records. In addition, the Contractor will comply with applicable federal implementing regulations and other implementing requirements that FRA may issue.

The Contractor also will include these requirements in each subcontract financed in whole or in part with federal assistance provided by FRA, modified only if necessary to identify the affected parties.

9. ARRA FUNDED PROJECT

Funding for this Agreement has been provided through the America Recovery and Reinvestment Act (ARRA) of 2009, Pub. L. 111-5. All Contractors, including both prime and subcontractors, are subject to audit by appropriate federal or State of California (State) entities. The State has the right to cancel, terminate, or suspend the Agreement if any Contractor or subcontractor fails to comply with the reporting and operational requirements contained herein.
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

10. ENFORCEABILITY

If the Contractor or one of its subcontractors fails to comply with all applicable federal and State requirements governing the use of ARRA funds, the State may withhold or suspend, in whole or in part, funds awarded under the program, or recover misspent funds allowing an audit. This provision is in addition to all other remedies available to the State under all applicable State and federal laws.

11. PROHIBITION ON USE OF ARRA FUNDS

Contractor will in accordance with ARRA Section 1604 that none of the funds made available under this Agreement may be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

12. ACCESS AND INSPECTION OF RECORDS

A. In accordance with ARRA Sections 902, 1514, and 1515, the Contractor shall permit the State of California, the United States Comptroller General, the United States Department of Transportation Secretary, or their representatives or the appropriate Inspector General appointed under Section 3 or 8G of the United States Inspector General Act of 1978 or his representative to:

i. Access and reproduce any books, documents, papers and records of the Contractor that directly pertain to, and involve transactions relating to, this Agreement for the purposes of making audits, examinations, excerpts and transcriptions; and

ii. Interview any officer or employee of the Contractor or any of its subcontractors regarding the activities funded with funds appropriated or otherwise made available by ARRA.

B. Pursuant to Title 49 Code of Federal Regulation Section 18.26(i)(11), Title 49 Code of Federal Regulations Section 19.26, or OMB Circular A-133 Compliance Supplement, (whichever applicable), the Contractor will maintain all books, records, accounts and reports required under this Agreement for a period of not less than three years after the date of termination or expiration of this Agreement, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case the Contractor will maintain same until the Authority, the FRA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims, or exceptions related thereto. The Contractor shall notify the Authority not less than six months prior to disposal of any books, records, accounts and reports required under this Agreement.

C. The Contractor will comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, Title 5 United States Code Section 552(a).

The Contractor shall include this provision in all lower-tier subcontracts.
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

13. WHISTLEBLOWER PROTECTION

Contractor and its subcontractors shall comply with Section 1553 of the ARRA, which prohibits all non-federal contractors, including the state, and all contractors of the State, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of:

A. Gross mismanagement of a contract relating to ARRA funds;
B. Gross waste of ARRA funds;
C. A substantial and specific danger to the public health or safety related to the implementation or use of ARRA funds;
D. An abuse of authority related to implementation or use of ARRA funds; or
E. A violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contractor) awarded or issued relating to ARRA funds.

Contractor and its subcontractors shall post notice of the rights and remedies available to employees under Section 1553 of Title XV of Division A of the ARRA.

14. FRAUD AND FALSE CLAIMS ACT

Contractor shall promptly notify the Authority and shall refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, subcontractor, or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving ARRA funds.

The Contractor will include the above paragraphs in each subcontract financed in whole or in part with Federal assistance provided by the FRA. It is further agreed that the paragraphs shall not be modified, except to identify the subcontractor who will be subject to the provisions.

15. REPORTING REQUIREMENTS

Contractor will, if requested by the Authority in writing, provide the Authority with the following information:

A. The total amount of funds received by the Contractor during the time period defined in the Authority’s request;
B. The amount of funds actually expended or obligated during the time period requested;
C. A detailed list of all projects or activities for which funds were expended or obligated, including:
   The name of the project or activity;
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

i. A description of the project activity;
ii. An evaluation of the completion status of the project or activity; and
iii. An estimate of the number of jobs created and/or retained by the project or activity.

D. For any contracts or subcontracts equal to or greater than $25,000:

i. The name of the entity receiving the contract;
ii. The amount of the contract;
iii. The transaction type;
iv. The North American Industry Classification System (NAICS) code or Catalog of Federal Domestic Assistance (CFDA) number, if known;
v. The location of the entity receiving the contract;
vi. The primary location of the contract, including city, state, congressional district, and county;
vii. The DUNS number, or name and zip code for the entity headquarters, if known;
viii. A unique identifier of the entity receiving the contract and the parent entity of Contractor, should the entity be owned by another; and
ix. The names and total compensation of the five most highly compensated officers of the company if received:

- 80% or more of its annual gross revenues in Federal awards;
- $25,000,000 or more in annual gross revenue from Federal awards and;
- If the public does not have access to information about the compensation of senior executives through periodic reports filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 or Section 6104 of Internal Revenue Code of 1986;

E. Any other information reasonably requested by the State of California or required by state or federal law or regulation.

Standard data elements and federal instruction for use in complying with reporting requirements under Section 1512 of the ARRA, are pending review by the federal government, and were published in the Federal Register on April 1, 2009 [74 FR 14824], and are to be provided online at www.FederalRegister.gov. The additional requirements will be added to this Agreement by amendment.

16. REPRINTS OF PUBLICATIONS

Whenever an employee of a Contractor-Related Entity writes an article regarding the Project or otherwise resulting from work under this Agreement that is published in a scientific, technical, or professional journal or publication, the Contractor shall ensure that the Authority is sent two reprints of the publication, clearly referenced with the appropriate identifying information.
EXHIBIT E
SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING FEDERAL FUNDS

An acknowledgment of FRA support and a disclaimer must appear in any publication, whether copyrighted or not, based on or developed under the Agreement, in the following terms:

“This material is based upon work supported by the Federal Railroad Administration under a grant/cooperative agreement FR-HSR-0009-10-01-05, dated December 5, 2012. Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the Federal Railroad Administration and/or U.S. DOT.”

17. LABOR PROVISIONS

49 U.S.C. 24405(b) provides that persons conducting rail operations over rail infrastructure constructed or improved in whole or in part with funds provided through this Agreement shall be considered a “rail carrier,” as defined by 49 U.S.C. 10102(5), for the purposes of Title 49, U.S.C., and any other statute that adopts that definition or in which that definition applies, including the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.), the Railway Labor Act (43 U.S.C. 151 et seq.), and the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.). To the extent required by 49 U.S.C. 24405(b) and other laws referenced above, the Contractor shall reflect these provisions in its agreements funded in whole or in part by this Agreement with entities operating rail services over such rail infrastructure.

18. LABOR PROTECTIVE ARRANGEMENTS

The Contractor will comply with the applicable protective arrangements established under Section 504 of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act), 45 U.S.C. 836, with respect to employees affected by actions taken in connection with the Project. The Contractor also will include the applicable protective arrangements established by the U.S. DOL under 45 U.S.C. 836 in its arrangements with entities operating rail services over rail infrastructure constructed as part of this Agreement.
## ATTACHMENT 1 - BUDGET

<table>
<thead>
<tr>
<th>Position and Title</th>
<th>$/Hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager</td>
<td>$ 161.93</td>
</tr>
<tr>
<td>Assistant to the City Manager</td>
<td>$ 105.03</td>
</tr>
<tr>
<td>PW Director/City Engineer</td>
<td>$ 126.84</td>
</tr>
<tr>
<td>Community Dev. Director</td>
<td>$ 121.33</td>
</tr>
<tr>
<td>Finance Director</td>
<td>$ 94.71</td>
</tr>
<tr>
<td>Asst. City Engineer</td>
<td>$ 83.53</td>
</tr>
<tr>
<td>Senior Planner</td>
<td>$ 92.20</td>
</tr>
<tr>
<td>Project Controls &amp; Admin</td>
<td>$ 70.00</td>
</tr>
<tr>
<td>City Attorney</td>
<td>$ 225.00</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>$ 230.00</td>
</tr>
<tr>
<td>Engineering Assistant</td>
<td>$ 125.00</td>
</tr>
<tr>
<td>Project Controls Admin</td>
<td>$ 75.00</td>
</tr>
</tbody>
</table>

### Personal Services
Include position, title, and rate per hour.

### Fringe Benefits
Identify fringe benefit costs citing actual benefits or as a percentage of personal service costs.

### Operating Expenses
Operating expenses related to the services provided including rent and supplies.

### Travel Expenses
Include travel expense and per diem. Rates are set at the rate specified by CalHR.

### Overhead
Overhead costs are those general expenses incurred during normal course of operating a business.

### Other
Any other specific breakdown required to sufficiently explain the budget.

**Total**

**GRAND TOTAL**

$ 231,805.54
To: Mayor and City Council  
From: City Manager  
Meeting Date: March 14, 2017  
Subject: SHERIFF EXPANSION PARKING LOT IMPROVEMENTS (CIP NO. 21304) – AWARD CONSTRUCTION  

Recommendations:  

1) Award a construction contract in the amount of $256,614 to Ruiz Concrete and Paving, Inc. for the Sheriff Expansion Parking Lot Improvements (CIP No. 21304) and authorize the Mayor to execute the contract in a form approved by the City Attorney; and  

2) Approve a budget amendment to the General Fund appropriating $50,000 to the Project Budget (CIP No. 21304), utilizing available General Fund reserves; and  

3) Approve the Total Project Budget (Enclosure 2).  

Fiscal Impact:  

Funding for this project totaling $142,000 from the General Fund was appropriated by the City Council on February 4, 2015. In addition, the Sheriff’s Department is providing a contribution of $105,000 as shown in the Total Project Budget (Enclosure 2), in the form of discounts on the annual cost of services. The Fiscal Year 2016-17 Capital Improvement Project adopted budget for this project is $247,000.  

The low bid received exceeds the available project budget of $247,000 and the revised total project cost is estimated at $297,000 as shown in the Total Project Budget (Enclosure 2). It is recommended that the City Council amend the Fiscal Year 2016-17 Budget (Account No. 400.70.7320-54500-21304) and appropriate an additional $50,000 in General Funds to provide adequate funding for the completion of the construction and inspection work. This additional funding will come from available Unassigned General Fund Reserves.  

Discussion:  

The Sheriff Expansion Parking Lot Improvements Project (CIP No. 21304) will expand the parking lot by developing the vacant area on the northeast corner of Citronell Avenue and Wampler Street, in order to mitigate a parking shortage and security deficiencies. The new parking area will be surrounded by a block wall and steel gates to provide secured parking for Sheriff personnel. A wrought iron fence will be constructed along Citronell Avenue to secure the City’s parking lot, with motorized gates at the driveway activated by employee badges for entry and exit in order to prevent traffic from cutting through the parking lot.
The Sheriff Department is also completing a related, but separate project to increase the height of the block wall surrounding the station to eight feet and replacing the rolling gates with steel gates. The work on the block wall is nearly completed and Sheriff Department maintenance staff will be fabricating and installing the rolling steel gates for the existing Sheriff Yard as well as the new enclosed Sheriff parking lot. The improvements to the Sheriff Station are funded entirely by the Sheriff Department. The City issued permits for these improvements and is coordinating this work with the City’s project.

On June 14, 2016, the City Council authorized the City Clerk to advertise the Notice Inviting Bids for the construction of the project. The Notice Inviting Bids was advertised on January 10, and January 24, 2017. On February 2, 2017, ten (10) bids were received and opened by City Clerk in a public forum. The bids ranged from $256,613 to $474,300.

The bid summary is as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Total Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ruiz Concrete and Paving, Inc.</td>
<td>$ 256,613</td>
</tr>
<tr>
<td>2. Green Giant Landscape, Inc.</td>
<td>$ 297,000</td>
</tr>
<tr>
<td>3. Aghapy Group Inc.</td>
<td>$ 303,394</td>
</tr>
<tr>
<td>4. EC Construction</td>
<td>$ 349,351</td>
</tr>
<tr>
<td>5. FS Contractors, Inc.</td>
<td>$ 350,205</td>
</tr>
<tr>
<td>6. Horizons Construction, Inc.</td>
<td>$ 350,272</td>
</tr>
<tr>
<td>7. Terra Pave, Inc.</td>
<td>$ 410,107</td>
</tr>
<tr>
<td>8. Minco Construction</td>
<td>$ 438,760</td>
</tr>
<tr>
<td>9. Astra Builders, Inc.</td>
<td>$ 452,291</td>
</tr>
<tr>
<td>10. Access Pacific, Inc.</td>
<td>$ 474,300</td>
</tr>
</tbody>
</table>

The lowest bid of $256,613 submitted by Ruiz Concrete and Paving, Inc. is 28.9% higher than the Engineer’s Estimate of $199,067.

Staff completed the analysis of the bids and Ruiz Concrete and Paving, Inc. was confirmed to be the lowest, responsive and responsible bidder. Award of the construction contract in the amount of $256,614 to Ruiz Concrete and Paving, Inc. is recommended.

The anticipated project schedule is:

- Award Construction        March 2017
- Start Construction         April 2017
- Complete Construction      July 2017

The Notice of Intent to Award for this project was published on January 30, 2017. The bid protest period expired on February 22, 2017 and no written bid protests were received.
Inspection services will be provided by the Building and Safety Division and construction management will be provided by Engineering Division staff from the Department of Public Works.

René Bobadilla

RB:JE:lg

Enc. 1) Contract Agreement
     2) Total Project Budget
THIS CONTRACT SERVICES AGREEMENT (herein "Agreement"), is made and entered into this 14 day of March, 2017 by and between the CITY OF PICO RIVERA, a municipal corporation, (herein "City") and Ruiz Concrete and Paving Inc. (herein "Contractor"). The parties hereto agree as follows:

A. City requires services for the construction of Sheriff expansion parking lot improvements. Contractor has represented to City that Contractor is qualified to perform said services and has submitted a proposal to City for same.

B. City desires to have Contractor perform said services on the terms and conditions set forth herein.

NOW, THEREFORE, based on the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, City and Contractor hereby agree as follows:

1. SERVICES OF CONTRACTOR

1.1 Scope of Services - In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended.

1.2 Documents Included in Contract - This contract consists of the following Contract Documents: Notice of Inviting Bids, Special Provisions, Special Provisions – Part 2, Special Provisions – Part 3, General Provisions, Proposal, Instruction to Bidders, Bidder's Proposal, Bidder's Bond (Bidder's Guarantee), Bond for Faithful Performance, Bond for Labor and Material, Escrow Agreement, Schedule of Non-Working Fridays, Waste Management Plan, Supplemental Information Form, Tax Identification Number Form, Guarantee, this Contract, and any and all schedules and attachments to it which are incorporated as if fully set forth herein.
1.3 **Order of Preference of Documents** - In the event of an inconsistency among the Contract Documents, the Contract Documents shall have the following order of preference:

1. 2012 Greenbook
2. 2012 SPPWC
3. 2016 California Building Code
4. 2016 California Electrical Code
5. California Energy Code
6. California Fire Code
8. This Agreement

1.4 **Additional Services** - City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said extra work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of twenty-five percent (25%) or less of the Contract Sum, or in the time to perform of one hundred eighty (180) days or less may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor.

2. **GENERAL CONDITIONS**

2.1 **Compliance with Law** - The Contractor shall keep itself informed of City, State, and Federal laws, ordinances and regulations, which may in any manner affect the performance of its services pursuant to this Agreement. All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered. Neither the City, nor their officers, agents, nor employees shall be liable at law or in equity as a result of the Contractor’s failure to comply with this section.

2.2 **Licenses, Permits, Fees, and Assessments** - Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes,
plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder. Contractor shall be responsible for all subcontractors' compliance with this Section 2.2.

2.3 **Familiarity with Work** - By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the Scope of Services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact in writing and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

2.4 **Care of Work** - The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's sole negligence.

2.5 **Further Responsibilities of Parties** - Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other. Contractor shall require all subcontractors to comply with the provisions of this Agreement.

2.6 **Prevailing Wage Laws** - In accordance with Labor Code Section 1770 et seq., the director of the Department of Industrial Relations of the State of California has ascertained a general prevailing rate of wages which is the minimum amount which shall be paid to all workers employed to perform the work pursuant to this Agreement. A copy of the general prevailing wage rate determination is on file in the Office of the Director of Public Works and is hereby incorporated in this Agreement. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor must forfeit to the City Twenty Five Dollars ($25.00) a day for each worker who works in excess of the minimum working hours when Contractor does not pay overtime. Contractor is required to post a copy of such wage rates at all times at the contract site. The statutory penalties for failure to pay prevailing
wage or to comply with State wage and hour laws will be enforced. Contractor also shall comply with State law requirements to maintain payroll records and shall provide for certified records and inspection of records as required by California Labor Code Section 1770 et seq., including Section 1776. Contractor shall comply with all statutory requirements relating to the employment of apprentices.

Pursuant to Labor Code Section 1771.1, a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work (as defined by Division 2, Part 7, Chapter 1 of the Labor Code (Section 1720, et seq.)), unless currently registered and qualified to perform public work pursuant to Section 1725.5.

In compliance with Labor Code Section 1771.4, Contractor is required to post job site notices required by law.

2.7 **Type of Contractor’s License.** The Contractor shall possess the following types of contractor’s license(s) to perform the work pursuant to this Agreement:

- Class A – General Engineering Contractor

2.8 **Ineligible Contractor Prohibited.** Any contractor or subcontractor who is ineligible to perform work on a public works project pursuant to Section 1771.1, 1777.1 or 1777.7 of the Labor Code is prohibited from performing work under this Agreement.

3. **COMPENSATION**

3.1 **Contract Sum** - For the services rendered pursuant to this Agreement, the Contractor shall be compensated as specified herein, but not exceeding the maximum contract amount of Two Hundred Fifty Six Thousand Six Hundred Thirteen Dollars and Forty Cents ($256,613.40) (herein "Contract Sum"), except as provided in Section 1.4. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

3.2 **Progress Payments** - Prior to the first day of the month, during the progress of the work, commencing on the day and month specified in the Agreement, Contractor shall submit to the Contract Officer a complete itemized payment request for all labor and materials incorporated into the work during the preceding month and the portion of the contract sum applicable thereto. Upon receipt of a properly presented payment request, the Contract Officer shall process the payment request in accordance with Public Contracts Code Section 20104.5. The Contract Officer shall review the payment request as soon as possible. If the Contract Officer rejects the payment request, it shall be returned to the Contractor within seven days of its receipt by the City with an explanation for the reasons of its rejection. If the payment
request is approved in writing by the Contract Officer, payment shall be made in thirty (30) days of receipt of an undisputed and properly presented payment request. Late payments shall bear interest at the legal rate of interest in accordance with Code of Civil Procedure 685.010. City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security. Refer to Section 3.3 of this Agreement for retention of funds.

3.3 Retention of Funds - Progress payments shall be made in accordance with the provisions of Section 3.2 of this Agreement. In accordance with said section, City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under this Agreement during the month covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security to be paid to the Contractor within sixty (60) days after final acceptance of the work by the City Council, after Contractor shall have furnished City with a release of all undisputed contract amounts, if required by City. In the event there are any claims specifically excluded by Contractor from the operation of the release, the City may retain proceeds (per Public Contract Code 7107) of up to 150% of the amount in dispute. City’s failure to deduct or withhold shall not affect Contractor’s obligations hereunder.

4. PERFORMANCE SCHEDULE

4.1 Time of Essence - Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance - Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within thirty (30) working days.

4.3 Force Majeure - The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes for the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.
4.4 Term - Unless earlier terminated in accordance with Section 8.9 of this Agreement, this Agreement shall continue in full force and effect until final approval and acceptance of the work by the Contract Officer.

5. COORDINATION OF WORK

5.1 Representative of Contractor - The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act on its behalf with respect to the work specified herein and make all decisions in connection therewith:

Jose A. Ruiz Jr., Vice President

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

5.2 Contract Officer - The Contract Officer shall be such person as may be designated by the City Manager or City Engineer of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

5.3 Prohibition Against Assignment - The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

5.4 Independent Contractor - Neither the City nor any of its employees shall have any control over the manner, mode or means by which
Contractor, its subcontractors, agents or employees, performs the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor’s employees, subcontractors, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City, nor shall City officers, employees or agents be deemed the officers, employees, or agents of Contractor as a result of this Agreement. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

5.5 PERS Eligibility Indemnity - In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation benefit, or any incident of employment by the City and entitlement to any contribution to be paid by the City for employee contribution and or employee contribution for PERS benefits.

5.6 Identity of Persons Performing Work - Contractor represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein. Contractor represents that the tasks and services required herein will be performed by Contractor or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services.

5.7 Utility Relocation - City is responsible for removal, relocation, or protection of existing main or trunkline utilities to the extent such utilities were not identified in the invitation for bids or specifications. City shall reimburse Contractor for any costs incurred in locating, repairing damage not caused by Contractor and removing or relocating such unidentified utility facilities, including equipment idled during such work. Contractor shall not be assessed liquidated
damages for delay arising from the removal or relocation of such unidentified utility facilities.

5.8 **Trenches, Excavations and Unknown Conditions** - Pursuant to California Public Contract Code Section 7104, in the event the work included in this Agreement requires excavations more than four (4) feet in depth, the following shall apply.

   a) Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (1) material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) Subsurface or latent physical conditions at the site different from those indicated; or (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement.

   b) City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order per Section 1.4 of this Agreement.

   c) That, in the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by this Agreement, but shall proceed with all work to be performed under this Agreement. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the parties.

5.9 **Trench and Pipeline Safety** – If this Agreement is for more than $25,000 and involves excavation of any trench five feet or more in depth, the Contractor shall submit a detailed plan of shoring, bracing, sloping or other provisions to be made for worker protection in accordance with Labor Code Section 6705. Such plan shall be approved by a qualified representative of the City.

[Intentionally left blank.]
6. INSURANCE, INDEMNIFICATION AND BONDS

6.1 Insurance - The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

<table>
<thead>
<tr>
<th>Coverage (Check if applicable)</th>
<th>Minimum Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>(X) Comprehensive General Liability Insurance (including premises and operations)</td>
<td>$2,000,000 per occurrence combined single limit</td>
</tr>
<tr>
<td>( ) Contractual Liability Insurance Products Liability Insurance</td>
<td>$1,000,000 limit</td>
</tr>
<tr>
<td>(X) Comprehensive Automobile Liability Insurance (includes owned, non-owned, and hired automobile hazard)</td>
<td>$1,000,000 per occurrence combined single limit</td>
</tr>
<tr>
<td>( ) Professional Liability Insurance (providing for a one year discovery period)</td>
<td>$1,000,000 limit</td>
</tr>
<tr>
<td>(X) Workers' Compensation/Employers' Liability Insurance</td>
<td>Statutory $1,000,000 per occurrence</td>
</tr>
<tr>
<td>Risk of Loss Insurance</td>
<td></td>
</tr>
<tr>
<td>Acts of God Insurance</td>
<td></td>
</tr>
</tbody>
</table>

CONDITIONS:

The insurance of surety companies who provide or issue the policy shall have been admitted to do business in the State of California with a credit rating of “A”-minus or better.

This insurance shall not be canceled, limited in scope or coverage or non-renewed until after thirty (30) days prior written notice has been given to the City Engineer, City of Pico Rivera, California.

Any insurance maintained by the City of Pico Rivera shall apply in excess of, and not combined with, insurance provided by this policy.

The City of Pico Rivera, its officers, employees, representatives, attorneys, and volunteers shall be named as additional named insureds.
Prior to commencement of any work under this Agreement, Contractor shall deliver to the City insurance endorsements confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above.

Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signatory’s company affiliation and title. Should it be deemed necessary by the City, it shall be Contractor’s responsibility to see that the City receives documentation, acceptable to the City, which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company.

If the Contractor fails to maintain the aforementioned insurance, or secure and maintain the aforementioned endorsement, the City may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement. However, procuring of said insurance by the City is an alternative to other remedies the City may have, and is not the exclusive remedy for failure of Contractor to maintain said insurance or secure said endorsement. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which became due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this Agreement.

Each contract between the Contractor and any subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section 6.1.

6.2 **Indemnification** - Contractor shall indemnify the City, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising or alleged to arise out of or in connection with the negligent performance of the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising or alleged to arise from the negligent acts or omissions of Contractor hereunder, or arising or alleged to arise from Contractor's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, but excluding such claims or liabilities or portion of such claims or liabilities arising or alleged to arise from the negligence or willful misconduct of the City, its officers, agents or employees, and in connection therewith:
a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising or alleged to arise out of or in connection with Contractor's (or its agents', employees', subcontractors', or invitees') negligent performance of or failure to perform such work, operations or activities hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising or alleged to arise out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor shall pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees for counsel acceptable to City.

d) Contractor's duty to defend and indemnify as set out in this Section 6.2 shall include any claims, liabilities, obligations, losses, demands, actions, penalties, suits, costs, expenses or damages or injury to persons or property arising or alleged to arise from, in connection with, as a consequence of or pursuant to any state or federal law or regulation regarding hazardous substances, including but not limited to the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous and Solid Waste Amendments of 1984, the Hazardous Material Transportation Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law or the Porter-Cologne Water Quality Control Act, as any of those statutes may be amended from time to time.

e) City shall provide written notice to Contractor of any third party claims in accordance with Public Contracts Code 9201.

The Contractor's indemnification obligations pursuant to this Section 6.2 shall survive the termination of this Agreement. Contractor shall require the same indemnification from all subcontractors.

6.3 **Labor and Materials Bond, Performance Security and Warranty Security** - Concurrently with execution of this Agreement, Contractor shall deliver to City a labor and materials bond and a performance security each in the sum of the amount of this Agreement, in the forms provided by the City Clerk, which secures the payment of subcontractors, laborers and materialmen, and the faithful performance
of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond or security shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement. Prior to the acceptance of the work by the City, Contractor shall deposit with the City a Warranty Bond or Security in the amount of 50% of the amount of this Contract and in a form provided by the City warranting the work and materials for a period of one year from the date of acceptance by the City.

6.4 **Sufficiency of Insurer or Surety** - Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. In the event the Risk Manager of City ("Risk Manager") determines that the work or services to be performed under this Agreement creates an increased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond required by this Section 6 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of City within ten (10) days of receipt of notice from the Risk Manager.

6.5 **Substitution of Securities** - Pursuant to California Public Contract Code Section 22300, substitution of eligible equivalent securities for any moneys withheld to ensure performance under this Agreement for the work to be performed will be permitted at the request and expense of the successful bidder.

7. RECORDS AND REPORTS

7.1 **Reports** - Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.
7.2 **Records** - Contractor shall keep, and require subcontractors to keep, such books and records (including but not limited to payroll records as required herein) as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

7.3 **Ownership of Documents** - All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

8. **ENFORCEMENT OF AGREEMENT**

8.1 **California Law** - This Agreement shall be construed and interpreted both as to validity and as to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 **Disputes** - In the event either party fails to perform its obligations hereunder, the non-defaulting party shall provide the defaulting party written notice of such default. The defaulting party shall have ten (10) days to cure the default; provided that, if the default is not reasonably susceptible to being cured within said ten (10) day period, the defaulting party shall have a reasonable time to cure the default, not to exceed a maximum of thirty (30) days, so long as the defaulting party commences to cure such default within ten (10) days of service of such notice and diligently prosecutes the cure to completion; provided further that if the default is an immediate danger to the health, safety and general welfare, the defaulting party shall take such immediate action as may be necessary. Notwithstanding the foregoing, the non-defaulting party may, in its sole and absolute discretion, grant a longer cure period. Should the defaulting party fail to cure the default within the time period provided in this Section, the non-defaulting party shall have the right, in addition to any other rights the
non-defaulting party may have at law or in equity, to terminate this Agreement. Compliance with the provisions of this Section 8.2 shall be a condition precedent to bringing any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured.

8.3 **Dispute Resolution** – If the amount of this Agreement is $375,000 or less, disputes regarding time extensions or payment amounts must be submitted to a resolution process in accordance with Public Contracts Code 20104-20104.4 as follows:

1. Informal negotiation between the City and general contractor.
2. Mediation with the general contractor.
3. Arbitration.
4. Court trial. If the party requesting the court trial does not prevail, then that party must pay all court costs and attorney's fees.

8.4 **Waiver** - No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.5 **Rights and Remedies are Cumulative** - Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.6 **Legal Action** - In addition to any other rights or remedies, either party may take legal action, law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.7 **Liquidated Damages** - Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City the sum of one thousand dollars ($1,000.00) as liquidated damages for each calendar day of delay in the performance of
any service required hereunder, as specified in the Schedule of Performance (Section 4.2 above). In addition, liquidated damages may be assessed for failure to comply with the emergency call out requirements described in the Scope of Services (Exhibit A). The City may withhold from any moneys payable on account of services performed by the Contractor any accrued liquidated damages.

8.8 **Termination for Default of Contractor** - If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, Contractor shall vacate any City owned property which Contractor is permitted to occupy hereunder and City may, after compliance with the provisions of Section 8.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of setoff or partial payment of the amounts owed the City as previously stated.

8.9 **Termination for Convenience** – The City may terminate this Agreement without cause for the convenience of the City upon giving Contractor 30 days’ prior written notice of termination of the Agreement. Upon receipt of the notice of termination, the Contractor shall cease all further work pursuant to the Agreement. Upon such termination by the City, the Contractor shall not be entitled to any other remedies, claims, actions, profits, or damages except as provided in this paragraph. Upon the receipt of such notice of termination, Contractor shall be entitled to the following compensation:

1. The contract value of the work completed to and including the date of receipt of the notice of termination, less the amount of progress payments received by Contractor.

2. Actual move-off costs including labor, rental fees, equipment transportation costs, the costs of maintaining on-site construction office for supervising the move-off.

3. The cost of materials custom made for this Agreement which cannot be used by the Contractor in the normal course of his business, and which have not been paid for by City in progress payments.

4. All costs shall not include any markups as might otherwise be allowed by any plans or specifications which were a part of the Agreement.

The provisions of this paragraph shall supersede any other provision of the Agreement or any provision of any plans, specification, addendums or other documents which are or may become a part of this Agreement. City and Contractor agree that the provisions of this paragraph are a substantive part of the consideration for this Agreement.
8.10 **Attorney's Fees** - If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

9. **CITY OFFICERS AND EMPLOYEES, NONDISCRIMINATION**

9.1 **Non-liability of City Officers and Employees** - No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 **Conflict of Interest** - The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

9.3 **Covenant Against Discrimination** - Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. To the extent required by law, Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

10. **MISCELLANEOUS PROVISIONS**

10.1 **Notice** - Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and shall be deemed to be given when served personally or deposited in the U.S. Mail, prepaid, first-class mail, return receipt requested, addressed as follows:

To City:  
City of Pico Rivera  
6615 Passons Boulevard  
Pico Rivera, California 90660  
Attention: James Enriquez, P.E.  
Director of Public Works/City Engineer
To Contractor:  Ruiz Concrete and Paving Inc.
1344 Temple Avenue
Long Beach, CA 90804
Attention:  Jose A. Ruiz Jr., Vice President

10.2 **Interpretation** - The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

10.3 **Integration; Amendment** - It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

10.4 **Severability** - In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

10.5 **Hiring of Undocumented Workers Prohibited** - Contractor shall not hire or employ any person to perform work within the City of Pico Rivera or allow any person to perform work required under this Agreement unless such person is properly documented and legally entitled to be employed within the United States.

10.6 **Unfair Business Practices Claims** - In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body renders final payment to the Contractor without further acknowledgment by the parties. (Section 7103.5, California Public Contract Code.)

10.7 **Corporate Authority** - The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized
and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:                          CITY OF PICO RIVERA,  
By: ____________________________ By: ____________________________
    Anna M. Jerome, City Clerk     Bob J. Archuleta, Mayor
Date: __________________________ Date: __________________________

APPROVED AS TO FORM:

___________________________________
Arnold M. Alvarez-Glasman, City Attorney
Date: __________________________

CONTRACTOR:                   Ruiz Concrete and Paving Inc.
By: ____________________________ By: ____________________________
    (Print)                     (Print)
Date: __________________________ Date: __________________________
Signature: ______________________ Signature: ______________________
Title: __________________________ Title: __________________________
Address: _________________________ Address: _______________________

___________________________________________
___________________________________________
SUPPLEMENTAL INFORMATION TO BE COMPLETED BY PRINCIPAL

If an individual, so state. If a firm or co-partnership, state the firm name and give the names of all individual co-partners composing the partnership. If a Corporation, state legal name of corporation; state also the names of the president, secretary, treasurer and manager thereof.

______________________________________________________
______________________________________________________
______________________________________________________

Business Address:

______________________________________________________
______________________________________________________
______________________________________________________

Telephone Number: _________________________________

Date: _________________

Print Name: ___________________________________________

Principal

Signature: ___________________________________________
TAX IDENTIFICATION NUMBER

The Tax Equity and Fiscal Responsibility Act of 1982 requires the payer (City of City of Pico Rivera) to report to the Internal Revenue Service taxable payments to payees.

You (as a payee) are required by law to provide us with your Taxpayer Identification Number (if an individual or partnership, your Social Security Number). If you do not provide us with your correct identification number, you may be subject to a penalty imposed by the Internal Revenue Service. The payments subject to withholdings may include, but are not limited to, interest, dividends, or other payments the City of Pico Rivera and/or the Pico Rivera Redevelopment Agency made to you. Other payments may include rents, royalties, commissions, and fees for service of non-employees.

If you are exempt from income tax, we are still required, by law, to maintain a Tax Identification Number on file. PLEASE PROVIDE YOUR TAX IDENTIFICATION NUMBER next to the appropriate listing below, sign, date and return to:

CITY OF PICO RIVERA FINANCE DEPARTMENT
6615 Passons Boulevard
Pico Rivera, California 90660

Exempt: Yes____ No ____ Telephone (_____) ____________________

CORPORATION: ____________________________________________________________

U.S.A. OR ANY AGENCIES THEREOF: _________________________________________

IRS CODE #501 TAX-EXEMPT ORGANIZATION: ________________________________

A NON-COMMISSIONED CITY OF PICO RIVERA EMPLOYEE: _______________________

SOLE PROPRIETOR: __________________________________________________________

A PARTNERSHIP: ____________________________________________________________

OTHER: _______________________________________________________________ (Explain)

___________________________ ________________
Signature     Date

Title
GUARANTEE
TO THE CITY OF PICO RIVERA

CAPITAL IMPROVEMENT PROJECT NO. 21304
SHERIFF EXPANSION PARKING LOT IMPROVEMENTS

As a material inducement to the City to award this Agreement for Project No.21304 Sheriff Expansion Parking Lot Improvements to ________________________, the undersigned ("Guarantor") has agreed to enter into this guarantee. The Guarantor hereby unconditionally guarantees to the fullest extent allowed by law the following work included in this project:
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

____________________________________________________________________________

("the work").

Guarantor guarantees that the materials and equipment used by itself and its subcontractors will be free from defects and that the work will conform to the plans and specifications. Should any of the materials or equipment prove defective or should the work as a whole, or any part thereof, prove defective for any reason whatsoever (except due to intentional torts by the City), or should the work as a whole or any part thereof fail to operate properly or fail to comply with the plans and specifications, Guarantor will, at the City’s sole election: 1) reimburse the City, upon written demand, for all of the City’s expenses incurred replacing or restoring any such equipment or materials, including the cost of any work necessary to make such replacement or repairs; or 2) replace any such defective material or equipment and repair said work completely, all without any cost to the City. Guarantor further guarantees that any such repair work will conform to the plans and specifications for the project. This guarantee will remain in effect for one year from the date on which this Agreement for the work is accepted by the City.

Guarantor understands and agrees that the City shall have the unqualified option to make any replacements or repairs itself or to have such replacement or repairs performed by the undersigned. The City shall have no obligation to consult with Guarantor before the City proceeds to perform any repair, replacement, or work itself. If the City elects to have Guarantor perform said repair, replacement, or work, Guarantor agrees that the repair, replacement, or work shall be performed within 15 days after receipt of a written demand from the City.

If the City elects to perform the replacement or repairs itself, Guarantor agrees to make reimbursement payment within 15 days after receipt of a written demand for payment from the City.

If the Guarantor fails or refuses to comply with this guarantee, the City shall be entitled to all costs and expenses, including attorney’s and expert fees, reasonably incurred by reason of Guarantor’s failure or refusal.

Guarantor: ____________________________

Date

Contractor: ____________________________

Signature

Title
PROPOSAL

The Honorable City Council
City of Pico Rivera
6615 Passons Boulevard
Pico Rivera, CA 90660

Dear Council Members:

In compliance with the NOTICE INVITING BIDS for SHERIFF EXPANSION PARKING LOT IMPROVEMENTS – CAPITAL IMPROVEMENT PROJECT NO. 21304, a copy which is hereto attached, the undersigned has carefully examined the location of the proposed work, the plans, specifications and other contract documents therefore and is satisfied as to the conditions to be encountered, as to the character, quality and quantity of work to be performed and materials to be furnished and as to the requirements of the specifications and the contract. It is mutually agreed that the submission of a proposal shall be considered prima facie evidence that the bidder has made such examination.

It is understood and agreed that the work included under the Contract awarded pursuant to this Bid for the Capital Improvement Project No. 21304 – SHERIFF EXPANSION PARKING LOT Improvements, shall be completed by the Contractor within THIRTY (30) WORKING DAYS from receipt of the Notice to Proceed, unless legal extension is granted in accordance with the terms set forth in the specifications, and to perform and complete the work as shown on the plans and in accordance with the specifications and other contract documents, and to furnish all labor, materials, tools and equipment necessary to complete the work in place therefore, in the manner and time herein prescribed at the following prices, to wit:

Contractor's Lawful Name  
Ruiz Concrete & Paving Inc.

Total Contract Price

$ 356,613.40

Proposal Schedule
PROPOSAL SCHEDULE

FOR

SHERIFF EXPANSION PARKING LOT IMPROVEMENTS

CAPITAL IMPROVEMENT PROJECT NO. 21304

TO THE PICO RIVERA CITY COUNCIL:

The undersigned, as a bidder, declares that this proposal is made without collusion with any other person, firm or corporation, and that the only person or parties interested as principals are those named herein; that he has not accepted any bid from any subcontractor or materialman through any bid depository, or prevent the contractor from considering any bid from any subcontractor or materialman which is not processed through said bid depository, or which prevents any subcontractor or materialman from bidding to any contractor who does not use the facilities of, or accept bids from or through such bid depository, and having carefully examined the site of the proposed work, plans and specifications, therefore, as well as the Notice of Inviting Bids, all motions by City Council pertaining thereto, and the proposed contract, and having informed himself fully in regard to the contemplated work, proposes and agrees in the event of the acceptance of hereof to enter into a contract with the City Council of the City of Pico Rivera to perform said proposed work in accordance with the terms of said contract, and to furnish or provide all materials, labor, tools, equipment, apparatus, and other means necessary to do so in accordance with the terms and provisions of said agreement, to wit:

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION WITH UNIT PRICE WRITTEN IN WORDS</th>
<th>APPROX. QTY.</th>
<th>UNIT</th>
<th>UNIT PRICE</th>
<th>TOTAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Unclassified Excavation including removals, clearing and grubbing complete</td>
<td>14,360</td>
<td>SF</td>
<td>2.44</td>
<td>35038.40</td>
</tr>
<tr>
<td></td>
<td>Two dollars and forty four cents per SF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Scarify and re-compact top 7&quot; of existing ground to 95% relative compaction complete</td>
<td>14,360</td>
<td>SF</td>
<td>.45</td>
<td>6462.00</td>
</tr>
<tr>
<td></td>
<td>Forty five cents per SF</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>ITEM NO.</td>
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<td>UNIT</td>
<td>UNIT PRICE</td>
<td>TOTAL AMOUNT</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------</td>
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</tr>
<tr>
<td>3.</td>
<td>4&quot; Crushed miscellaneous base $Sixty\ dollar$\ per\ ton</td>
<td>315</td>
<td>TON</td>
<td>60</td>
<td>18400</td>
</tr>
<tr>
<td>4.</td>
<td>3&quot; Asphalt concrete (Type C2 PG 64-10) $One\ hundred\ and\ sixteen\ dollars$\ per\ Ton</td>
<td>225</td>
<td>TON</td>
<td>116</td>
<td>26100</td>
</tr>
<tr>
<td>5.</td>
<td>Curb ramp complete with truncated dome $Three\ thousand\ and\ one\ hundred\ dollars$\ per\ EA</td>
<td>1</td>
<td>EA</td>
<td>3100</td>
<td>3100</td>
</tr>
<tr>
<td>6.</td>
<td>Type A1-150 (6) Curb complete $Twenty\ Six\ dollars$\ per\ LF</td>
<td>80</td>
<td>LF</td>
<td>26</td>
<td>2020</td>
</tr>
<tr>
<td>7.</td>
<td>Type A2-200 (8) Curb and Gutter complete $Fifty\ eight\ dollars$\ per\ LF</td>
<td>40</td>
<td>LF</td>
<td>58</td>
<td>2320</td>
</tr>
<tr>
<td>8.</td>
<td>8 Feet High Block Wall, complete $One\ hundred\ and\ ninety\ dollars$\ per\ LF</td>
<td>260</td>
<td>LF</td>
<td>190</td>
<td>49400</td>
</tr>
<tr>
<td>9.</td>
<td>Parkway Drain complete $Two\ thousand\ two\ hundred\ dollars$\ per\ EA</td>
<td>1</td>
<td>EA</td>
<td>2200</td>
<td>2200</td>
</tr>
<tr>
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<td>TOTAL AMOUNT</td>
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<td>---------</td>
<td>---------------------------------------------</td>
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</tr>
<tr>
<td>10.</td>
<td>4&quot; thick PCC sidewalk per plan complete</td>
<td>1,540</td>
<td>SF</td>
<td>6.90</td>
<td>10,626</td>
</tr>
<tr>
<td></td>
<td>Six dollars and Ninety Cents per SF</td>
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<tr>
<td>11.</td>
<td>6&quot; thick PCC driveway approach per plan complete</td>
<td>1</td>
<td>EA</td>
<td>2940</td>
<td>2940</td>
</tr>
<tr>
<td></td>
<td>Two thousand nine hundred and forty dollars per EA</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>12.</td>
<td>Erosion control per plan complete</td>
<td>1</td>
<td>LS</td>
<td>2000</td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td>Two thousand dollars per LS</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>13.</td>
<td>Install 4 inch wide yellow/white striping per plan</td>
<td>740</td>
<td>LF</td>
<td>7.50</td>
<td>5550</td>
</tr>
<tr>
<td></td>
<td>Seven dollars and fifty cents per LF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Furnish and install wheel stops complete</td>
<td>13</td>
<td>EA</td>
<td>138</td>
<td>1794</td>
</tr>
<tr>
<td></td>
<td>One hundred thirty eight dollars per EA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Electrical lighting per plan complete</td>
<td>1</td>
<td>LS</td>
<td>16000</td>
<td>16000</td>
</tr>
<tr>
<td></td>
<td>Sixteen thousand dollars per LS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Two 1-HP sliding gate operators, rolling gate track, and accessories per plan complete</td>
<td>2</td>
<td>EA</td>
<td>4760</td>
<td>9520</td>
</tr>
<tr>
<td></td>
<td>Four thousand seven hundred and sixty dollars per EA</td>
<td></td>
<td></td>
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</tbody>
</table>
## PROPOSAL SCHEDULE

<table>
<thead>
<tr>
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<th>UNIT PRICE</th>
<th>TOTAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.</td>
<td>Two 1-HP swing gate operators, 8' high by 14' wide wrought iron gates, and all necessary accessories per plan complete</td>
<td>2</td>
<td>EA</td>
<td>$176</td>
<td>$1,635.2</td>
</tr>
<tr>
<td>18.</td>
<td>8 feet high wrought iron fence per plan complete</td>
<td>245</td>
<td>LF</td>
<td>$143.8</td>
<td>$35,231</td>
</tr>
<tr>
<td>19.</td>
<td>Furnish and install dual pad pedestal housing per plan complete</td>
<td>2</td>
<td>EA</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>20.</td>
<td>Furnish and install wall mounted pad housing per plan complete</td>
<td>1</td>
<td>EA</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>21.</td>
<td>Furnish and install pad pedestal housing per plan complete</td>
<td>1</td>
<td>EA</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

### TOTAL BID

- Two hundred fifty six thousand dollars
- Six hundred thirteen dollars & forty cents

$256,613.40 Figure
Quantities shown are approximate only. Final contract amount will be based on actual amounts furnished at the unit costs set forth in the proposal.

The above unit prices include all incidental and appurtenant work, and materials necessary for the satisfactory completion of the items. In case of discrepancies between words and figures, the words shall govern, and in case of discrepancies between unit price and total, the unit price shall govern.

Bidder acknowledges that he has thoroughly reviewed the attached Notice of Inviting Bids, Instructions to Bidders, Bid Specifications and Agreement and is aware of all the requirements thereof, both stated and implied.

Accompanying this proposal is the bidder's security consisting of $ Bid $ Payable to the City of Pico Rivera in the amount of 10% of Total equivalent to at least ten (10) percent of the total aggregate bid price hereof based on the quantity shown and the unit price quoted; and the undersigned bidder hereby agrees that should he be awarded a contract on the basis hereof, and thereafter fails to properly execute and return the contract agreement together with the required bonds in connection therewith within ten (10) days after it has been delivered or mailed to him or his authorized agent, the City will be damaged by the delay so caused in an amount that is impossible to definitely ascertain; bidder's security; said bidder further agrees that in such an event the amount of security shall become the property of the City and may be collected thereby, and that otherwise it shall be returned.

I am aware of the provision of Section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of the contract.

Respectfully submitted:

[Signature]

Address: Las Vegas, NV 89014

Date: 2/2/2017

(SEAL - if BID is by a corporation)

Attest

Proposal Schedule
**SHERIFF EXPANSION PARKING LOT IMPROVEMENTS**  
**CIP NO. 21304**

**TOTAL PROJECT BUDGET**  
*As of March 14, 2017*

<table>
<thead>
<tr>
<th>Project Activity</th>
<th>Estimated Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction (Ruiz Concrete and Paving, Inc.)</td>
<td>$256,614</td>
</tr>
<tr>
<td>Geotechnical Services</td>
<td>$3,986</td>
</tr>
<tr>
<td>Contingency (14%)</td>
<td>$36,400</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT COST:**  
$297,000

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>Estimated Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund (Appropriated on 2/24/15)</td>
<td>$142,000</td>
</tr>
<tr>
<td>Sheriff Department (Sheriff Department contribution: reduction in annual fee and supplemental services)</td>
<td>$105,000</td>
</tr>
<tr>
<td>General Fund (FY 2016-17 Budget Amendment)</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

**TOTAL BUDGET:**  
$297,000
To: Mayor and City Council
From: City Manager
Meeting Date: March 14, 2017
Subject: PARAMOUNT BOULEVARD LANDSCAPE MEDIAN IMPROVEMENTS (CIP NO. 21272) - AWARD PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES

Recommendations:

1) Award a Professional Services Agreement to KOA Corporation to provide engineering design services for the redesign of the Paramount Boulevard Landscape Median Improvements from Whittier Boulevard to Mines Avenue (CIP No. 21272), for an amount not-to-exceed $64,500, and authorize the Mayor to execute the Agreement in a form approved by the City Attorney; and

2) Approve the Total Project Budget (Enclosure 3).

Fiscal Impact:

The total funding available for this project is $1,702,200, as shown in the Total Project Budget (Enclosure 3). Funding consists of $1,137,500 in grant funding through the Highway Safety Improvement Program (HSIP), and $564,700 in Proposition C funds appropriated as part of the Fiscal Year 2013-14 and 2016-17 Budgets. It shall be noted that the original HSIP grant for this project is $887,500 and the City is working toward finalizing the documentation for an additional $250,000 in HSIP funding that Caltrans has indicated is available for the additional safety measures incorporated into the redesigned project.

The total cost to complete the project is currently estimated at $1,702,200, including the $64,500 cost of the recommended agreement with KOA Corporation. No additional funding is required at this time to complete the project.

Discussion:

The Paramount Boulevard Landscape Median Improvements from Whittier Boulevard to Mines Avenue (CIP No. 21272) is in the City’s Capital Improvement Program. The design of the project proposes to install raised medians with drought tolerant landscaping and irrigation system in order to improve safety along Paramount Boulevard.
On April 22, 2014, the Council awarded a Professional Services Agreement to Joseph C. Truxaw and Associates, Inc. to prepare the design documents for the Paramount Boulevard Landscape Median Improvements project. A community meeting was held at the Pico Rivera Senior Center on July 7, 2016 to present the proposed design to the surrounding residents and business owners in advance of the advertisement for construction bids. The residents expressed concerns that a simple landscaped median was not sufficient to prevent head-on collisions in the vicinity of Dunlap Crossing Road. They also were concerned with the elimination of on-street parking on the east side of Paramount Boulevard.

Additionally, on July 11, 2016, a severe double fatality head-on collision occurred at Dunlap Crossing Road prompting the city to consider additional safety improvements at this location. The original engineer of record, Joseph C. Truxaw and Associates, Inc., was unwilling to provide an alternative design with the requested additional safety measures, specifically a center median barrier. In order to expedite the project, the City solicited the services of KOA Corporation since they were already contracted to prepare the design of intersection improvement at the intersection of Whittier Boulevard and Paramount Boulevard, immediately adjacent to this project. KOA provided a conceptual design for the revised Paramount project and the design of the center median barrier.

Staff submitted the redesigned project concept to Caltrans for consideration of a change in the scope of work for the HSIP-funded project. In coordination with the Federal Highway Administration, Caltrans District 7 staff notified the City on February 2, 2017 that the redesign was approved in concept and that an additional allocation of HSIP grant funds might be available to cover the additional construction cost. Additional funding for construction in the amount of $250,000 may be available.

The new design includes the reduction in the width of the median at various locations in order to maximize travel lane widths. In addition, metal guard rail or concrete barrier will be added on the median in the vicinity of the Dunlap Crossing Road intersection. This barrier will reduce the likelihood of a vehicle crossing over into oncoming traffic while traveling southbound along Paramount Boulevard. Advanced warning devices will also be added to notify motorists of the reduction of speed at the upcoming curve along Paramount Boulevard near Dunlap Crossing Road. A traffic signal modification at Paramount Boulevard and Loch Lomond Drive will improve visibility for incoming traffic and provide a safer turning radius for semi-trucks.

The anticipated project schedule is:

- Award Design: March 2017
- Design Completion: July 2017
- Start Construction: September 2017
- Complete Construction: March 2018
In accordance with P.R.M.C. 3.20.105, the recommended professional services agreement is a sole-sourced recommendation for engineering services based on the special design conditions of the new design for this project. KOA Corporation demonstrates the technical ability and experience to develop such a non-standard design. Furthermore, they have knowledge of the project site conditions since they are the design engineer for the adjacent traffic signal improvements at the intersection of Whittier Boulevard and Paramount Boulevard. Retaining the same engineer for both projects will ensure a proper transition between the two projects.

René Bobadilla

Enc. 1) Professional Services Agreement and Fee Proposal
     2) Vicinity Map
     3) Total Project Budget
AGREEMENT NO. ______
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF PICO RIVERA AND
KOA CORPORATION

1. **IDENTIFICATION**

   THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of Pico Rivera, a California municipal corporation ("City") and KOA Corporation, a California Corporation ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively referred to as "Parties."

2. **RECITALS**

   2.1 City has determined that it requires professional services from a consultant to provide engineering design services for Paramount Boulevard Landscape Median Improvements from Whittier Boulevard to Mines Avenue, CIP 21272 or as set forth in the Consultant’s March 8, 2017 proposal to the City attached hereto as Exhibit A.

   2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

**NOW, THEREFORE,** for and in consideration of the performance by the Parties of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

3. **DEFINITIONS**

   3.1 “Scope of Services”: Such professional services as are set forth in the Consultant’s March 8, 2017 proposal to City attached hereto as Exhibit A and incorporated herein by this reference.

   3.2 “Approved Fee Schedule”: Such compensation rates as are set forth in the Consultant’s March 8, 2017 proposal to City attached hereto as Exhibit A.

   3.3 “Commencement Date”: March 15, 2017

   3.4 “Expiration Date”: December 31, 2018

4. **TERM**

   The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the Parties or terminated in accordance with Section 22 below.
5. **CONSULTANT’S SERVICES**

   5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of Sixty Four Thousand Five Hundred Dollars ($64,500) unless specifically approved in advance, in writing, by City.

   5.2 Consultant shall perform all work to the highest professional standards of Consultant’s profession and in a manner reasonably satisfactory to City.

6. **COMPENSATION**

   6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.

   6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten (10) business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

   6.3 Payments for any services requested in writing by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant’s standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Consultant be entitled to increase fees for services rendered before the thirtieth (30th) day after Consultant notifies City in writing of an increase in that fee schedule. Fees for such additional services shall be paid within sixty (60) days of the date Consultant issues an invoice to City for such services.

7. **BUSINESS LICENSE**

   Consultant shall obtain a City business license prior to commencing performance under this Agreement.

8. **COMPLIANCE WITH LAWS**

   Consultant shall keep informed of State, Federal and Local laws, ordinances, codes and regulations that in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times comply with such laws, ordinances, codes and regulations. Without limiting
the generality of the foregoing, if Consultant is an out-of-state corporation or LLC, it must be qualified or registered to do business in the State of California pursuant to sections 2105 and 17451 of the California Corporations Code. The City, its officers and employees shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

9. **CONFLICT OF INTEREST**

Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute; and (ii) City has not consented in writing prior to Consultant's performance of such work.

10. **PERSONNEL**

Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant reserves the right to determine the assignment of its own employees to the performance of Consultant's services under this Agreement, but City reserves the right, for good cause, to require Consultant to exclude any employee from performing services on City's premises. Stephen Bise, Vice President, shall be Consultant’s project administrator and shall have direct responsibility for management of Consultant’s performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

11. **OWNERSHIP OF WRITTEN PRODUCTS**

All reports, documents or other written material (“written products”) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

12. **INDEPENDENT CONTRACTOR**

12.1 Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its officers, employees or agents shall have control over the conduct of Consultant or any of Consultant’s employees, except as set forth in this Agreement. Consultant shall not at any time represent that it is, or that any of its agents or
employees are, in any manner employees of City.

12.2 The Parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

12.3 City shall not deduct from the Compensation paid to Consultant any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to Consultant. City shall have no responsibility to provide Consultant, its employees or subcontractors with workers’ compensation insurance or any other insurance.

13. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data and any copies thereof shall be returned to City upon the termination or expiration of this Agreement.

14. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No official or employee of the City shall be personally liable to Consultant in the event of any default or breach by City, or for any amount which may become due to Consultant.

15. INDEMNIFICATION

15.1 The Parties agree that City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys’ fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to City. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant’s commitment to indemnify and protect City as set forth herein.

15.2 To the full extent permitted by law, Consultant shall indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or
subcontractors in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys’ fees incurred by counsel of City’s choice.

15.3 City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant’s failure to pay City promptly any indemnification arising under this Section 15 and related to Consultant’s failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers’ compensation laws.

15.4 The obligations of Consultant under this Section 15 will not be limited by the provisions of any workers’ compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

15.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 15 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant’s subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys’ fees incurred by counsel of City’s choice.

15.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15.7 PERS ELIGIBILITY INDEMNITY. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.
Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

16. **INSURANCE**

16.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant’s performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

   16.1.1 Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars ($1,000,000) per occurrence / Two Million Dollars ($2,000,000) in the annual aggregate, including products and Completed operations hazard, contractual insurance, broad form property damage, independent Consultants, personal injury.

   16.1.2 Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars ($1,000,000) per claimant and One Million dollars ($1,000,000) per incident.

   16.1.3 Worker’s Compensation insurance as required by the laws of the State of California.

   16.1.4 Professional Liability insurance against errors and omissions in the performance of the work under this Agreement with coverage limits of not less than One Million Dollars ($1,000,000).

16.2 Consultant shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

16.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

16.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant’s expense, the premium thereon.

16.5 At all times during the term of this Agreement, Consultant shall maintain on file with City’s Risk Manager a certificate or certificates of insurance showing that the
aforesaid policies are in effect in the required amounts and, for the general liability and automobile liability policies, naming the City as an additional insured. Consultant shall, prior to commencement of work under this Agreement, file with City’s Risk Manager such certificate(s).

16.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall provide such proof to City at least two weeks prior to the expiration of the coverages.

16.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days’ prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.

16.8 The general liability and automobile policies of insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant’s insurance and shall not contribute with it.

16.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant’s employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

16.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

16.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant’s liability or as full performance of Consultant’s duties to indemnify, hold harmless and defend under Section 15 of this Agreement.

17. **MUTUAL COOPERATION**

17.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant’s services under this Agreement.

17.2 In the event any claim or action is brought against City relating to Consultant’s performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.
18. **RECORDS AND INSPECTIONS**

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

19. **PERMITS AND APPROVALS**

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

20. **NOTICES**

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant’s and City’s regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the Parties may, from time to time, designate in writing).

If to City:  
René Bobadilla, City Manager  
City of Pico Rivera  
PO Box 1016  
6615 Passons Blvd.  
Pico Rivera, California 90660-1016  
Facsimile: (562) 801-4765

If to Consultant:  
Joel Falter  
Chief Operating Officer  
KOA Corporation  
1100 Corporate Center Drive  
Suite 201  
Monterey Park, California 91754  
Facsimile: (323) 260-4705

With a courtesy copy to:

Arnold M. Alvarez-Glasman, City Attorney  
13181 Crossroads Parkway North  
Suite 400 - West Tower  
City of Industry, CA 91746  
Facsimile: (562) 692-2244

21. **SURVIVING COVENANTS**

The Parties agree that the covenants contained in Sections 13, 15 and Paragraph 17.2 of Section 17, of this Agreement shall survive the expiration or termination of this Agreement.
22. **TERMINATION**

22.1. City shall have the right to terminate this Agreement for any reason on five (5) calendar days’ written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on sixty (60) calendar days’ written notice to City. The effective date of termination shall be upon the date specified in the notice of termination. Consultant agrees that in the event of such termination, City’s obligation to pay Consultant shall be limited to payment only for those services satisfactorily rendered prior to the effective date of termination. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

22.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

23. **ASSIGNMENT**

Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City’s prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any Party other than Consultant.

24. **NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY**

24.1 In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.2 Consultant will, in all solicitations or advertisements for employees placed by or on behalf of Consultant state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.3 Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement except contracts or subcontracts for standard commercial supplies or raw materials.
25. **WARRANTIES**

25.1 Each party has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement, or been provided with an opportunity to receive independent legal advice and has freely and voluntarily waived and relinquished the right to do so. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party’s failure to perform under this Agreement.

25.2 In executing this Agreement, each party has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever.

25.3 It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

26. **CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

27. **NON-WAIVER**

27.1 The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default which may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.
27.2 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City’s sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

28. **COURT COSTS**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such Party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the Party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants’ fees, if any, and attorneys’ fees expended in such action. The venue for any litigation shall be Los Angeles County, California.

29. **SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

30. **GOVERNING LAW**

This Agreement shall be governed and construed in accordance with the laws of the State of California.

31. **COUNTERPARTS**

This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.
32. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the Parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

TO EFFECTUATE THIS AGREEMENT, the Parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“CITY”
CITY OF PICO RIVERA

______________________________
Bob J. Archuleta, Mayor

Dated: ________________________

“CONSULTANT”
KOA Corporation

______________________________
Joel Falter, Chief Operating Officer

Dated: _____________________________

ATTEST:

___________________________
Anna M. Jerome, City Clerk

APPROVED AS TO FORM:

___________________________
Arnold M. Alvarez-Glasman, City Attorney
March 8, 2017

Mr. Jose Loera, P.E.
City of Pico Rivera
6615 Passons Blvd.
Pico Rivera, CA 90660

Subject: Paramount Boulevard Median Improvement Project, CIP No. 21272, HSIP No. 5351 (031)

Dear Mr. Loera,

KOA Corporation (KOA) is pleased to submit the following proposal to provide professional engineering services for the Paramount Boulevard Median Improvement Project, CIP No. 21272, HSIP No. 5351 (031). Per discussion at a meeting held between KOA and the City on Wednesday, March 3rd, 2017, the City requested a scope of work to prepare complete plans, specifications, and estimate (PS&E) for median improvements on Paramount Boulevard between Mines Avenue and Holbrook Street. The improvements include median installation, minor pavement reconstruction, curb ramp upgrades, traffic signal modification, landscaping, irrigation, and new signing/striping. The project also includes complete reconstruction of approximately 150 feet of Lock Lomond Drive directly adjacent to Paramount Boulevard. This project was previously designed by Joseph C. Truxaw and Associates, Inc. in March 2016. We understand the design was revisited due to a recent fatality at the intersection of Paramount Boulevard/Dunlop Crossing Road. The City has requested KOA to redesign the improvements to improve the safety along the corridor and ease public concerns.

Topographic survey would be provided by the City. KOA would coordinate with City design staff to determine join points and striping transitions.

SCOPE OF SERVICES

Task 1 – Project Management

KOA has assigned Stephen Bise, P.E. as the Project Manager. Our Project Management services will include, but not be limited to:

• Provide and perform all regular and customary project management services needed to facilitate the successful design, construction and completion of the project.
• Attend up to four (4) project meetings with City staff.
• Maintain communication with the City’s Project Manager throughout the duration of the project including PS&E package status, schedule updates, action items, etc.
• Project design review.
• Coordinate project development and approvals with the City.

Task 2 – Preliminary Engineering

Data Collection & Record Research
KOA will research all available documentation for the original design and perform independent research for additional information that could benefit the design.

Field Review/Project Site Evaluation
KOA will perform a thorough field investigation to identify any changes/discrepancies from the survey data provided by the City. KOA will take note of these changes and make necessary revision to the base file to accurately depict existing
conditions. KOA will also investigate the parking conditions within the project limits and closely study the intersection of Paramount Boulevard/ Dunlop Crossing Road to develop an understanding on the expressed safety concerns.

**Truck Turning Simulation**
KOA will perform a trunk turning simulation for all turning movements at the intersection of Paramount Boulevard and Loch Lomond Drive. The City have expressed concerns about the striping on Loch Lomond Drive does not provide sufficient room for truck turning to/from Paramount Boulevard. An exhibit will be presented to the City for review along with recommendations to improve the intersection functionally.

**Potholing**
KOA will subcontract to AirX to potholing services. AirX will pothole (two potholes) the existing sewer line adjacent to Dunlop Crossing Road to identify exact location and limits. The information will be used to design the protective barrier within the proposed median and eliminate conflict during construction. AirX will prepared, submit and implement traffic control per City requirements. They will also repair the asphalt to the satisfaction of the City Engineer. A pothole report will be submitted to the City upon completion.

**Deliverables:**
- Field notes/photos (upon request from the City)
- Truck turning exhibit
- Pothole report

**Task 3 – Plans, Specifications, & Estimate**

**Street Improvement Plans**
KOA will prepare street improvement plans to accommodate the design of the median construction along Paramount Boulevard between Mines Avenue and Holbrook Street. The plans will also include design for complete reconstruction of approximately 150 feet of Lock Lomond Drive directly adjacent to Paramount Boulevard. Our plans will be prepared to show existing roadway improvements, right-of-way, centerline, utilities manholes/valves/boxes, underground utilities, proposed resurfacing areas, and typical roadway cross sections. The street improvement plans will be prepared at 1”=40’ scale and contain a detailed horizontal layout, vertical control, construction notes, and applicable construction details.

**Landsaping/Irrigation**
KOA will subcontract to Site Design Studios, Inc. (SDS) for landscape and irrigation plans. SDS was the original designer on the project and will modify their plan accordingly to accommodate the re-design of the medians. KOA will provide SDS will the revised base file periodically to ensure conformity with the new design.

**Traffic Signal Modification**
The improvements will directly impact the existing traffic signal at the intersection of Paramount Boulevard and Loch Lomond Drive. KOA will prepare a traffic signal modification plans for this intersection to remove, relocate, repair, and install necessary equipment to compliment surrounding improvements. KOA will prepare and traffic signal modification plan at a scale of 1”=20’ and show centerlines, right-of-way lines, relevant existing and proposed street improvements, utilities of record, and existing traffic controls and improvements. The plans will also include all notes, schedules, and other features, as necessary to complete the traffic signal plan.

KOA understand coordination with LADWP is required to obtain approval for pole installation within LADWP right-of-way. KOA will comply with applicable conditions of approval (provided to the City by LADWP on November 29, 2016) and submit necessary plans and documents for review and approval.
Signing and Striping Plans
KO'A will prepare signing and striping plan for Paramount Boulevard between Mines Avenue and Holbrook Street. Any existing signage that is worn or faded will be replaced to comply with current CA MUTCD retro reflectivity standards. The signing and striping plans will be prepared 1''=40' scale and will clearly identify all existing, proposed, and removed striping and/or signage to correspond to the overall design intent.

Cost Estimates
KO'A will prepare and submit a cost estimate with each plan submittal to the City. KO'A will apply market construction costs for each bid item to the quantities measured. Cost estimates will be derived from a combination of available sources including Caltrans published data, recent bid prices from other local projects, and any other data that the City may choose to provide for our use. The resulting deliverable will be a line by line estimation of quantities, bid prices, sub-totals and one grand total of the estimated cost to construct these improvements. The bid items will reflect the bid items presented to Caltrans during the original design.

Specifications
KO'A will request a sample specification from the City from a recent/similar project and prepare project specification to conform to City format. Since this project had specification from the original design, KO'A will modify those specs to only reference items specific to the new design.

Deliverables:
- 85%, & 100% plans, specifications, and cost estimate (PDF and original electronic files)
- Written response to comments

Task 4 – Construction Support
Following submittal of the final plans, specifications, and estimate KO'A will provide on-call services to the City as may be requested for:

- Attendance at pre-construction meeting
- Attendance at in-progress construction meetings (up to 2)
- Field visits during construction (up to 2)
- Review of shop drawings, submittals, and change orders (up to 5)
- Response to Requests for Information (RFI) (up to 10)
- Minor design changes during construction (up to 4)
- Prepare as-built drawings

KO'A’s Team PM, project team and key sub consultants will be available throughout the projects construction. We are very familiar with contractor's methodology and are confident that our construction documents and construction support will limit potential change orders. We also understand the importance of prompt response to submittals and RFI's, to prevent delays during construction.

WORK SCOPE ASSUMPTIONS
- All plans designed by KO'A will be signed by a State of California registered civil engineer on our staff.
- City will provide survey files in AutoCAD format, original design documents, and as-built record drawings to KO'A prior to start of our work.
- City will provide utility records within the project limits.
OUT OF SCOPE WORK

Service rendered for out-of-scope work will be billed based on a negotiated maximum fee basis. A fee schedule is attached with this proposal for out-of-scope. Out-of-scope work includes:

- Requests by the cities or any other entity for items not covered in work program tasks described in this proposal. This includes any significant changes to the project scope that would require significant revisions to completed portions of the plans and other documents.
- Any traffic studies, traffic counts, parking studies, traffic signal warrant and accident analyses.
- Geotechnical investigation and/or preparation of geotechnical report.
- Preparation of street lighting and/or traffic control plans.
- Preparation of temporary construction easement or permanent maintenance easement documents.
- Any additional pot-holing or underground investigation of utilities not specified in the scope of work.
- Presentations at public meetings.
- Coordinate with utility companies for notification and/or relocation.
- Any coordination or funding administration with Caltrans

SCHEDULE

Upon receiving an executed agreement, necessary supporting plans and pertinent information from the City, we will prepare the 85% plans and estimate for review within (6) weeks. Subsequent revisions will be done within (2) weeks after receiving plan check comments.

FEE ESTIMATE

KOA will perform the work specified in the scope of services above for the lump sum fee described in the table below.

<table>
<thead>
<tr>
<th>Task Number</th>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project Management</td>
<td>$2,000</td>
</tr>
<tr>
<td>2</td>
<td>Preliminary Engineering</td>
<td>$2,000</td>
</tr>
<tr>
<td></td>
<td>Potholing</td>
<td>$4,500</td>
</tr>
<tr>
<td>3</td>
<td>Plans, Specifications, &amp; Estimate (PS&amp;E)</td>
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</tr>
<tr>
<td></td>
<td>Street Improvements</td>
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<td></td>
<td>Landscape &amp; Irrigation</td>
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<td></td>
<td>Traffic Signal Modification</td>
<td>$7,500</td>
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<tr>
<td></td>
<td>Singing &amp; Striping</td>
<td>$4,000</td>
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<tr>
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<td>Cost Estimate</td>
<td>$1,500</td>
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<td></td>
<td>Specifications</td>
<td>$2,500</td>
</tr>
<tr>
<td>4</td>
<td>Construction Support</td>
<td>$3,900</td>
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<tr>
<td></td>
<td>Total</td>
<td>$64,500</td>
</tr>
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</table>
The budget is based upon the work scope and level of effort presented above and includes the cost of all related technical and administrative services. Receipt of a signed copy of this proposal or a written notice to proceed authorizes us to begin work.

If the work described within this letter is not authorized in 30 days, if changes occur in the work scope or level of effort, or if our work is suspended for more than 45 days due to any circumstances beyond the control of KOA, we reserve the right to revise the work scope, budget and schedule to reflect current conditions. Such revisions will be effected through mutually agreed upon amendments or modifications to this agreement.

**INVOICING**

Invoices will be submitted monthly, based upon our estimated percentage of completion. Accounts are past due after 30 days. All work will be immediately stopped if any invoice is unpaid for 60 days or more.

In any lawsuit brought to enforce the terms of this contract, the prevailing party shall be entitled to their reasonable attorney’s fees.

**TERMINATION**

The Client or KOA may terminate this agreement by giving the other party ten days written notice of such termination. KOA shall receive fee payments from the Client proportionate to the services completed as of the date of termination. The Client will be entitled to receive deliverables at the level of completion relative to the fee payments received by KOA. All outstanding valid invoices shall be paid to KOA.

**INSURANCE**

KOA is fully able to meet the insurance requirements of this project. The firm has coverage in the following areas: Professional Liability ($1 million per claim, $2 million aggregate), Automobile Liability ($2 million) and General Liability ($5 million). Our Worker’s Compensation coverage meets the insurance requirements of California State law.

**PROJECT MANAGER**

Stephen Bise, P.E., will be the Project Manager for this project. If you have any questions about this proposal and our scope of services, please contact us at (323) 260-4703 or via email at sbise@koacorp.com.

**AUTHORIZATION**

The signature below indicates acceptance of this proposal and authorization to proceed. Please return a signed copy of this form to our office.

Sincerely,

3-9-2017

Stephen Bise, PE, Date
Vice President, Sr. Engineer
KOA Corporation
PARAMOUNT BOULEVARD LANDSCAPE MEDIANS IMPROVEMENTS FROM MINES AVENUE TO WHITTIER BOULEVARD - CIP NO. 21272
FEDERAL PROJECT NO. HSIPL-5351 (031)

TOTAL PROJECT BUDGET
As of March 14, 2017

<table>
<thead>
<tr>
<th>Project Activity</th>
<th>Estimated Budget</th>
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<tbody>
<tr>
<td>Design (Joseph C. Truxaw and Associates, Inc.)</td>
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<tr>
<td>Design (KOA Corporation) Recommended</td>
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<td>Federal Grant Consultant (Wildan)</td>
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<td>Job Costing (Pico Rivera staff time)</td>
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<td>Construction Management (Estimated)</td>
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<td>Construction (Estimated)</td>
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<td>Miscellaneous (Printing, other)</td>
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<tr>
<td><strong>TOTAL PROJECT COST:</strong></td>
<td><strong>$1,702,200</strong></td>
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<tr>
<th>Funding Category</th>
<th>Estimated Budget</th>
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<tbody>
<tr>
<td>Highway Safety Improvement Program Grant (Appropriated Fiscal Year 2013-14)</td>
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<tr>
<td>Highway Safety Improvement Program Grant (Additional Federal Funds requested from Caltrans to complete project)</td>
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<td>Prop C Local Return Funds (Appropriated Fiscal Year 2013-2014)</td>
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<tr>
<td>Prop C Local Return Funds (Appropriated Fiscal Year 2016-2017)</td>
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</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$ 1,702,200</strong></td>
</tr>
</tbody>
</table>
A Regular Meeting of the Water Authority was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Meeting was jointly held with the City Council, Successor Agency to the Pico Rivera Redevelopment Agency, Water Authority and Public Financing Authority. Items appear as listed on the combined agenda for the meeting of February 28, 2017.

Authority President Archuleta called the meeting to order at 6:10 p.m.

PRESENT: Armenta, Camacho, Salcido, Tercero, Archuleta
ABSENT: None

1st PERIOD OF PUBLIC COMMENTS – AGENDA ITEMS ONLY: None.

CONSENT CALENDAR:

9. Minutes:
   - Approved Water Authority meeting dated January 24, 2017

10. Resolution Appointing a Member and Alternates to the Los Angeles Gateway Regional Integrated Regional Water Management Joint Powers Authority Governing Board for the Ongoing Term ending on September 30, 2017.

   1. Adopted Resolution No. 17-22 appointing Public Works Director/City Engineer James Enriquez as a Board Member, Gabriel Gomez and Robert Delgadillo as alternates to the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority Governing Board for the ongoing term.

   Resolution No. 17-22 A RESOLUTION OF THE PICO RIVERA WATER AUTHORITY, CALIFORNIA, APPOINTING A MEMBER AND ALTERNATE(S) TO THE GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY GOVERNING BOARD

Motion by Commissioner Armenta, seconded by Commissioner Salcido to approve Consent Calendar Item No. 9 and 10. Motion carries by the following roll call vote:

AYES: Armenta, Camacho, Salcido, Tercero, Archuleta
NOES: None

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION: None
REGULAR AGENDA: None.

ADJOURNMENT:

Authority President Archuleta adjourned the meeting at 7:31 p.m. There being no objection it was so ordered.

AYES: Armenta, Camacho, Salcido, Tercero, Archuleta
NOES: None

_______________________________
Bob J. Archuleta, President

ATTEST:

Anna M. Jerome, Authority Secretary

I hereby certify that the foregoing is a true and correct report of the proceedings of the Water Authority regular meeting dated February 28, 2017 and approved by the Water Authority on March 14, 2017.

_______________________________
Anna M. Jerome, Authority Secretary
To: President and Commissioners

From: Executive Director

Meeting Date: March 14, 2017

Subject: RESOLUTION AMENDING WATER ENTERPRISE MANAGEMENT AGREEMENT AND APPROPRIATING RESERVE FUNDS

Recommendation:

Adopt a Resolution approving the First Amendment to the Water Enterprise Management Agreement and adjusting reserves to the Water Authority Operating Fund (Fund Number 550) and Water Authority Enterprise Fund (Fund Number 551) as described below.

Discussion:

Approval of the First Amendment to the Water Enterprise Management Agreement will accomplish the following:

1. Align reserve requirements with updated governmental accounting pronouncements and standards
2. Update budget and financial reporting deadlines/requirements to coincide with the City’s timeline related to each
3. Provide additional funding for Water Authority capital projects

The major accomplishment of this amendment is updating language in the Water Authority Enterprise Management Agreement (Agreement) to allow for improved classification and use of the approximately one million ($1,000,000) in reserves being held by the Water Authority. The Amendment (Exhibit A to Enclosure 1) makes a portion of these reserves immediately available for operating and capital projects of the Water Authority.

The Amendment accomplishes this by reducing the $1.0 million minimum reserve requirement originally put in place as part of the 1999 lease agreement to $250,000. This update to the required reserve amount means that $750,000 can be
programmed for Water Authority related projects. Programming of these additional funds can be accomplished through the FY 2017-18 budget process.

Background

As part of an over-arching goal of reviewing and updating all Finance Department procedures, Staff undertook a review of Water Authority related reserves and funds. With the help of the City’s external auditors (White Nelson Diehl Evans, WNDE), Staff was able to resolve a question of utilizing funds separated from the Water Authority’s operating account for the specific use of “capital infrastructure” projects. In the course of determining the need for this reserve, Staff thoroughly reviewed the 1999 Water Enterprise Management Agreement and discovered various sections in the Agreement were outdated and conflicted with current operating procedures and accounting best practices.

Working with the City Attorney’s office and external bond counsel, Staff recommended amendments to various sections to the 1999 Agreement (Attachment 3). Attachment 2 is the redlined version of the first amendment, showing the recommended language changes. Attachment 4 is a “clean” version of the amended sections. The sections being updated are listed below, with explanations as to why amendments are necessary.

Section 3.2. Term:
“The initial term …shall be for the period beginning on the 6th of May, 1999 and ending on the 5th day of May, 2000. On May 6, 2000 and on each anniversary of May 6, 2000, this agreement will be extended for an additional term… consisting of the next 12 consecutive months…”

Given the continued and uninterrupted operation of the Water Authority – and its seamless integration into the City’s operations – it makes operational sense to amend this section to create fifteen (15) year renewal periods. Regardless of the actual term, it does not make operational sense to require an annual renewal of the Water Enterprise Management Agreement (Agreement), especially since there have been some years where the renewal procedure was overlooked. Creating a fifteen year renewal period improves efficiencies and aligns the Agreement with operational realities.

Section 4.5. Annual Budget for Water Enterprise
“The City shall submit a draft of the Annual Budget to the Authority at least 90 days before commencement of each Fiscal Year…”
This is another section that, given the seamless integration between City and Authority operations, it is more efficient to remove the 90 day requirement. Instead, it is recommended that language be included that states, “an annual Authority budget shall be approved at the same time and in the same manner as the City budget.” Making Authority budget approval coincide with the City’s process is more efficient and updates the Agreement language to reflect what actually happens each fiscal year.

Section 4.5. Operating and Improvements Fund

“The City shall establish, maintain and hold in trust for the Authority a separate fund to be known as the “Operating & Improvement Fund.”

Research into the $1.0 million reserve held in the “Operating and Improvement Fund” determined that this was originally deemed necessary at the time the lease agreement was approved as part of the 1999 Bond issuance due to concerns about the Water Authority’s cash flow. However, in addition to this reserve, the 1999 Bond covenants require a separate rate stabilization fund – which remains untouched at the required level of $600,000 – as well as a reserve with a third party fiscal agent (which also remains untouched). These separate reserves are more than sufficient to cover any cash shortfall, which might jeopardize debt service payment. The $1.0 million reserve appeared to be an additional “safety valve” just in case the Water Authority’s operating revenue (i.e., water utility charges) fell short and the Authority was unable to make a debt service payment. Given the positive cash flow and generally good financial position of the Water Authority, requiring a third reserve is unnecessary.

Furthermore, Staff consulted with the City Attorney and external bond counsel and they do not believe a separate reserve of this level is necessary. Out of an abundance of caution, the recommendation is to lower the reserve amount, not remove the reserve completely. Hence, the recommendation is to set the reserve at $250,000 and free up additional funds for capital projects and other Water Authority needs.

Therefore, the suggested update to Section 4.5 is twofold:

- Remove the specific requirement to hold reserves in a separate fund
- Reduce the amount to $250,000 (from $1,000,000).

First, instead of a separate fund, it is recommended that the Agreement language be updated to reflect recent changes made to the fund balance classification system per Governmental Accounting Standards Board (GASB) Statement 54. The recommended language shown in the redlined version of the Amendment (Attachment 1) coincides with current accounting requirements and allows greater flexibility in financial reporting.
Secondly, given the good financial standing of the Water Authority, this reserve amount can be reduced to $250,000 without impairing the Authority’s (or City’s) ability to pay ongoing expenses. Furthermore, reducing this reserve amount allows approximately $750,000 to be shifted to a separate reserve in the Water Operating Fund. These funds can then be utilized for operating and/or capital purposes, such as Water Authority infrastructure projects or other one-time maintenance or repair needs. For example, the City is updating our water meters, installing “smart readers” that will improve the tracking of water usage and provide useful information to management and our customers. These additional funds could be programmed for the “smart meter” project.

Section 8.3.(b)(i) and (ii) Reports

(i) "The City shall prepare and submit to the authority… on or before the twentieth (20th) of each calendar month…a monthly report (the “Monthly Financial Statements”)…"

(ii) "City shall prepare and submit to the Authority no later than ninety (90) days after the end of the Fiscal Year… an annual operating report for the immediately preceding Fiscal Year…"

Neither of these requirements are necessary given the required audited statements which our external auditors prepare each fiscal year. In addition, the 90 day requirement is not tenable, since the audited statements must be prepared within six (6) months of fiscal year-end. The recommended language updates these sections to coincide with the preparation of the City’s regular fiscal year-end audited financial reports (i.e., the Certified Annual Financial Report, CAFR) and align Agreement language with actual practice.

These suggested updates to the Agreement will improve operational efficiencies while providing additional funding of at least $750,000 to the Water Authority for much needed infrastructure and capital projects.

RB:MS:ey

Enclosure 1 - Resolution approving First Amendment (with Exhibit A, “First Amendment”)
Enclosure 2 - First Amendment to Water Authority Enterprise Management Agreement (Redlined)
Enclosure 3 - 1999 Water Authority Enterprise Management Agreement
Enclosure 4 - First Amendment to Water Authority Enterprise Management Agreement (Clean Copy)
RESOLUTION NO. ______

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PICO RIVERA WATER AUTHORITY APPROVING THE
FIRST AMENDMENT TO THE WATER ENTERPRISE
MANAGEMENT AGREEMENT OF 1999

WHEREAS, on April 1, 1999 a “Water Enterprise Management Agreement” (Agreement) was entered into between the Pico Rivera Water Authority (Authority) and the City of Pico Rivera (City); and

WHEREAS, this Agreement serves several purposes, with the primary purpose to function as a lease agreement between the City and the Authority whereby the City leased its municipal water system to the Authority; and

WHEREAS, the parties (City and Authority) set forth the terms of the management and operation of the Water Enterprise by the City on behalf of the Authority in the Water Enterprise Management Agreement (Agreement); and

WHEREAS, upon review of the Agreement, it has been determined that various sections require updating in order to conform with accounting standards now in place that were not in effect in 1999, as well as to update Agreement language to align management of the Water Enterprise with actual practices, and to adjust reserves so as to provide increased financial flexibility; and

WHEREAS, the First Amendment to the Water Enterprise Management Agreement provides updated language and is incorporated into the overall Agreement.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PICO RIVERA WATER AUTHORITY HEREBY DETERMINES, FINDS, AND RESOLVES AS FOLLOWS.

SECTION 1. Recitals. The Board of Directors of the Pico Rivera Water Authority (Board) hereby finds and declares that the above recitals are true and correct, and incorporates them herein this Resolution.

SECTION 2. First Amendment. The First Amendment, attached hereto as Exhibit A will be incorporated into the Water Enterprise Management Agreement and made operational upon approval by the Board of Directors.

SECTION 3. Adjust Reserves. Approval of this resolution will also provide authority to adjust reserves in the Water Authority Operating Fund (Fund Number 550) and Water Enterprise Fund (Fund Number 551) by increasing reserves in Fund Number 550 (Account No. 550.37100) and decreasing reserves in Fund Number 551 (Account No. 551.37100).

SECTION 4. The Secretary shall certify to the adoption of this Resolution, and hereafter the same shall be in full force and effect.

ADOPTED AND APPROVED this _14th_ day of _March_, 2017.
Bob J. Archuleta, President

ATTEST:

Anna M. Jerome, Secretary

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, Authority Counsel

AYES:
NOES:
ABSENT:
ABSTAIN:
FIRST AMENDMENT TO WATER ENTERPRISE MANAGEMENT AGREEMENT

This FIRST AMENDMENT TO WATER ENTERPRISE AGREEMENT ("Amendment") is dated for reference purposes only as of __________________________ and made and entered into by and between the Pico Rivera Water Authority, a joint powers authority duly organized and existing under the laws of the State of California ("Authority") and the City of Pico Rivera, a general law city and municipal corporation ("City").

RECITALS

A. Authority and City have entered into that certain Water Enterprise Management Agreement dated April 1, 1999 ("Management Agreement").

B. Authority and City now desire to update the Management Agreement to provide more efficient and economical management of the Water Enterprise as defined in the Management Agreement.

C. Authority and City have determined that these amendments are in conformity with and implement GASB 54 and other recent changes made in the fund balance classification system.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the parties hereby agree that the Management Agreement shall be modified as follows:

AMENDMENT

1. Section 3.2 of the Management Agreement is deleted in its entirety and restated to read as follows:

"Section 3.2. Term. The initial term of the appointment of the City as manager and operator hereunder (the "Initial Term") shall be for the period beginning on the 6th day of May, 1999 and ending on the 5th day of May, 2000. On May 6, 2000 the Management Agreement shall automatically renew for successive periods of fifteen (15) years each, until such time as City or Authority give the other party six (6) months prior written notice of termination of the Management Agreement without cause. Termination for cause shall be in accordance with Article X of the Management Agreement."

2. Section 4.5 of the Management Agreement is deleted in its entirety and restated to read as follows:
“Section 4.5 Annual Budget for Water Enterprise. The City agrees to prepare and submit to the Authority for its review and approval, an annual budget (the “Annual Budget”) for the Water Enterprise for each Fiscal Year during the term of this Agreement. The City shall prepare the Annual Budget at the same time and in the same manner as the City of Pico Rivera budget and submit a draft of the Annual Budget to the Authority not later than twenty (20) days before its adoption. The Authority shall adopt the budget not later than adoption of the City Budget. The Annual Budget shall include a detailed statement of expected revenues and a detailed statement of expected expenses, including Operation and Maintenance Costs (which shall be paid to the City as manager of the Water Enterprise hereunder), annual Debt Service on the Bonds, Lease Payments due to the City under the Lease Agreement, annual debt service on any other debt of the Water Enterprise, including, but not limited to any required deposits to the Rate Stabilization Fund.

3. Section 4.6 of the Management Agreement is deleted in its entirety and restated to read as follows:

“Section 4.6. Operating & Improvements Fund. The City shall establish, maintain and hold in trust for the Authority a minimum amount of $250,00 classified as a specific reserve of fund balance of the Water Authority operating fund (“Reserves”). An initial amount of $250,000 shall be deposited in such Reserve fund from the City’s Water Enterprise Fund. Amounts held in such Reserve fund shall be used solely for necessary operating, maintenance and capital improvement costs relating to the Water Enterprise in excess of amounts available therefor under the Indenture and the Lease Agreement at the written direction of the Authority. The amounts on deposit in such Reserve fund shall be maintained at no less than the amount of $250,000. To the extent any deficiencies exist in such Reserve fund, the Authority shall pay to the City from amounts remaining in the Debt Payment Account after the transfers required under Section 5.01 of the Indenture to replenish such Reserve fund.”

4. Sections 8.3(b)(i) is deleted in its entirety and Section 8.3(b)(ii) is deleted in its entirety and restated to read as follows:

“(b) Reports.

(i) Deleted.

(ii) City shall cause to be prepared and submitted to the Authority an annual fiscal year-end audited financial report at the same time and in the same manner as the annual audited financial report is prepared and presented to the City, but in no event later than six (6) months after the end of the preceding fiscal year.

5. Except as provided herein, the Management Agreement shall remain in full force and effect, without modification. Any initially capitalized or referenced terms not defined herein shall have the meanings set forth in the Management Agreement.
6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency and the Participant have executed this Agreement as of the date set out next to their signatures.

"CITY"

CITY OF PICO RIVERA

By: ____________________________ Date: ____________________________

ATTEST:

_______________________________
City Clerk

APPROVED AS TO FORM:

_______________________________
Arnold M. Alvarez-Glasman
City Attorney

"AUTHORITY"

PICO RIVERA WATER AUTHORITY

By: ____________________________ Date: ____________________________

By: ____________________________ Date: ____________________________
FIRST AMENDMENT TO WATER ENTERPRISE MANAGEMENT AGREEMENT

This FIRST AMENDMENT TO WATER ENTERPRISE MANAGEMENT AGREEMENT ("Amendment") is dated for reference purposes only as of ________________ and made and entered into by and between the Pico Rivera Water Authority, a joint powers authority duly organized and existing under the laws of the State of California ("Authority") and the City of Pico Rivera, a general law city and municipal corporation ("City").

RECITALS

A. Authority and City have entered into that certain Water Enterprise Management Agreement dated April 1, 1999 ("Management Agreement").

B. Authority and City now desire to update the Management Agreement to provide more efficient and economical management of the Water Enterprise as defined in the Management Agreement.

C. Authority and City have determined that these amendments are in conformity with and implement GASB 54 and other recent changes made in the fund balance classification system.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the parties hereby agree that the Management Agreement shall be modified as follows:

AMENDMENT

1. Section 3.2 of the Management Agreement is deleted in its entirety and restated to read as follows:

"Section 3.2. Term. The initial term of the appointment of the City as manager and operator hereunder (the "Initial Term") shall be for the period beginning on the 6th day of May, 1999 and ending on the 5th day of May, 2000. On May 6, 2000 and on each anniversary of May 6, 2000, this Agreement will be extended for an additional term (each such term, a "Subsequent Term") consisting of the next 12 consecutive months, unless (a) an Event of Default exists under this Agreement or (b) the City or the Authority gives written notice to each other party hereto that it does not intend to extend the term of this Agreement, the Management Agreement shall automatically renew for successive periods of fifteen (15) years each, until such time as City or Authority give the other party six (6) months prior written notice of termination of the Management Agreement without cause. Termination for cause shall be in accordance with Article X of the Management Agreement."

Enclosure 2
2. Section 4.5 of the Management Agreement is deleted in its entirety and restated to read as follows:

   **Section 4.5 Annual Budget for Water Enterprise.** The City agrees to prepare and submit to the Authority for its review and approval, an annual budget (the “Annual Budget”) for the Water Enterprise for each Fiscal Year during the term of this Agreement. The City shall prepare and submit a draft of the Annual Budget to the Authority at least 90 days before the commencement of each Fiscal Year. The Authority agrees to review, revise if necessary, and adopt the final Annual Budget no later than the first day of each Fiscal Year. The Annual Budget shall be adopted in the same manner as the City of Pico Rivera budget and submit a draft of the Annual Budget to the Authority not later than twenty (20) days before its adoption. The Authority shall adopt the Annual Budget not later than twenty (20) days before its adoption. The Annual Budget shall include a detailed statement of expected revenues and a detailed statement of expected expenses, including Operation and Maintenance Costs, annual Debt Service on the Bonds, Lease Payments due to the City under the Lease Agreement, annual debt service on any other debt of the Water Enterprise, including, but not limited to any required deposits to the Rate Stabilization Fund.

3. Section 4.6 of the Management Agreement is deleted in its entirety and restated to read as follows:

   **Section 4.6. Operating & Improvements Fund.** The City shall establish, maintain and hold in trust for the Authority a minimum amount of $250,000 classified as a specific reserve of fund balance of the Water Authority operating fund (“Reserves”). An initial amount of $250,000 shall be deposited in such Reserve fund. The Operating & Improvements Fund shall be used solely for necessary operating, maintenance and capital improvement costs relating to the Water Enterprise in excess of amounts available therefor under the Indenture and the Lease Agreement at the written direction of the Authority. The amounts on deposit in such Reserve fund shall be maintained at no less than the Operating & Improvements Fund Requirement amount of $250,000. To the extent any deficiencies exist in such Reserve fund, the Authority shall pay to the City from amounts remaining in the Debt Payment Account after the transfers required under Section 5.01 of the Indenture to replenish such Reserve fund.

4. Sections 8.3(b)(i) is deleted in its entirety and Section 8.3(b)(ii) is deleted in its entirety and restated to read as follows:

   **(b) Reports.**

   (i) **Deleted** The City shall prepare and submit to the Authority or cause to be prepared and submitted to the Authority, on or before the twentieth (20th) of each calendar month during the Term and the twentieth (20th) day of the calendar month immediately thereafter, an Annual Budget for the Water Enterprise.
following any month in which this Agreement is terminated, a monthly operating report (the “Monthly Financial Statements”), which monthly operating report shall be in such form and contain such information as the Authority may require and shall include a report of all transactions occurring during the preceding month, all aging accounts receivable; a statement of income and expenses for the Water Enterprise for the preceding month and a balance sheet for the Water Enterprise; and if requested by the Authority, an analysis of variances from the approved annual budget.

(ii) City shall cause to be prepared and submitted to the Authority no later than ninety (90) days after the end of each Fiscal Year (or portion of any such Fiscal Year in the case of a partial Fiscal Year at the beginning or end of the Term) an annual operating report for the immediately preceding Fiscal Year, which annual operating report shall be in such form and contain such information as the Authority may require, including, without limitation, the information described in paragraph (i) above (collectively, the “Year End Financials”), an annual fiscal year-end audited financial report at the same time and in the same manner as the annual audited financial report is prepared and presented to the City, but in no event later than six (6) months after the end of the preceding fiscal year.

5. Except as provided herein, the Management Agreement shall remain in full force and effect, without modification. Any initially capitalized or referenced terms not defined herein shall have the meanings set forth in the Management Agreement.

6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agency and the Participant have executed this Agreement as of the date set out next to their signatures.

"CITY"

CITY OF PICO RIVERA

By: ____________________________ Date: ____________________________

ATTEST: ______________________ APPROVED AS TO FORM:

____________________________
City Clerk

Arnold M. Alvarez-Glasman
City Attorney
"AUTHORITY"

PICO RIVERA WATER AUTHORITY

By: ____________________________ Date: ____________________________

By: ____________________________ Date: ____________________________
WATER ENTERPRISE MANAGEMENT AGREEMENT

THIS WATER ENTERPRISE MANAGEMENT AGREEMENT, dated as of April 1, 1999, is by and between the PICO RIVERA WATER AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the CITY OF PICO RIVERA, a general law city and municipal corporation duly organized and existing under the laws of the State of California (the "City"),

WITNESSETH:

WHEREAS, the City has leased its municipal water system (the "Water Enterprise") to the Authority pursuant to a Lease Agreement dated as of April 1, 1999 (the "Lease Agreement"); and

WHEREAS, in order to provide funds to lease the Water Enterprise, the Authority issued its $17,940,000 Revenue Bonds, 1999 Series A (Water System Project) (the "Series A Bonds") and its $5,520,000 Taxable Revenue Bonds, 1999 Series B (Water System Project) (the "Series B Bond," and together with the Series A Bonds, the "Bonds") pursuant to an Indenture of Trust, dated as of April 1, 1999 (the "Indenture"), by and between the Authority and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"); and

WHEREAS, under the Lease Agreement, the Authority indicated its intention to contract with the City to operate and manage the Water Enterprise, and the City has indicated its willingness to manage the Water Enterprise pursuant to the Lease Agreement; and

WHEREAS, the parties wish to set forth the terms of the management and operation of the Water Enterprise by the City on behalf of the Authority in this Management Agreement, including the terms of payment by the Authority to the City for such management and operation;

NOW THEREFORE, for and in good consideration of the premises and material covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings specified in the Indenture. In addition, the following terms defined in this Section 1.1 shall, for all purposes of this Agreement, have the respective meanings herein specified.

"Agreement" means this Water Enterprise Management Agreement, together with any duly authorized and executed amendments hereto.

"Annual Budget" means the annual budget for the Water Enterprise, covering the revenues and expenditures for the applicable Fiscal Year, prepared by the City and approved by the Authority in accordance with the purposes of Section 4.5 hereof.
"Bonds" means the $17,940,000 Pico Rivera Water Authority Revenue Bonds, 1999 Series A (Water System Project) and $5,520,000 Pico Rivera Water Authority Taxable Revenue Bonds, 1999 Series B (Water System Project) issued pursuant to the Indenture.

"City Equipment" shall have the meaning set forth in Section 4.4 hereof.

"Event of Default" shall mean the occurrence of any of the events described in Article II of this Agreement, together with the expiration of any cure period applicable to such event.

"Legal Requirements" shall mean any and all laws, statutes, ordinances, codes, orders, rules, regulations, permits, licenses, authorizations, entitlements, official orders and requirements of, and conditions imposed by, all federal, state and local governmental regulatory agencies and authorities which are as of the date hereof or hereafter become applicable to the Water Enterprise or the operation thereof.

"Material Contracts" shall mean all contracts now or hereafter entered into for the management, maintenance and operation of the Water Enterprise, including, without limitation, all such contracts for improvements to be provided for the Water Enterprise and water supply contracts. As of the date of this Agreement, the Material Contracts, and the parties thereto, are listed in Exhibit A hereto.

"Term" means the term of this Agreement as set forth in Section 3.2 hereof.

"Termination Date" means the date on which the City shall no longer act as Agent of the Authority with respect to the management and operation of the Water Enterprise hereunder.

"Water Enterprise" means the Authority's water system which consists of, collectively, the entire water treatment, production, storage and distribution system owned or operated by the Authority, including, but not limited to all facilities, properties and improvements at any time owned or operated by the Authority for the collection, treatment and supply of water to residents served thereby, whether within or without the City, and any necessary lands, rights, entitlement and other property useful in connection therewith, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the Authority.

"Water Rights" means as such term is defined in the Indenture of Trust, dated as of April 1, 1999, by and between the Pico Rivera Water Authority and the Trustee.

ARTICLE II

COVENANTS AND REPRESENTATIONS

Section 2.1. Covenants and Representations of the City. The City makes the following covenants and representations to the Authority that as of the date of this Agreement:

(a) The City is a municipal corporation duly organized and validly existing under the laws of the State, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action has duly authorized the execution and delivery of this Agreement.

(b) The representatives of the City executing this Agreement are fully authorized to execute the same.
(c) This Agreement has been duly authorized, executed and delivered by the City, and constitutes the legal, valid and binding agreement of the City, enforceable against the City in accordance with its terms.

(d) The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it is otherwise subject or bound, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions on the part of the City contemplated by this Agreement.

(e) No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Agreement or the consummation of any transaction herein and therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or affecting the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions on the part of the City contemplated by or the validity of this Agreement and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions on the part of the City contemplated by this Agreement.

Section 2.2. Covenants and Representations of the Authority. The Authority makes the following covenants and representations as the basis for its undertakings herein contained:

(a) The Authority is a joint powers authority, duly organized and existing under the laws of the State. The Authority has the power to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its governing body, the Authority has been duly authorized to execute, deliver and duly perform this Agreement.

(b) The Authority is not in default under any of the provisions of the laws of the State, which default would affect its existence or its powers referred to in subsection (a) of this Section 2.2.

ARTICLE III

APPOINTMENT OF MANAGER

Section 3.1. Agreement to Manage and Operate Water Enterprise. The Authority hereby appoints and retains the City, and the City hereby accepts such appointment and retention as the manager and operator of the Water Enterprise during the Term with full power and authority to carry out all responsibilities of manager and operator upon the terms and subject to the conditions hereinafter set forth.
Section 3.2. Term. The initial term of the appointment of the City as manager and operator hereunder (the "Initial Term") shall be for the period beginning on the 6th day of May, 1999 and ending on the 5th day of May, 2000. On May 6, 2000 and on each anniversary of May 6, 2000, this Agreement will be extended for an additional term (each such term, a "Subsequent Term") consisting of the next 12 consecutive months, unless (a) an Event of Default exists under this Agreement or (b) the City or the Authority gives written notice to each other party hereto that it does not intend to extend the term of this Agreement.

Section 3.3. Standards of Performance; Relationship Between Authority and City. The City accepts the relationship of trust and confidence established between the City and Authority by the terms of this Agreement. The City shall manage, operate and maintain the Water Enterprise on behalf of the Authority as a public utility. The City shall perform its duties and obligations under this Agreement in an efficient, expeditious, prudent and economical manner, consistent with the best interests of the Authority, in accordance with standard industry practices with respect to the management and operation of similarly situated public utilities.

ARTICLE IV

OPERATION OF WATER ENTERPRISE; ANNUAL BUDGET

Section 4.1. Employees of City. The City shall employ, on its behalf and not as employees of the Authority, at all times a sufficient number of capable employees (which may be current employees of the City) to enable it to fulfill the City's obligations hereunder, properly, adequately, safely and economically and in accordance with the standards set forth in this Agreement. All matters pertaining to the employment, training, supervision, compensation, promotion and discharge of such employees shall be the sole responsibility of the City, provided, however, that if the Authority determines that the continued employment of any employee of the City at the Water Enterprise is not in the best interest of the Authority or the Water Enterprise, the Authority shall so notify the City in writing. Upon receipt of such notice, the City shall take appropriate steps, consistent with applicable law, to cause such employee to cease his or her affiliation with the Water Enterprise.

Section 4.2. Lease of Water Enterprise. The City is entering into this Agreement as an agent of the Authority to provide the services set forth in this Agreement.

Section 4.3. Material Contracts. As of the date of this Agreement, the City is a party to existing Material Contract relating to the supply of water for use and distribution by the Water Enterprise, which existing Material Contracts are described in Exhibit B hereto. The City shall, to the extent directed by the Authority, execute all Material Contracts necessary or appropriate for the maintenance, management and operation of the Water Enterprise in accordance with this Agreement. All such Material Contracts shall be executed in the name of the City on behalf of the Authority. The City promptly shall notify the Authority in writing of the City's execution of any Material Contract on behalf of the Authority, and, promptly shall deliver to the Authority, a true, correct and complete copy thereof. The City's execution of any Material Contract shall be subject to any and all restrictions set forth in Article IV hereto. All Material Contracts shall be subject to the Authority's prior written approval as to form and content and shall provide that the party thereto shall, at the Authority's request, continue its performance thereunder, subject to the terms and conditions of such Material Contract, notwithstanding any termination of this Agreement by the Authority and subsequent management of the Water Enterprise by the Authority or a third party.
Section 4.4. Maintenance of Water Enterprise; City to Provide Vehicles and Equipment; Acquisition of Additional Equipment and Supplies; Capital Improvements. The City agrees that it shall provide such vehicles, including trucks, heavy equipment and cars, and such tools and equipment, as shall be required in connection with its services as manager and operator of the Water Enterprise pursuant to this Agreement. The City and the Authority agree that as of the date of this Agreement it has on hand sufficient vehicles and equipment (the "City Equipment") for such purpose. Throughout the term of this Agreement, all improvement, repair and maintenance of the Water Enterprise shall be the responsibility of the City at the expense of the Authority, and the Authority shall pay for or otherwise arrange for the payment of all utility services supplied to the Water Enterprise, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Water Enterprise resulting from ordinary wear and tear. The City shall, at the Authority's expense and in accordance with the Authority's annual budget for the Water Enterprise, lease and keep the Water Enterprise adequately furnished with all necessary vehicles, equipment and supplies that may be required in addition to the City Equipment. The cost of such vehicles, equipment and supplies shall be charged to the Authority and the upkeep and maintenance of the City Equipment shall also be charged to the Authority. The City shall also undertake such capital improvements to the Water Enterprise as directed by the Authority, such improvements to be made at the expense of the Authority.

Section 4.5. Annual Budget for Water Enterprise. The City agrees to prepare and submit to the Authority for its review and approval, an annual budget (the "Annual Budget") for the Water Enterprise for each Fiscal Year during the term of this Agreement. The City shall submit a draft of the Annual Budget to the Authority at least 90 days before the commencement of each Fiscal Year and the Authority agrees to review, revise if necessary, and adopt the final Annual Budget no later than the first day of each Fiscal Year. The Annual Budget shall include a detailed statement of expected revenues and a detailed statement of expected expenses, including Operation and Maintenance Costs (which shall be paid to the City as manager of the Water Enterprise hereunder), annual Debt Service on the Bonds, Lease Payments due to the City under the Lease Agreement, annual debt service on any other debt of the Water Enterprise, including, but not limited to any required deposits to the Rate Stabilization Fund.

The Annual Budget may be amended from time to time with the consent of the Authority and the Trustee. A copy of each Annual Budget and any amendments thereto, as adopted by the Authority, shall be promptly sent by the City, on behalf of the Authority and to the Trustee.

Section 4.6. Operating & Improvements Fund. The City shall establish, maintain and hold in trust for the Authority a separate fund to be known as the "Operating & Improvements Fund." An initial amount of $1,000,000 shall be deposited in the Operating & Improvements Fund from the City's Water Enterprise Fund. Amounts held in the Operating & Improvements Fund shall be used solely for necessary operating, maintenance and capital improvement costs relating to the Water Enterprise in excess of amounts available therefor under the Indenture and the Lease Agreement at the written direction of the Authority. The amount on deposit in the Operating & Improvements Fund shall be maintained at not less than the Operating & Improvements Fund Requirement of $1,000,000. To the extent any deficiencies exist in the Operating & Improvements Fund, the Authority shall pay to the City from amounts remaining in the Debt Payment Account after the transfers required under Section 5.01 of the Indenture to replenish the Operating & Improvements Fund.
ARTICLE V

TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Taxes, Assessments and Insurance. The Authority shall pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority affecting the Water Enterprise or its interest or estate therein; and shall maintain insurance of such types and in such amounts as set forth in Sections 6.12, 6.14 and 6.15 of the Indenture.

ARTICLE VI

RESTRICTED ACTIVITIES OF THE AUTHORITY

Section 6.1. Restricted Activities. Without the prior written consent of the Authority, which consent may be granted or withheld in the Authority's sole discretion, the City shall not do, or cause or permit to be done, any of the following throughout the Term of this Agreement.

(a) Borrow or lend money, or enter into any other agreement, in the name of the Authority.

(b) Except for the Material Contracts (which shall be governed by paragraph 4.3), enter into any agreement relating, directly or indirectly, to the Water Enterprise without the prior consent of the Authority.

(c) Arbitrate or consent to the arbitration or settlement of any claim of or against the Authority or any other dispute or controversy involving the Authority.

(d) Make, execute or deliver in the name of the Authority, or with respect to any of the assets of the Authority, any assignment for the benefit of creditors or any bond, confession of judgement, chattel mortgage, security instrument, deed, guarantee, indemnity bond or surety bond.

(e) Lease, sell, transfer, assign, convey, pledge, encumber, mortgage, hypothecate or otherwise dispose of the Water Enterprise.

(f) In the name of or on behalf of the Authority, endorse any note, or become a surety, guarantor, or accommodation party to any obligation.

(g) Violate any Legal Requirement.

(h) Make any deletion, addition, modification, improvement or other alteration to the improvements other than as expressly authorized hereunder or otherwise authorized by the Authority.

(i) Hire, employ or retain an entity to manage the day to day operation of the Water Enterprise.
ARTICLE VII

COMPENSATION TO CITY

Section 7.1. Reimbursement of Actual Costs and Overhead. The City shall be paid, a management fee equal to the actual costs and direct overhead of the City incurred in connection with the management and operation of the Water Enterprise hereunder, including, but not limited to, salaries, insurance and retirement benefits of employees of the City providing services to the Water Enterprise hereunder. Such management fee shall be paid on behalf of the Authority from Gross Water Revenues as a portion of Operation and Maintenance Costs.

ARTICLE VIII

FINANCIAL AND REPORTING MATTERS

Section 8.1. Compliance with Annual Budget. During each Fiscal Year, City, in the performance of its duties under this Agreement, shall comply with the approved Annual Budget of the Authority relating to the Water Enterprise for such Fiscal Year and shall not incur any material additional expense or change materially the manner of operation of the Water Enterprise, without the written approval of the Authority.

Section 8.2. Depository Agreement. The City agrees to collect Water Revenues and deposit them under the terms of the Indenture. The Authority and the City acknowledge and agree that the Water Revenues may only be expended as provided in this Agreement and the Indenture.

Section 8.3. Books and Reports.

(a) Books and Records. Throughout the Term, the City shall maintain in accordance with generally accepted accounting principles, consistently applied, full and separate books and records for the Water Enterprise with entries supported by documentation sufficient to allow the Authority to ascertain the accuracy of such books and records. The City shall maintain and safeguard such books and records at the City’s offices. The City shall ensure such control over accounting and financial transactions as is necessary to protect the Authority's assets from theft, error or fraudulent activity by the City's employees.

(b) Reports.

(i) The City shall prepare and submit to the Authority or cause to be prepared and submitted to the Authority, on or before the twentieth (20th) day of each calendar month during the Term and the twentieth (20th) day of the calendar month immediately following any month in which this Agreement is terminated, a monthly operating report (the "Monthly Financial Statements"), which monthly operating report shall be in such form and contain such information as the Authority may require and shall include a report of all transactions occurring during the preceding month, all aging accounts receivable; a statement of income and expenses for the Water Enterprise for the preceding month and a balance sheet for the Water Enterprise; and, if requested by the Authority, an analysis of variances from the approved annual budget.

(ii) City shall prepare and submit to the Authority no later than ninety (90) days after the end of each Fiscal Year (or any portion of any such Fiscal Year in the case of a partial Fiscal Year at the beginning or end of the Term) an annual operating report for the immediately preceding Fiscal Year, which annual operating report shall be in such form and contain such information as the
Authority may require, including, without limitation, the information described in paragraph (i) above (collectively, the "Year End Financials").

(c) Supporting Documentation. As additional supporting documentation for the Monthly Financial Statements and Year End Financials required under paragraph (b)(ii) above, unless otherwise directed by the Authority, the City shall make available, the following:

(i) all bank statements and bank deposit slips;

(ii) detailed cash receipts and disbursements records;

(iii) detailed trial balances for receivables and payables and billed and unbilled revenue items;

(iv) paid invoices;

(v) supporting documentation for payroll, payroll taxes and employee benefits;

(vi) appropriate details of accrued expenses and property records;

(vii) daily or weekly reports maintained by the City in connection with its ongoing operation and management of the Water Enterprise; and

(viii) information necessary for preparation of the Authority's audited financial statement, including a description of and a statement of accounts expended in connection with repairs, capital improvements, taxes and professional fees.

Section 8.4. Authority's Right to Audit. All books, records and supporting documentation maintained by the City pursuant to this Article VIII shall be the sole and exclusive property of the Authority, and shall be made available to the Authority at the Authority's request at reasonable times during normal business hours, and, in addition, in connection with independent financial audits of the Authority, or persons appointed by the Authority, may, during ordinary business hours, examine all books, records and files maintained for the Authority by the City. The Authority may perform any audit or investigation relating to the City's activities at any office of the City if such audit or investigation relates to the City's activities for the Authority. Should the Authority or the Authority's employees or representatives discover any errors in record keeping, the City shall correct such discrepancies promptly upon discovery and make necessary adjustments. The City shall inform the Authority in writing of the action taken to correct any audit discrepancies.

ARTICLE IX

INDEMNITY

Section 9.1. Indemnification by Authority. The Authority shall indemnify, defend, protect and hold the City and the City's officers, directors, employees, agents, and legal representatives harmless from all liability, loss, damage, cost, or expense (including, without limitation reasonable attorneys' fees and expenses, whether incurred at the trial, pretrial, or appellate level) arising from or relating to the use, maintenance, condition or management of the Water Enterprise from and after the Term of this Agreement (collectively "liabilities"), except those liabilities arising from the City's or the City's employees' willful or criminal misconduct, negligence or fraud. The City will notify the Authority of such action, suit, or
proceeding, and the Authority may, and upon the City's request shall, at the Authority's expense, defend such action, suit, or proceeding, or cause the same to be defended by counsel designated by the City.

Section 9.2. Indemnification by City. The City shall indemnify, defend, protect and hold the Authority and the Authority's employees, agents and legal representatives harmless from all liability, loss, damage, cost, or expense (including, without limitation, reasonable attorneys' fees, whether incurred at the trial, pretrial, or appellate level) arising from or related to the City's or the City's employees' willful or criminal misconduct, negligence or fraud. The Authority will notify the City of such action, suit, or proceeding, and the City may, and upon the Authority's request shall, at the City's expense, defend such action, suit or proceeding, or cause the same to be defended by counsel designated by the Authority.

Section 9.3. Accident Reporting. The City shall promptly investigate, and make a full, timely written report to the Authority regarding all accidents, claims or damage relating to the ownership, operation, management and maintenance of the Water Enterprise; any damage or destruction to the Water Enterprise and the estimated cost of repair thereof, and shall prepare any and all reports required by the Authority and any insurance companies in connection therewith. All such reports shall be filed timely with the Authority's insurance companies as required under the terms of the applicable insurance policy which provides coverage for such accident, damage or claim. The City shall not settle, compromise, or otherwise dispose of any claims, demands or liabilities whether or not covered by insurance proceeds, without the prior written consent of the Authority.

ARTICLE X

DEFAULTS AND TERMINATION

Section 10.1. Default by City. If there is any failure by the City to perform any of the terms, conditions or covenants of this Agreement to be observed or performed by the City within thirty (30) days after written notice from the Authority (or such additional time as is reasonably required to correct any such default), or if the City shall become insolvent or file any debtor proceedings, or file a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of the City's property, and if any of the foregoing proceedings are not discharged within sixty (60) days thereafter, or if the City makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement of its debts, or if the City shall permit or suffer this Agreement to be taken under any writ of attachment or execution, and the same is not discharged within thirty (30) days thereafter, or, if the City assigns this Agreement, then an Event of Default with respect to the City shall be deemed to have occurred under this Agreement.

Section 10.2. Default by Authority. If the Authority fails to keep, observe or perform any covenant, agreement, term or provision of this Agreement to be kept, observed or performed by the Authority, and such default shall continue for a period of thirty (30) days after written notice thereof by the City to the Authority (or such additional time as is reasonably required to correct any such default), then an Event of Default with respect to the Authority shall be deemed to have occurred under this Agreement.

Section 10.3. Remedies; Termination Upon Default. Upon the occurrence of an Event of Default, the nondefaulting party may, at its option, and in addition to any and all other rights to which it may be entitled under this Agreement or applicable law, elect to terminate this Agreement. Any such termination shall be effective as of the date thereof specified in such election; provided, however, that in no event shall such date be later than thirty (30) days following the date such election is made.
Section 10.4. Actions Following Termination.

No remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under existing at law or in equity. No delay or failure to exercise any right or power accruing under this Agreement upon the occurrence of any Event of Default or otherwise shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XI

NO TRANSFER AND ASSIGNMENTS

Section 11.1. Further Restrictions on City. The City shall not sell, convey, assign, transfer, hypothecate, pledge, or otherwise dispose of (or agree to do any of the foregoing) all or any part of its interest, if any, in this Agreement, or any contractual rights or obligations related hereto (including any rights to receive payments) ("Transfer"), without the prior written consent of the Authority, which consent may be granted or withheld in Authority's sole judgment. Any assignment by the City without the Authority's consent shall be considered an event of default and the assignment shall be of no force of effect.

ARTICLE XII

LEGAL REQUIREMENTS

Section 12.1. Legal Requirements. Throughout the Term, the City shall comply with and observe, without exception, all Legal Requirements applicable to the Water Enterprise or any of the rights, duties, or obligations of the City under this Agreement. All sums required to be paid to ensure compliance with this paragraph 12.1 under Legal Requirements shall be the responsibility of the Authority.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Further Assurances. The City agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or by any bond trustee, if any, to carry out the intention or to facilitate the performance of this Agreement.

Section 13.2. Amendments. The Authority and the City may amend this Agreement upon the written consent of each party hereto.

Section 13.3. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon confirmed transmission by telecopy, telex or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority or the City may, by written notice to the other party, from time to time modify the address or number to which communications are to be given hereunder.
Enclosure 3

If to the Authority:  Pico Rivera Water Authority
6615 Passon Blvd.
Pico Rivera, California 90660-1016
Attention: Executive Director

If to the City:  City of Pico Rivera
6615 Passon Blvd.
Pico Rivera, California 90660-1016
Attention: City Manager

Section 13.4. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

Section 13.5. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority and the City, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 13.6. Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 13.7. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 13.8. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 13.9. Waiver of Personal Liability. No member of the Authority, nor any member of the governing board of the Authority or its members, nor any officer, agent or employee of the Authority or its members shall be individually or personally liable for the payment of amounts due hereunder or be subject to any personal liability or accountability by reason of this Agreement; but nothing herein contained shall relieve any such member or person from the performance of any official duty provided by law or by this Agreement.
Enclosure 3

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CITY OF PICO RIVERA, as Manager and Lessor

By: ________________________________
    City Manager

Attest:

By: ________________________________
    City Clerk

PICO RIVERA WATER AUTHORITY, as Lessee

By: ________________________________
    Executive Director

Attest:

By: ________________________________
    Secretary
EXHIBIT A

MATERIAL CONTRACTS

Agreement No. 95-600, dated March 20, 1995, by and between the City of Pico Rivera and the City of Whittier

Agreement No. 96-654, dated July 15, 1996, by and between the City of Pico Rivera and Valverde Construction Inc.

Supplemental Agreement No. 1 Amendment to Agreement No. 96-654, dated February 2, 1998, by and between the City of Pico Rivera and Valverde Construction Inc.

Agreement for Wellhead Treatment 94-570, dated March 21, 1994, by and between the Water Replenishment District of Southern California and the City of Pico Rivera

Interconnection Agreement Agreement No. 86-318, dated September 11, 1986, by and between the City of Pico Rivera and the San Gabriel Valley Water Company
FIRST AMENDMENT TO WATER ENTERPRISE MANAGEMENT AGREEMENT

This FIRST AMENDMENT TO WATER ENTERPRISE AGREEMENT ("Amendment") is dated for reference purposes only as of March 14, 2017 and made and entered into by and between the Pico Rivera Water Authority, a joint powers authority duly organized and existing under the laws of the State of California ("Authority") and the City of Pico Rivera, a general law city and municipal corporation ("City").

RECITALS

A. Authority and City have entered into that certain Water Enterprise Management Agreement dated April 1, 1999 ("Management Agreement").

B. Authority and City now desire to update the Management Agreement to provide more efficient and economical management of the Water Enterprise as defined in the Management Agreement.

C. Authority and City have determined that these amendments are in conformity with and implement GASB 54 and other recent changes made in the fund balance classification system.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the parties hereby agree that the Management Agreement shall be modified as follows:

AMENDMENT

1. Section 3.2 of the Management Agreement is deleted in its entirety and restated to read as follows:

"Section 3.2. Term. The initial term of the appointment of the City as manager and operator hereunder (the "Initial Term") shall be for the period beginning on the 6th day of May, 1999 and ending on the 5th day of May, 2000. On May 6, 2000 the Management Agreement shall automatically renew for successive periods of fifteen (15) years each, until such time as City or Authority give the other party six (6) months prior written notice of termination of the Management Agreement without cause. Termination for cause shall be in accordance with Article X of the Management Agreement."

2. Section 4.5 of the Management Agreement is deleted in its entirety and restated to read as follows:
“Section 4.5 Annual Budget for Water Enterprise. The City agrees to prepare and submit to the Authority for its review and approval, an annual budget (the “Annual Budget”) for the Water Enterprise for each Fiscal Year during the term of this Agreement. The City shall prepare the Annual Budget at the same time and in the same manner as the City of Pico Rivera budget and submit a draft of the Annual Budget to the Authority not later than twenty (20) days before its adoption. The Authority shall adopt the budget not later that adoption of the City Budget. The Annual Budget shall include a detailed statement of expected revenues and a detailed statement of expected expenses, including Operation and Maintenance Costs (which shall be paid to the City as manager of the Water Enterprise hereunder), annual Debt Service on the Bonds, Lease Payments due to the City under the Lease Agreement, annual debt service on any other debt of the Water Enterprise, including, but not limited to any required deposits to the Rate Stabilization Fund.

3. Section 4.6 of the Management Agreement is deleted in its entirety and restated to read as follows:

“Section 4.6. Operating & Improvements Fund. The City shall establish, maintain and hold in trust for the Authority a minimum amount of $250,000 classified as a specific reserve of fund balance of the Water Authority operating fund (“Reserves”). An initial amount of $250,000 shall be deposited in such Reserve fund from the City’s Water Enterprise Fund. Amounts held in such Reserve fund shall be used solely for necessary operating, maintenance and capital improvement costs relating to the Water Enterprise in excess of amounts available therefor under the Indenture and the Lease Agreement at the written direction of the Authority. The amounts on deposit in such Reserve fund shall be maintained at no less than the amount of $250,000. To the extent any deficiencies exist in such Reserve fund, the Authority shall pay to the City from amounts remaining in the Debt Payment Account after the transfers required under Section 5.01 of the Indenture to replenish such Reserve fund."

4. Sections 8.3(b)(i) is deleted in its entirety and Section 8.3(b)(ii) is deleted in its entirety and restated to read as follows:

“(b) Reports.

(i) Deleted.

(ii) City shall cause to be prepared and submitted to the Authority an annual fiscal year-end audited financial report at the same time and in the same manner as the annual audited financial report is prepared and presented to the City, but in no event later than six (6) months after the end of the preceding fiscal year.

5. Except as provided herein, the Management Agreement shall remain in full force and effect, without modification. Any initially capitalized or referenced terms not defined herein shall have the meanings set forth in the Management Agreement.
6. This Amendment may be executed in any number of counterparts, each of which shall be
deemed an original, but all of which shall constitute one and the same instrument.

    IN WITNESS WHEREOF, the Agency and the Participant have executed this Agreement
as of the date set out next to their signatures.

"CITY"

CITY OF PICO RIVERA

By: _____________________________________ Date: ________________________________

ATTEST: _________________________________ APPROVED AS TO FORM: _________________________________

City Clerk                                          Arnold M. Alvarez-Glasman
                                                      City Attorney

"AUTHORITY"

PICO RIVERA WATER AUTHORITY

By: _____________________________________ Date: ________________________________

By: _____________________________________ Date: ________________________________
To: Mayor and City Council
From: City Manager
Meeting Date: MARCH 14, 2017
Subject: APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PICO RIVERA AND THE MID-MANAGERS AND PROFESSIONAL AND CONFIDENTIAL EMPLOYEE ASSOCIATION FOR A THREE YEAR TERM, JULY 1, 2017 THROUGH JUNE 30, 2020

Recommendations:

1. Adopt a resolution approving a Memorandum of Understanding (MOU) between the City of Pico Rivera and the Mid-Managers and Professional and Confidential employees association for a three year period (July 1, 2017 – June 30, 2020);

2. Approve the salary schedule effective for the period of July 1, 2017 through June 30, 2018 for the job classifications belonging to the Mid-Managers and Professional and Confidential Employees Association; and

3. Approve the schedules designating the job classifications belonging to the Mid-Managers and Professional and Confidential Employees Association.

Fiscal Impact:

The “Discussion” section of this agenda report lists all of the negotiated items updated in the successor Memorandum of Understanding (MOU) should the City Council approve it. Some of the negotiated items have associated costs. Those items having a direct fiscal impact to the City during the term of the MOU (Exhibit A of Attachment 1) are described more fully below.

Salaries (Article 5)
The 2.0% cost of living adjustment (COLA) which would be effective the first full pay period commencing on or after July 1, 2017 would cost approximately $177,000 for Fiscal Year 2017-18. This is the fully burdened cost, taking into account not only higher salaries for the Mid-Manager and Professional and Confidential (Mid-Manager’s) employees, but also the additional employer PERS costs associated with the higher salaries.

The second and third years of the MOU would adjust salaries based on the consumer price index (CPI) change. While this exact amount will not be known until the data is provided by the Bureau of Labor Statistics (mid-May 2018 and mid-May 2019), a reasonable assumption can be made and costing can be done using an assumed increase of 2.0% for each of the years. (The historical CPI average for the past ten
years is 1.63%.) Using the 2.0% increase for years two and three of the MOU, and taking into account the estimated PERS impact, the three year, fully burdened cost of these salary increases would be approximately $750,000.

Class and Compensation Study (Article 5)
The costs associated with any recommendations of a completed class and compensation study are not known at this time. Once the study is completed, it will be presented to the City Council for review. At that time, detailed cost estimates will be available and will depend on the recommended changes to classifications and salary schedules presented in the study.

Medical Opt Out Pay (Article 6)
This item is designed to save the City money. The current “opt out pay” amounts are relatively low, and do not incentivize employees to make financially prudent health care program choices. Some employees could benefit by taking their spouses’ health coverage, and then participate in the City’s “opt out” program. However, given the currently low cash incentive levels offered by the City ($160/month maximum), employees who could “opt out” often choose not to (no direct economic incentive). Assuming a 30% employee participation rate in the “opt out” program, the City could save $39,000 per year in health care costs. The greater the participation rate, the greater the savings would be.

Deferred Compensation (Article 7)
As proposed in the attached MOU, the maximum amount this matching benefit would cost the City would be $20,000 in the 2018 calendar year. This benefit is designed to help employees put away additional savings for retirement, by utilizing the 457 program (deferred compensation) offered by the City. By providing a matching amount ($500 per employee per year maximum, with a total pool amount of $20,000 reserved for the Mid-Managers group), it is hoped that more employees will participate in the 457 program and begin saving for retirement, thus improving their long-term personal financial standing.

Tuition Reimbursement (Article 13)
The proposal would increase the tuition reimbursement to the IRS annual maximum – which is currently $5,250 per year. Depending on participation, the cost to the City will vary.

Early Retirement Incentive (Article 5)
This program, while being presented as part of the Mid-Manager’s group MOU, would apply to all regular, full-time employees in the City who are eligible for retirement under PERS (i.e., have at least 5 years of service credit and are at least 50 years of age). Again, depending on the number of employees who take this incentive, the cost will vary. However, Staff has analyzed current employees who meet PERS minimum retirement requirements and have estimated the one-time cost of this program could be between $390,000 and $690,000.
Again, these are one-time costs as the employees who opt into this program would be required to file for retirement with PERS and retire from the City of Pico Rivera as of a given date. There are twenty-one employees in the City eligible for this program, and the low-end estimate of $390,000 is based on an assumption that ten would opt in. The $690,000 estimated cost would be if all twenty-one employees decided to take the incentive.

Discussion:

Management began meeting with the Mid-Managers and Professional and Confidential Employees (Mid-Managers) unit in January, 2017 to discuss a successor MOU to the current one which expires June 30, 2017 (Attachment 5). Management, the Mid-Managers bargaining unit and their Confidential Employees Association (CEA) representative met to negotiate new MOU terms. Negotiations were successful and both sides agreed to several updates to the MOU (Attachment 4 is the redlined version of the MOU for comparison purposes).

Management conferred with the City Council in closed session on February 14, 2017 to discuss the negotiations, provide costing estimates, and solicit feedback from the City Council. Direction was provided to management concerning the various negotiated items.

The Mid-Managers leadership subsequently presented a list of items to the entire membership. A vote by the members on the negotiated items was taken on March 2, 2017. The list of new terms agreed upon between management and the Mid-Managers employee group for the subsequent MOU are listed below:

1. Term – 3 Years (July 1, 2017 through June 30th, 2020)

2. Salaries – Cost of Living Adjustment (“COLA”)
   a. 2% COLA effective first full pay period in July 2017
   b. CPI (0% minimum / 5% maximum) based on April 2018 Local Data (Orange-LA-Riverside County) effective first pay period in July 2018
   c. CPI (0% minimum / 5% maximum) based on April 2019 Local Data (Orange-LA-Riverside County) effective first pay period in July 2019

3. PERS Cost sharing – Establish equity
   a. Tier II employees (those hired after July 1, 2012) shall begin paying the full 7.0% employee share of PERS effective the first pay period in July 2017 (they currently only pay 4.0%) and shall receive a 4% salary increase effective the same pay period as an offset (like Tier I received in the last MOU).
   b. Clarify language that Tier III (“New Members” - i.e., those new to PERS as of January 1, 2013 or later) pay 50% of Normal Cost as required by law (AB 340).
4. Class and Compensation Survey
   a. Association agrees to negotiate with the City over a class and compensation study.
   b. Based upon the findings and recommendations of the completed study, salary schedules will be adjusted accordingly over the term of this MOU.
   c. Members in a classification which the study finds receive pay that is above the recommended pay scale (i.e., benchmark level) shall be Y-Rated (i.e., no loss in pay) and not receive subsequent COLAs during the term of the MOU (or until the pay range aligns with the member's current salary, whichever is sooner).
   d. The adjustments to job classifications and salary schedules are contingent upon City Council approval. The City shall bear the cost of the study and Management agrees to expedite the completion.

5. Administrative Leave
   a. Increase to 60 hours (currently 45 hours)
   b. “Flex time” language will be removed and replaced with language allowing exempt employees to adjust their work hours based on needs, and with supervisor approval

6. Increase Medical Opt Out Pay
   a. To 80% of the premium cost at each level of eligibility, based on the established CalPERS medical rates for 2017, and fixed as a dollar amount for the MOU term (i.e., through June 30, 2020)

7. Deferred Compensation
   a. City shall make a matching contribution of $500 per Mid-Manager member that is enrolled in the City’s 457 deferred compensation program and who is making contributions until the funds allocated for this purpose are exhausted (a maximum of $20,000)
   b. Parties agree to fully implement the matching program once the City has completed improvements to the current deferred compensation program, beginning January 1, 2018.
   c. Annual pool amounts provided for the matching program in subsequent years shall be set annually through the budget process and formally adopted by City Council action.

8. Tuition Reimbursement –
   a. Set at current Internal Revenue Service annual amount of $5,250 and adjusted annually per Federal guidelines.

9. Early Retirement Incentive – Members may elect a 6-month lump sum salary buyout option

10. MOU Cleanup
    a. Re-Opener Clause to discuss Student Loan Repayment Program
b. Update Holiday Schedule for each year of the MOU

c. Add Direct Deposit requirement for payroll (service fee for paper check)

d. Revise zipper clause to allow for modifications in the event of a change in law

As discussed in the “Fiscal Impact” section above, some of these negotiated items have direct cost implications, while others do not. Furthermore, some of the negotiated items’ ultimate cost will depend on participation (i.e., “Early Retirement Incentive,” “Deferred Compensation”) while other items such as the “Class and Compensation Study” must be completed prior to an estimated cost being available. There is one item that is designed to save the City money: the “Medical Opt-Out Pay” program. Depending on the participation rate of this MOU item, the City could save between $39,000 and $105,000 annually in health care benefit costs.

The “Class and Compensation Study” would have costs associated with it – assuming it results in recommended increases to salary schedules for the job classifications. However, the ultimate cost at this point in time is unknown. Once the study is completed, it will be presented to the City Council for review and discussion. Any recommendations from the study must be approved by the City Council, and costing will be available at this point in time.

René Bobadilla

RB:MS:ey

Enclosures:

1. Resolution approving a Memorandum of Understanding between the City of Pico Rivera and the Mid-Managers and Professional and Confidential Employees unit for the period of July 1, 2017 through June 30, 2020 (plus Exhibits A, B, C and D)

2. Salary schedule for Mid-Managers and Professional and Confidential Employees Unit

3. Classification listing for Mid-Managers and Professional and Confidential Employees Unit

4. Memorandum of Understanding between the City of Pico Rivera and the Mid-Managers and Professional and Confidential Employees unit for the period of July 1, 2017 through June 30, 2020, Redlined

5. Memorandum of Understanding between the City of Pico Rivera and the Mid-Managers and Professional and Confidential Employees unit for the period of July 1, 2015 through June 30, 2017
RESOLUTION NO. _____


WHEREAS, the City has met its obligation to meet and confer pursuant to the Meyers-Millias-Brown Act (California Code Sections 3500-3511) and the City of Pico Rivera Employer-Employee Relations Resolution; and

WHEREAS, the current Memorandum of Understanding (MOU) between the City of Pico Rivera (City) and the Pico Rivera Mid-Managers, Professional and Confidential Employees Association (Association) expires on June 30, 2017; and

WHEREAS, the City and the Mid-Managers and Professional and Confidential Employees Association, as represented by the Confidential Employee Association (CEA) have reached agreement; and

WHEREAS, the City and the Association have memorialized all current negotiated items in a written Memorandum of Understanding, attached hereto.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PICO RIVERA DOES RESOLVE AS FOLLOWS:

SECTION 1. MEMORANDUM OF UNDERSTANDING. The Memorandum of Understanding between the Mid-Managers and Professional and Confidential Employees Association and the City of Pico Rivera is attached hereto as Exhibit A, and by reference made a part hereof.

SECTION 2. MID-MANAGER JOB CLASSIFICATIONS. Appendix A to the Memorandum of Understanding (also attached hereto as Exhibit B) reflects the job classifications and denotes those classifications which are considered “at-will.”

SECTION 3. PROFESSIONAL AND CONFIDENTIAL JOB CLASSIFICATIONS. Appendix B to the Memorandum of Understanding (also attached hereto as Exhibit C) reflects the job classifications and denotes those classifications which are considered “at-will.”

SECTION 4. SALARY SCHEDULE. Appendix C to the Memorandum of Understanding (also attached hereto as Exhibit D) reflects the salary schedule for all job classifications covered by this Memorandum of Understanding and represented by the
Mid-Managers and Professional and Confidential Employees Association which will be effective the first full payroll period commencing on or after July 1, 2017 as outlined in Article 5 of the MOU.

Updates to the salary schedules for years two and three of the Memorandum of Understanding will be made according to Article 5, Salaries and Compensation.

SECTION 5. ALL RESOLUTIONS, POLICIES, PROCEDURES AND SIDE-LETTERS IN CONFLICT. The MOU repeals and supersedes in all respects any and all terms and provisions of all prior memorandums of understanding between the City and the Association, except to the extent that any term or provision of this MOU expressly provides otherwise.

SECTION 6. That the City Clerk shall certify to the adoption of this Resolution, and it shall become effective immediately upon adoption.

APPROVED AND ADOPTED this ____ day of March, 2017 by members of the Successor Agency to the Pico Rivera Redevelopment Agency, voting as follows:

________________________________
Bob J. Archuleta, Mayor

ATTEST:                              APPROVED AS TO FORM:
________________________________  ______________________________
Anna M. Jerome, City Clerk           Arnold Alvarez-Glasman
City Attorney

AYES:  NOES:  ABSENT:  ABSTAIN:
MEMORANDUM OF UNDERSTANDING

between

CITY OF PICO RIVERA

and

PICO RIVERA MID MANAGERS and
PROFESSIONAL & CONFIDENTIAL EMPLOYEES ASSOCIATION

July 1, 2017 – June 30, 2020
ARTICLE 1
PREAMBLE

This Memorandum of Understanding (MOU) is made and entered into between the representatives of the City of Pico Rivera, hereinafter referred to as "City" and the Pico Rivera Mid-Managers, Professionals, & Confidential Employees Association, hereinafter referred to as the "Association", pursuant to the California Government Code Section 3500, et. seq. This consolidated MOU supersedes previous MOUs for the Mid-Management Unit and the Professionals & Confidential Unit. This MOU is effective July 1, 2017 through June 30, 2020.
ARTICLE 2
RECOGNITION

The City hereby formally recognizes the Association as the exclusive representative of both the Mid-Managers unit and the Professional and Confidential unit, representing employees in the classifications listed in Appendices “A” and “B.” The City agrees to meet and confer on all matters within the scope of representation as authorized by law, except as specified in this MOU.
ARTICLE 3
MAINTENANCE OF BENEFITS AND ZIPPER CLAUSE

Except as provided herein, there shall be no changes in wages, hours or working conditions as a result of entering into this MOU, and all rights, privileges, benefits, terms and conditions of employment, as of the date of this MOU, which are not specifically set forth, shall remain in force, unchanged and unaffected during the term of this agreement, unless changed by mutual consent. Thus, for the life of this agreement, there shall be no reduction of benefits or privileges, unless by dictate of law, such changes are mandated.

Furthermore, it is understood and agreed that for the term of this agreement neither party shall be compelled to negotiate with the other concerning any negotiable issue except by mutual agreement by the parties or as otherwise provided in this agreement.

Notwithstanding the above, if a recognized bargaining unit receives a higher increase during this MOU, the City shall meet with the Association within a reasonable time period thereafter in order to provide the same increase to the Association effective in this MOU as of the same date.
ARTICLE 4
NON-DISCRIMINATION CLAUSE

The parties agree that there shall be no discrimination against any applicant or employee based upon race, color, national origin, ancestry, age, sex (including gender, gender identity, gender expression, and pregnancy), disability, religion, marital status, medical condition, genetic characteristics or information, sexual orientation (including homosexuality, bisexuality, or heterosexuality), political activity, Association activity, or any other legally protected classification.
ARTICLE 5
SALARIES AND COMPENSATION

A. COLAs:

**Year One:**
The salary increase shall be 2.0% for Year One of this agreement. The salary increase shall be effective the first full payroll period commencing on or after July 1, 2017.

**Year Two:**
The salary increase for Year Two of this agreement shall be the change in the Consumer Price Index (CPI-U) for the Los Angeles-Riverside-Orange region as published by the Department of Labor’s Bureau of Labor Statistics (BLS), as measured from April 2017 to April 2018, but will not exceed five percent (5.0%). The salary increase will be effective the first full payroll period commencing on or after July 1, 2018.

**Year Three:**
The salary increase for Year Three of this agreement shall be the change in the Consumer Price Index (CPI-U) for the Los Angeles-Riverside-Orange region as published by the Department of Labor’s Bureau of Labor Statistics (BLS), as measured from April 2018 to April 2019, but will not exceed five percent (5.0%). The salary increase will be effective the first full payroll period commencing on or after July 1, 2019.

The adjusted salary ranges are set forth in Appendix "C" and reflect a 2.0% salary increase for Year One of this agreement (Fiscal Year 2017-18).

B. Class and Compensation Study:

In order to implement the salary increases for Year Two and Year Three of this agreement, the City shall conduct a class and compensation study – at the City’s expense. The class and compensation study shall be completed no later than July 1, 2018. Furthermore, it is understood that the recommendations and findings of the class and compensation study must be approved by the City Council in order to take effect.

Upward adjustments to salary ranges as recommended by a City Council approved class and compensation study will be phased in during the term of this MOU. Furthermore, any employee in a classification that requires a reduction in the salary range shall be “Y-rated” and shall not receive salary adjustments until the salary range of their classification is equal to or greater than their current rate of pay.

In no way will an employee be adversely impacted by the implementation of the class and compensation study.
C. **Pension Swap for Classic Members Hired on or before June 30, 2012 (Tier II):**

Tier II employees shall begin paying the full 7.0% employee share of PERS effective the first full pay period commencing on or after July 1, 2017. Tier II employees currently pay 4.0% of the 7.0% employee share of PERS. Tier II employees will pay the additional 3.0% of the employee share.

The City shall simultaneously implement a 4.0% salary increase for Tier II members effective the first full pay period commencing on or after July 1, 2017.

The goal of this pension swap is to have all employees, regardless of hire date or PERS member status (i.e., “classic” vs. “new member”) paying the full share of the PERS employee rate.

D. **Early Retirement Incentive:**

The City will implement a one-time “early retirement incentive program” immediately following ratification of this MOU. All City of Pico Rivera employees who meet the minimum requirements to retire under PERS guidelines (i.e., are at least age fifty (50) and have at least five (5) years of PERS service credit) shall be eligible to participate in the “early retirement incentive program.”

The program will provide a lump-sum payment equal to six (6) months of an eligible employee’s base salary. The “final salary” amount will be the based salary the employee earned during their last pay period prior to retirement. It is understood that in order to receive the six (6) month base salary lump-sum payout that the employee must formally retire from the City of Pico Rivera, according to all applicable PERS rules, guidelines and procedures in effect at the time.

Should this MOU be and the “early retirement incentive program” be approved by the City Council, management will draft guidelines and procedures for administering the program.

E. **Longevity Pay:** Effective July 1, 2016, members shall be eligible for an annual longevity pay based on years of service as follows:

a. $300 for Members with 5 or more years of City Service
b. $600 for Members with 10 or more years of City Service
c. $750 for Members with 15 or more years of City Service

Longevity pay is paid annually on the first full payroll period of July to all members who qualify as of June 30. City service is calculated based on years of service at full time status with the City of Pico Rivera.

F. **Bilingual Pay:** Members shall be eligible to receive bilingual pay as follows:
MEMORANDUM OF UNDERSTANDING
2017 - 2020
MID-MANAGERS and PROFESSIONAL and CONFIDENTIAL EMPLOYEES ASSOCIATION

a. $25 per month for appointed Bilingual Speakers
b. $50 per month for appointed Bilingual Transcribers/Writers

The precise terms and conditions of the bilingual pay program shall be memorialized in a separate side letter agreement and City-wide bilingual pay policy.

G. Merit Increases: Merit increases are permitted. The City agrees that for any member whose evaluation is late and is eligible for a merit increase, the employee shall receive the increase retroactive to their anniversary date.

H. Move up Pay: In the event that an employee is assigned by a department head or his/her designee, as reflected in a Personnel Action Form, to work in a higher compensated classification and works in that capacity for a minimum of one continuous month, he/she will receive the pay of the higher rated classification. The increase in pay shall be at least five percent (5%), not to exceed the top of the range of the higher rated classification.

I. Call Back Pay: Call back pay shall be applicable to Public Work’s Supervisors and the Public Works Coordinator only. Call back occurs when an employee is called back to work after their regularly scheduled shift. Public Works Supervisors and the Public Works Coordinator shall be compensated at time and one-half (1 ½) of their hourly rates for hours worked. Call back time includes reasonable travel time to and from the employee’s residence and the designated worksite(s).

J. Direct Deposit: All employees will be required to enroll in direct deposit of payroll checks no later than the last full pay period in December, 2017. The City reserves the right to begin charging the cost of processing a bi-weekly “live printed check” for those employees who do not enroll in direct deposit by this deadline. All new hires shall be required to enroll in direct deposit immediately upon hire.
ARTICLE 6
HEALTH AND RELATED BENEFITS

A. Medical Benefits:

1. Employees Hired Before July 1, 2012

   The City shall pay one hundred percent (100%) of the health insurance premiums for
   HMO providers and a maximum of eighty-five percent (85%) of the premium rate for
   PERS CARE (PPO).

2. Employees Hired On or After July 1, 2012

   The City shall pay one hundred percent (100%) of the health insurance premiums for
   the employee and eligible dependents not to exceed the Kaiser HMO premium rate.
   Employees may choose a different health care provider offered by the City, however,
   any cost greater than the Kaiser HMO premium rate shall be paid by the employee,
   through payroll deductions.

B. Dental Benefits:

   The City shall pay one hundred percent (100%) of the dental insurance premium for the
   employee and eligible dependents not to exceed the HMO premium rate. Employees may
   choose a different dental plan offered by the City, however, any cost greater than the
   HMO premium rate shall be paid by the employee, through payroll deductions.

C. Vision Benefits:

   The City shall pay one hundred percent (100%) of the vision insurance premium for the
   employee and eligible dependents.

D. Cash In-Lieu of Benefits Program:

1. The Cash In-Lieu of Benefits Program (i.e., “Cash In-Lieu”) allows employees to opt
   out of the City’s provided health plan under certain conditions. An employee will be
   eligible for the Cash In-Lieu Program only when the employee provides proof of
   other medical coverage and an executed Health Insurance Waiver form. An
   employee may participate in the Cash In-Lieu Program only at the time of Open
   Enrollment, when a qualifying life event (QLE) occurs, or at the time of hire. In the
   event the employee loses health coverage through the alternative source, the
   employee should contact Human Resources regarding the employee’s eligibility to
   enroll in the City’s Health Plan.

   Cash In-Lieu of Benefits Program amounts shall be eighty percent (80%) of the
   monthly health benefit program amounts published by CalPERS for 2017 and will be
fixed at the 2017 rates for the duration of this MOU (July 1, 2017 – June 30, 2020).

Employees will be eligible to receive eighty percent (80%) of the health program amount they would qualify for. This amount will be distributed through the normal payroll process in twenty-six (26) equal payments.

2. When an employee leaves employment, the City must offer the opportunity to continue the medical, dental and vision benefits they have upon terminating. If the employee is participating in the Cash In-Lieu of Benefits Program, Consolidated Omnibus Budget Reconciliation Act (COBRA) medical benefits continuation will not be available.

3. Upon retirement, if an employee was not previously enrolled in a City sponsored PERS medical plan, the employee may be eligible to enroll in the CalPERS retirement medical plan subject to CalPERS regulations.
ARTICLE 7
SUPPLEMENTAL BENEFITS

A. Life and Accidental Death and Dismemberment Insurance:

The City shall provide a life insurance and accidental death and dismemberment (AD&D) insurance benefit valued at $20,000 per employee.

B. Supplemental Life Insurance Premiums:

Employees may elect supplemental life insurance through a City provider at the employee’s expense, paid through payroll deduction.

C. Disability Insurance:

The City shall pay one-hundred percent (100%) of the premiums for Long and Short-Term Disability.

D. Work Related Travel Insurance:

The City shall provide an additional Accidental Death and Dismemberment (AD&D) benefit to all full-time City employees. Said coverage is to cover work related travel for all employees as follows:

- $150,000 Employees earning $5,000 per month or more
- $100,000 Employees earning $3,500 but less than $5,000 per month
- $75,000 Employees earning $2,500 but less than $3,500 per month
- $50,000 Employees earning less than $2,500 per month

E. Employee Assistance Program:

The City offers an Employee Assistance Program (EAP) which provides counseling and assistance to employees. The program includes the following components:

- Referring of employees to a variety of counseling/treatment facilities for personnel.
- Informing employees of the program and types of assistance available.
- Training of supervisors to recognize employee problems.
- Referring of employees to affordable service providers – ones covered by the employee’s medical insurance or ones that are affordable to the employee.
- Reporting to City is done on a confidential basis.
F. **Deferred Compensation Plan:** The City has available a deferred compensation plan (i.e., Internal Revenue Code Section 457 program) which employees may choose to participate in at their own expense.

In addition, the City agrees to establish a contribution matching program effective January 1, 2018. For the first year of this program (January 1, 2018 – December 31, 2018), the City will make available a pool of matching funds not to exceed twenty thousand dollars ($20,000) to CEA members who participate in the City’s Deferred Compensation Plan (i.e., 457 program). In order to qualify for the City matching contribution, employees must be enrolled in the Deferred Compensation Plan and must be making bi-weekly contributions.

The City will match Association members contributions up to a maximum of five hundred dollars ($500.00) during the calendar year (January 1, 2018 – December 31, 2018), up to the pool maximum of $20,000. Once the pool maximum amount of $20,000 is exhausted, no additional matching will be provided.

Participation in the Deferred Compensation Plan is voluntary. The City will endeavor to provide education to all employees on the benefits of participating in the Deferred Compensation Program. The City agrees to revisit the pool maximum amount for subsequent calendar years covered by this MOU.
ARTICLE 8
RETIREMENT

A. CalPERS Benefit: The City contracts for a defined benefit retirement plan through the California Public Employees’ Retirement System (CalPERS).

1. The Public Employees’ Pension Reform Act of 2013/AB340 (PEPRA):
   a. “Classic Members” include employees hired prior to January 1, 2013, and those who are hired on or after that date who were already members of CalPERS or a public retirement system/plan with reciprocity with CalPERS and are hired by the City within six (6) months of separation from their prior CalPERS or such prior employment.
   b. “New Members” are those employees who become members of a public retirement system for the first time on or after January 1, 2013 and who do not otherwise meet the tests for being defined as a “Classic” Member.

2. Full-Time “Classic Members” hired prior to July 1, 2012 (“Tier I”):
   a. Members shall receive the 2.5% at age 55 benefit formula.
   b. Final retirement compensation shall be calculated using the single highest year of CalPERS reportable earnings, per the California Government Code.
   c. Tier I members pay the full eight percent (8.0%) employee share.

   All employee-paid member contributions shall be pre-tax via payroll deduction.

   a. Members shall receive the 2.0% at age 60 benefit formula.
   b. Final retirement compensation shall be calculated using the average of the three (3) highest consecutive year earnings, per the California Government Code.
   c. Tier II members pay the full seven percent (7.0%) employee share, as described and discussed in Article 5, Salaries and Compensation. It is the intention of the City that Tier II members will not bear the burden of the additional employee contributions towards their retirement, and this is fully described in Article 5, Salaries and Compensation.
All employee-paid member contributions shall be pre-tax via payroll deduction.

4. “New Members” under PEPRA - Full time employees hired on or after January 1, 2013 (Tier III):
   a. New Members are covered by the 2% at age sixty two (62) benefit formula.
   b. New Members retirement benefit will be based on the highest thirty six (36) consecutive months of compensation earnable.
   c. Per PEPRA, the City does not make contributions towards the employee share for new members. New members are responsible for paying the full amount of the employee share, equal to fifty percent (50%) of the total “normal cost” as determined by CalPERS annual valuation reports. The City will not make any contributions towards the employee share of PERS, as outlined in AB 340.

   The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis by way of payroll deduction. All employee-paid member contributions shall be pre-tax via payroll deduction.

5. Applicable to all Full-Time Employees regardless of hire date:
   a. Retired Death Benefit – the City’s contract with CalPERS provides for a five-thousand dollar ($5,000) lump sum death benefit payable upon retiree’s death.
   b. Pre-Retirement Option 2W Benefit – the City has contracted with CalPERS to provide a monthly death benefit allowance for a surviving spouse or registered domestic partner. The allowance is calculated as though the member retires from service on the date and chose Option 2W.
   c. Service Credit Buy-Back Program – eligible employees can purchase, with pre-tax dollars, service credits from PERS for past eligible employment.
   d. Military Buy-Back – eligible employees can purchase, with pre-tax dollars, a maximum of four (4) years’ service credit from PERS at the employee’s expense.
   e. 1959 Survivor Benefit Level 4 – The City’s contract with PERS provides 1959 Survivor’s Benefits Level 4. The 1959 Survivor’s Benefit is paid along with other death benefits whether or not the employee was eligible to retire at the time of death.
The benefit consists of a monthly allowance which may be paid to the employee’s eligible surviving spouse and children. A spouse is eligible if he/she has care of eligible children (including stepchildren) or is age 60 or older. (Children are eligible if under age 22 and unmarried or incapacitated because of a disability which began before age 22). A parent may be eligible if there is no surviving spouse or eligible children, and the parent(s) was dependent on the member for at least half of their support at the time of the member’s death.

The benefit level amounts to be provided are dictated by PERS and the amounts provided will be done in accordance with the latest rates published by PERS.

B. **Retiree Health Insurance** - The City offers retiree medical health coverage through CalPERS medical.

1. **For Employees Hired Before July 1, 2012:**

   The City pays one hundred percent (100%) of the retiree’s health insurance premium based on the retiree’s level of coverage.

2. **For Employees Hired on or after July 1, 2012:**

   The City pays the minimum contribution required by the Public Employees Medical and Hospital Care Act (PEMHCA) toward the retiree’s CalPERS medical insurance premium. This amount is adjusted annually by CalPERS.
ARTICLE 9
WORK SCHEDULES

The City implemented an Alternative Work Week schedule commonly known as the “9/80 Plan” with the pay period covering July 1, 1992. Elements of the “9/80 Plan” include: a) employees will work nine (9) hours on Monday through Thursdays and eight (8) hours on every other Friday; b) the alternate Fridays will be a day off and City Hall will be closed; c) City Hall hours will be changed to 7:30 a.m. to 5:30 p.m. Monday through Friday; d) City Yard hours will be changed to 6:30 a.m. to 4:00 p.m. Monday through Thursdays and 6:30 to 3:00 p.m. on working Fridays; e) the payroll period start and end times will be adjusted to comply with Fair Labor Standards Act requirements; f) vacation, holiday and sick leaves will be given in hourly rather than daily increments; g) holiday schedules will be based on an 88 hour annual minimum and a 90 hour annual maximum. Holiday and alternate Friday schedules and related information will be disseminated prior to implementation.
ARTICLE 10
OVERTIME, HOLIDAYS, SCHEDULES AND TYPES OF LEAVE

A. Schedule Flexibility

In the spirit of providing Management and Exempt Employees with the ability to adjust schedules according to need, it is understood that Exempt employees, through prior discussion and approval of their supervisors, will have flexibility in schedules. The intent of this flexibility is due to the understanding that Exempt employees are at times asked to work additional hours for which they do not receive compensatory time or overtime compensation.

B. Overtime

1. Non-Exempt full time employees will be compensated for overtime worked when specifically authorized by the department head and approved by the City Manager.

2. The City shall use reasonable efforts to distribute overtime work equitably among the qualified employees of an officer, operational unit or work group with consideration given to City need and employees availability in making the distribution. Upon reasonable notice, an employee shall be required to work overtime as needed. If an employee is not available for an overtime assignment it shall be without prejudice to consideration of that employee for subsequent overtime assignments.

3. For the purpose of computing hours worked, time during which an employee is excused from work because of a holiday shall be considered as time worked by the employee. In all other cases, hours worked shall include all the time during which an employee is required to be on employer’s premises on duty or at a prescribed work place. Paid leave time is not considered in computing hours worked. Overtime for all part-time personnel will be calculated as specified under the Fair Labor Standards Act.

4. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 ½) times the hourly rate in effect at the time such overtime service is rendered when the employee has worked in excess of a full regularly scheduled work week.

5. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 ½) times the hourly rate in effect at the time such overtime services is rendered when the employee has worked in excess of the regularly scheduled work day and when the employee has also worked in excess of a full regularly scheduled work week.

6. Compensation for non-exempt full time employees who work in excess of the regularly scheduled workday but do not work in excess of the regularly scheduled
workweek shall be at the straight time hourly rate for those hours worked in excess of the regularly scheduled work day. Time and one-half shall be paid only after the employee has also worked in excess of and has satisfied the regularly scheduled workweek requirement.

7. Compensation for overtime worked also be in the form of compensatory time off which shall be credited at the rate of which straight time or time and one-half, whichever is appropriate, according to the provisions above.

8. At the time overtime is earned and by taking into account the stated preference of the employee to receive pay or compensatory time off, the Department Head will be responsible for determining departmental/operational needs and will have sole discretion in final determination in the manner of compensation.

9. Employees may bank a maximum of forty (40) hours of compensatory time off. No employee shall be allowed to accumulate more than forty (40) hours of compensatory time.

10. Depending on departmental and operational needs at the time the overtime hours are worked the Department Head will have sole discretion in determining when compensatory time off may be taken. Operational needs will take precedence; however, a reasonable effort to accommodate employee preference will be used.

C. FMLA and Kin Care Leave:

Association members may maintain forty (40) leave hours (sick, vacation or compensatory time) “on the books” if they choose

D. Administrative Leave:

All exempt bargaining unit employees shall receive sixty (60) hours of Administrative Leave per year.

E. Compensatory Time:

Non-exempt members may bank a maximum of sixty (60) hours of compensatory time off. No member shall be allowed to accumulate more than sixty (60) hours of compensatory time off.

F. Sick Leave:

Sick leave with pay is granted to all permanent, probationary and provisional employees. The following are details of the sick leave provision:
1. **Accrual**
   
   a. Sick leave allowance is one hundred and five (105) hours per year
   
   b. Each employee will accrue four point zero three eight five (4.0385) hours of sick leave each pay period.
   
   c. The maximum number of accrued hours per year is one hundred and five (105) hours.
   
   d. The maximum number of hours available for cash payment per year is eighty-one (81) hours

2. **Use** - An employee's sick leave and/or compensatory time accruals can be used for an illness or medical appointment of an employee or family member as well as for any unexpected absence. This should be done at the employee's discretion, keeping in mind that the use of sick leave rather than other available leave may impact future leave availability when needed.

3. **Personal Sick Leave** - Employees are allowed to use 24 hours of their sick time as personal sick leave, which shall be counted as hours worked for overtime purposes.

4. **Physician's Certificate** - An employee may be required to provide the supervisor or Department Head with a physician's certification of illness or a release to return to work. An employee injured off the job shall be required to provide a physician's release to return to work.

5. **Accumulation** - Up to eight hundred (800) hours of sick leave may be accumulated during the course of employment with the City. If an employee’s sick leave is exhausted, the employee may use vacation time for illness but only after a full workday advance request and with the approval of the employee’s supervisor, Department Director and Director of Human Resources. Vacation leave, under any circumstance, may not be used for single day illnesses.

   If an employee has no paid leave time accumulated or has paid leave time but wishes not to use it, he/she must take leave without pay or any other leave otherwise provided by law.

6. **Cash Payment** - In June of each year (i.e., the first full pay period of June), each employee may choose to take any or all of the fiscal year's accumulated sick leave as cash, provided the “cash out” amount does not exceed eighty-one (81) hours. The balance of the sick leave may be left on the books. Per California Labor Code, sick
leave is paid at the employees rate of pay at the time of pay out (i.e., the employee’s pay rate during the first full pay period in June).

7. Credit Upon Termination - Employees who terminate employment may be paid the salary equivalent of all accrued sick leave prior to the effective date of termination. Per California Labor Code, sick leave is paid at the employees’ rate of pay at the time of termination/separation. Accumulated sick leave may also be converted to service credit with CalPERS at time of retirement, subject to CalPERS law. A choice of either sick leave as service credit or cash-out of sick leave will be given.

G. Vacation Leave:

1. Length: The amount of vacation that a member accrues is based on years of service.

   One through Four Years       88 Hours (3.385 hours per pay period)
   Five through Nine Years      128 Hours (4.923 hours per pay period)
   Ten Years or More            168 Hours (6.462 hours per pay period)

2. Accrual: Vacation leave will begin accruing immediately upon the employee’s official start-date.

3. Credit upon Termination: Employees who terminate employment shall be paid the salary equivalent of all accrued vacation leave earned prior to the effective date of termination. Per California Labor Code, vacation leave is paid at the employees’ rate of pay at the time of termination/separation.

4. Schedules: Each department will keep and monitor the vacation schedule of its employees. Each employee shall request vacation time in writing in advance of the time desired. Such request will be signed by the employee and must be approved by the employee’s supervisor and/or Department Director to be valid. The Department Director will determine the vacation schedule with due regard for the wishes of the employee and the needs of the department subject to the MOU. In the event a vacation request is denied, the reason for the denial shall be provided in writing.

5. Accumulation: Vacation time may be accumulated to a maximum of three-hundred and twenty (320) hours. Employees with hours in excess of three hundred and twenty (320) will have those excess hours paid out the first payday in December, 2017. Per California Labor Code, vacation leave is paid at the employees’ rate of pay at the time of pay out (i.e., the employee’s pay rate during the first payday of December). There
will be no accumulation of vacation hours beyond the three-hundred and twenty (320) hours. This maximum accumulation cap shall be effective the first full pay period of January, 2018. The intent of this effective date is to allow employees sufficient notification time prior to implementation of the “hard cap” on vacation accumulation.

6. **Vacation Cash Out**: Each year in December (first payday of December), an employee may opt to cash out any or all vacation hours that exceed one-hundred twenty (120) hours. If a cash out is elected, a minimum balance of one-hundred twenty (120) hours must remain on the books. Per California Labor Code, vacation leave is paid at the employees’ rate of pay at the time of pay out (i.e., the employee’s pay rate during the first payday of December).

7. **Emergency Cash-Out**: At the request of the eligible employee, emergency vacation leave payouts may be approved throughout the year without the minimum balance requirement. Employees must submit the request in writing to the City Manager describing the emergency. An emergency is defined as follows:

   a. A severe financial hardship;
   b. Event was unforeseeable (including but not limited to: illness, accident or casualty);
   c. Event was incurred by employee, spouse or dependent; and
   d. Employee has no other means to cover costs.

The City Manager’s decision is final.
H. Holidays:

1. During the term of this MOU (July 1, 2017 – June 30, 2020), the following holidays shall be recognized on the days and dates listed below:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>New Year’s Day</td>
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<td>January 2</td>
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<td>Martin Luther King Day</td>
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<td>January 15</td>
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<td>President’s Day</td>
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<td>February 19</td>
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<td>César Chávez Day</td>
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<td>March 30</td>
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<td>Memorial Day</td>
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<td>May 28</td>
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<td>Independence Day</td>
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<td>Veteran’s Day</td>
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<td>November 10</td>
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<td>Thanksgiving Day</td>
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<td>November 23</td>
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<td>Day after Thanksgiving</td>
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<td>December 25</td>
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2. The City shall fund eight (8) hours of compensation for each such holiday falling on a Friday, and nine (9) hours for each such holiday falling on a Monday-Thursday.
I. **Industrial Illness or Injury Leave:**

An employee who is absent from work due to a work-related injury or illness shall be on industrial accident leave. The City shall conform to Workers’ Compensation laws of the State of California in effect at the time of injury. Employees may receive information on Workers’ Compensation Procedures from the Human Resources Division.

When a waiting period is required in order to begin Workers’ Compensation benefits, an injured worker may use available leave time along with the City paid Workers’ Compensation rate per day. Following the waiting period, an injured worker on total disability will receive the State Worker’s Compensation rate. The employee may make up the difference between the State mandated rate and her/his base pay by utilizing available leave time.

If an injured worker has exhausted all available leave, continues to receive Workers’ Compensation benefits and is medically unable to return to work, the City shall compensate the injured worker the difference between the State mandated benefit and sixty-six and two-thirds percent (66.667%) of the employee’s base pay for a period not to exceed ninety (90) days from the date leave is exhausted or unless State law says differently.

J. **Jury Duty:**

Service as a juror by employees will be limited to serving once in any two-year period. Payment for jury duty service will be limited to ten (10) days. If an employee is assigned to a trial within the first ten (10) days of jury service, the employee’s time to complete the trial will be paid by the City.

The employee must obtain proof of jury service from the Court and submit it to the Finance Department upon completion of his/her jury duty. The employee must also submit any payment received from the Court (except mileage reimbursement) to the Finance Department in order to receive full salary for the time served.

K. **Bereavement Leave:**

A three (3) day bereavement leave shall be granted to full-time employees for a death in the immediate family. The immediate family shall be defined as parents, step-parents, stepbrother/sister, step-children, mother/father-in-law, brother/sister-in-law, spouse, brother/sister, children, grandparents, grandchild, step-grandchild, court-appointed or other verifiable guardian. Upon request and with supervisory approval, a day of vacation may be added to bereavement leave to accommodate personal or travel need.

Bereavement leave shall not be charged to the employee's sick or vacation leave balance.

L. **Catastrophic Leave:**
1. **Purpose** –

Catastrophic leave is a leave sharing program intended to allow employees to voluntarily donate accrued leave to other eligible employees for the employee or the care of a spouse, parent or dependent child of an employee suffering from a catastrophic illness or injury.

A catastrophic illness of an employee is any non-occupational medically verifiable illness or injury of such serious nature as to require long-term absence from work. Catastrophic illness of a family member shall be defined as those medically verifiable illnesses or injuries which are of such serious nature as to require long-term and/or full-time care by the employee. Family members are defined as the employee’s spouse/domestic partner, parent, parent-in-law, child, or other person for whom the employee is legal guardian. Catastrophic illness leave shall be additional paid leave available from vacation, sick or compensatory leave donated by other City employees to a specific qualified employee.

2. **Eligibility** –

   a. An employee (recipient) may be eligible to receive and use donated leave if he or she, or their family member, has a catastrophic illness as defined above.

   b. The employee must produce competent medical verification of the illness or non-work related injury satisfactory to the City.

   c. The employee must have a minimum of one year of service with the City.

   d. The employee must have exhausted all paid leave, including but not limited to sick leave, vacation, and compensatory time.

   e. In order to receive and use donated leave, an employee must not be receiving any other salary continuation benefits such as disability benefits.

   f. No more than four-hundred eighty (480) hours per twelve (12) month period from date of catastrophic leave approval may be received by the employee.

   g. The employee must complete the Catastrophic Illness Donation Request Form and submit the form to the employee’s department head and City Manager for signature. The Personnel Officer will certify that the employee is eligible to participate in the catastrophic leave donation program.
3. **Donor Employee Eligibility** –

The employee must have an accrued vacation leave balance of at least forty (40) hours after the donation of vacation time and a sick leave balance of at least sixty (60) hours after the donation of sick leave time. Employees may donate all of their compensatory time.

The employee must complete the Catastrophic Illness Donation Form.

4. **Conditions for Making Leave Donations** –

Donations must be in whole hours and the amount of hours an employee wishes to donate shall be at his/her own discretion on the condition the employee meets the leave balance minimums.

Donor names will be kept confidential.

All time donated will be credited on an hour-for-hour basis, regardless of hourly pay differentials between donating employee and recipient.

All donations shall be voluntary and at the discretion of the donor employee and once processed are irrevocable once leave hours are transferred to the recipient.

5. **How to Apply for or Donate Leave** –

An employee who qualifies for catastrophic illness leave shall complete the Catastrophic Illness Donation Request Form and submit it to the department head who shall, in conjunction with the City Manager and Personnel Officer, review it for approval or denial.

Upon approval, donor employees shall complete the Catastrophic Illness Donation Form indicating a willingness to donate vacation leave, sick leave or compensatory time and the amount of said time to be donated. The completed form should then be forwarded to payroll.

Subsequent to the receipt of the leave donation forms and the determination of the total hours donated, Payroll shall credit the recipient employee’s sick leave balance on a biweekly payroll basis. An employee who is receiving catastrophic illness leave donated by other employees shall be allowed to accrue vacation and sick leave while in that status; however, all accrued leave shall first be used prior to the use of donated leave time.

Donations not used by recipient will be returned to donors proportionately.

6. **Solicitation of Donations** –
Human Resources will notify City employees that the recipient employee is eligible to receive voluntary donations of accrued vacation, sick and compensatory time. Human Resources will not release any medical information regarding the recipient employee or his or her family member.

7. **Contact Information** –

Questions about Catastrophic Leave should be directed to Human Resources.
ARTICLE 11
SEVERANCE

A. Mid-Managers Unit

A mid-management member who has completed at least six months of continuous employment and who is involuntarily separated is entitled to severance pay as follows:

<table>
<thead>
<tr>
<th>Employment Duration</th>
<th>Severance Pay</th>
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<tbody>
<tr>
<td>6 months thru 4 years of employment</td>
<td>One (1) month pay</td>
</tr>
<tr>
<td>5 years thru 9 years of employment</td>
<td>Two (2) months’ pay</td>
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<tr>
<td>10 years thru 14 years of employment</td>
<td>Four (4) months’ pay</td>
</tr>
<tr>
<td>15 years and over of employment</td>
<td>Five (5) months’ pay</td>
</tr>
</tbody>
</table>

B. Professionals and Confidential Unit

A Professional and Confidential member who has completed at least one year of continuous employment and who is involuntarily separated is entitled to three (3) month’s severance pay.

A Professional and Confidential member who has completed ten (10) years or more of city service and who is involuntarily separated is entitled to five (5) month’s severance pay.
ARTICLE 12
OTHER TERMS

A. Uniforms

For those full-time employees who are required to wear a City uniform, the City shall pay the costs associated with the provision of required uniforms. It is the right of the City to determine what constitutes a required uniform. It is understood that where the City provides a uniform, said uniform must be worn while on duty. For those items of protective clothing worn but not provided by the City, no logos/insignias of athletic teams, commercial products or companies may be worn. The design and color of such clothing must not interfere with free ease of movement, shall not present a safety hazard and must be worn, in the case of jackets and/or tee shirts, with an orange City-furnished safety vest as the outer layer visible to all. City-paid time shall not be used for purchase of uniform equipment.

The City agrees to provide safety shoes to Field Service Personnel. Shoes will be replaced as wear and tear warrants; however, in no case shall any employee receive more than two pair of safety shoes in any twelve-month period. Determination of eligibility for safety shoes and/or replacement thereof shall be made by the Department Head or his/her designee in accordance with this policy.

The City shall establish procedures for the issuance and replacement of work shoes. Departmental discretion shall be used in determining the type of work shoes acceptable for designated positions. The maximum amount payable by the City for a single pair of work shoes is $150 per pair. Regardless of cost, work shoes shall be substantial enough to provide the required protection and durable enough to require no more than the allowed two pair per year.

Any employee issued safety shoes shall wear such shoes at all times during working hours. Employees not issued safety shoes shall be expected to wear shoes at all times during working hours. Employees not issued safety shoes shall be expected to wear shoes appropriate to the working environment, as determined by the Department Head. Safety shoes shall not be purchased on City-paid time.

B. Mandatory Drug Testing

The City and Association agree that all new hires shall be required to participate in mandatory drug testing as part of the employee eligibility process, at the time of the post-offer physical examination.
ARTICLE 13
EDUCATIONAL REIMBURSEMENT AND LOAN FORGIVENESS

To encourage employees to further their education, it is City policy, with the signed approval of both the Department Director and City Manager, to provide financial assistance to the employee for registration, books, parking or other related educational expenses as outlined in applicable Internal Revenue Service (IRS) code. The maximum annual amount of tuition reimbursement will be the IRS maximum of $5,250 (or the effective amount should it be adjusted by the IRS in a given year).

The City shall develop and publish an educational reimbursement program that satisfies all required IRS rules and guidelines.

In addition, Management agrees to meet and confer with the Association during the term of this MOU to discuss the feasibility of a student loan forgiveness program.
ARTICLE 14
GRIEVANCE PROCEDURES

A. Performance Evaluations

The City agrees that any Association member whose performance evaluation is late and the member’s performance rating was at a minimum satisfactory will be entitled to receive the merit increase retroactive to the anniversary date.

The City agrees that each member will receive a copy of his or her performance evaluation and it is agreed that the member’s signature on the evaluation form shall not necessarily indicate agreement with the content of said evaluation.

B. Last Chance Agreements

Management reserves the right to utilize Last Chance Agreements when warranted. Examples of conditions when such an Agreement may be utilized include the following:

1. When there has been a violation of City Rules and Regulations or Policies;

2. As a final effort, before termination, to assist an employee in improving his performance;

3. In cases of substance abuse i.e. drugs or alcohol.

Each Last Chance Agreement will be considered on a case by case basis. However, unless otherwise stipulated in the Agreement, the duration of a Last Chance agreement shall not exceed three (3) years, which in all cases shall be the maximum.

C. Definitions

A grievance is defined as any dispute concerning the interpretation or application of the MOU, departmental rules and regulations governing personnel practices, or working conditions applicable to employees covered by the MOU.

A grievant is an employee or group of employees adversely affected by an act or omission of the employer.

D. Purpose of Grievance Procedure

The general purpose of the grievance procedure is to resolve disputes, differences of opinions and interpretations informally at the earliest point possible.
The grievance procedure is not intended to be used for:

a) challenges to the agreed upon outcome of a Meet and Confer process; or
b) cases of reduction in pay, demotion, suspensions, or termination resulting from disciplinary action.

E. Rights and Responsibilities

At Steps 2, 3 and 4, the grievant may be represented by him/herself, the Association, an Association attorney or one representative of the grievant’s choice. If the representative is a fellow employee, that employee will receive time off from his or her work assignment for only the time of the grievance meeting or hearing.

The time limits between steps of the grievance procedure provided herein may be extended by mutual agreement. The employee and management may waive one or more levels of review from this grievance procedure, again by mutual agreement.

F. Specifics of the Grievance

In filing a grievance, the employee should set forth the following information, said information must be submitted in writing beginning with Step 2:

a) the specific section of the MOU, City policies or law allegedly violated, misinterpreted or misapplied;

b) the specific act or omission which gave rise to this alleged violation, misinterpretation or misapplication;

c) the date or dates on which the violation, misinterpretation or misapplication occurred;

d) documents, witnesses or other evidence supporting your position; and

e) the remedy requested.

G. Procedure

An employee who wishes to file a grievance must do so within ten calendar days of when he/she became aware of or should have been aware of the circumstances that gave rise to a grievance.

Step 1. First Level of Review

Informal: The employee shall discuss the grievance with the immediate management supervisor on an informal basis in an effort to resolve the grievance. Said grievance shall be considered waived if not so presented to the immediate management supervisor within
ten calendar days following the day when the event upon which the grievance is based occurred.

Formal: The immediate management supervisor may require that the employee submit the grievance in writing. Similar grievances submitted by more than one employee may be consolidated by management into one or more separate grievances.

The immediate management supervisor shall respond in writing within seven calendar days following the meeting with the employee. Failure to respond within such time limit shall entitle the employee to process the grievance at the next step.

Step 2. Second Level of Review

If the grievance is not settled at Step 1, the employee may proceed to Step 2 by serving a written notice of the grievance on a form provided by management to the Department Head within five calendar days of receipt of the grievance response at Step 1. Failure of the employee to serve such written notice shall constitute a waiver of the grievance. If such written notice is served, the Department Head may meet with the employee and a written decision or statement of facts and issues shall be rendered to the employee and representative of the employee's choice, if any, within ten calendar days from the date of service. Failure of management to respond within such time limit shall entitle the employee to process the grievance at the next level of review.

Step 3. Mediation As Optional Dispute Resolution

If a grievance is not resolved after review by the Department Head, the Association and the City may agree to submit the matter to a neutral third party for resolution. If either party wishes to exercise this option, they shall make the request within 5 calendar days of the Department Head's response. If the parties mutually agree to use this option they shall meet within 10 calendar days to request a mediator from the State Board of Mediation or as soon as a meeting can be scheduled.

Step 4. Third Level of Review

If the grievance is not settled at Step 2 or Step 3, the employee may proceed to Step 4 by serving written notice of the grievance on said form upon the City Manager within five calendar days following receipt of the grievance response at Step 2 or Step 3. Failure of the employee to serve such notice shall constitute a waiver of the grievance. If such notice is served, the grievance shall be reviewed by the City Manager or that person's designee within ten calendar days. The City Manager or designee may afford the parties an opportunity to present oral or written arguments on the merits of the grievance and shall render to the employee and representative of the employee's choice, if any, a written decision within ten calendar days from the date said arguments were submitted. The decision of the City Manager shall be final.
ARTICLE 15
PROBATIONARY PERIODS AND DISCIPLINE PROCEDURES

Members in job classifications designated without an asterisk * in Attachments A and B are considered at-will employees and are not subject to the following discipline procedure.

Members in job classifications designated with an asterisk * in Attachments A and B are not at-will and are subject to the following probationary periods and disciplinary procedure as outlined immediately below:

A. Probationary Period
   All new hires shall serve a twelve (12) month probationary period. Current employees who are promoted into a classification that is not at-will and that is covered by this MOU are subject to a promotional probation period of six (6) months.

B. Disciplinary Procedure
   Members shall first be subject to an informal conference summary regarding their job performance prior to any formal discipline taken as it relates to minor disciplinary action as listed below under “Section 1: Minor Disciplinary Actions.” The nature, severity, and egregiousness of the employee performance or situation and or violation of any City Policies and Procedures may lead to grounds for discipline under “Section 1: Major Disciplinary Action.”

   Proper subjects to be handled by these procedures are disciplinary actions including but not limited to:

Section 1. Disciplinary Actions

Disciplinary actions may include the following:

   Minor Disciplinary Action:
   • Counseling
   • Oral reprimand
   • Written reprimand

   Major Disciplinary Action
   • Suspension without pay
   • Reduction in pay
   • Demotion
   • Dismissal (Negative Termination)
Section 2. Grounds for Discipline

The following list is illustrative and not inclusive:

A. Fraud in securing employment or making a false statement on an application for employment.
B. Incompetency (i.e., inability to comply with the minimum standard of an employee’s position for a significant period of time.)
C. Inefficiency or neglect of duty (i.e., failure to perform duties required of an employee within his position.)
D. Willful disobedience and insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position or insulting or demeaning the authority of a supervisor or manager.
E. Dishonesty involving employment.
F. Being under the influence of alcohol or illegal drugs or narcotics while on duty, being impaired by alcohol or illegal drugs in the employee’s biological system while on duty which could impact the employee’s ability to do the job.
G. Excessive absenteeism.
H. Inexcusable absence without leave.
I. Abuse or misuse of sick leave (i.e., taking sick leave without a doctor’s certificate when one is required).
J. The conviction of either a misdemeanor or a felony involving moral turpitude shall constitute grounds for discipline up to and including dismissal. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The Personnel Officer may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline, or the determination if such conviction is an offense involving moral turpitude. A conviction of a felony or any offense involving moral turpitude, whether based on a plea of guilty or verdict, is deemed to be a conviction within the meaning of this Section.
K. Discourteous treatment of the public or other employees.
L. Improper or unauthorized use of City property.
M. Refusal to subscribe to any oath or affirmation which is required by law in connection with City employment.
N. Any willful act of conduct undertaken in bad faith, either during or outside of duty hours which is of such a nature that it causes discredit to the City, the employee’s department or division.
O. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of City property.
P. Violation of the Departmental policies or procedures.
Q. Mental or physical impairment which renders the employee unable to perform the essential functions of the job without reasonable accommodation, or without presenting a direct threat to the health and safety of self and others.
R. Outside employment not specifically authorized by the appointing authority.
S. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of his or her official duties (refer to City’s List of Gifts & Gratuities Policy in Appendix).

T. The refusal of any City employee to testify under oath before any Grand Jury having jurisdiction over any then pending cause of inquiry in which the investigation of government bribery or misconduct in City office is involved shall constitute of itself sufficient ground for the immediate discharge of such officer or employee.

U. Willful violation of any of the provisions of the ordinances, resolutions or any rules, regulations or policies which may be prescribed by the City.

V. Improper political activity. Example: Those campaigning for or espousing the election or non-election of any candidate in national, state, county or municipal elections while on duty and/or during working hours or in an agency uniform on or off duty; or the dissemination of political material of any kind while on duty and/or during working hours or in uniform.

W. Working overtime without authorization.

Section 3. Response to Written Reprimand

An employee who wishes to object to a written reprimand must do so within fourteen (14) calendar days of mailing or personal delivery of the notice of the disciplinary action.

Step 1. A. The employee and/or his/her representative will present his/her objection to his/her supervisor orally or in writing within fourteen (14) calendar days.

B. The immediate supervisor will answer the objection orally or in writing within seven (7) calendar days after presentation of the objection.

Step 2. A. An employee and/or his/her representative wishing to pursue the Supervisor's response will, within seven (7) calendar days, present it in writing to his/her Department Head.

B. At the option of the Department Head, a meeting shall be held with the employee and his/her representative.

C. The Department Head will present his/her written answer to the employee within seven (7) calendar days of receipt of the objection.

Step 3. Mediation as Optional Dispute Resolution

If an objection is not resolved after review by the Department Head, the Union and the City may agree to submit the matter to a neutral third party for resolution. If either party wishes to exercise this option, they shall make the request within seven (7) calendar days of the Department Head's
response. If the parties mutually agree to use this option they shall meet within fourteen (14) calendar days of the request a mediator from the State Board of Mediation or as soon as a meeting can be scheduled.

Step 4.

A. If the objection has not been settled at the second step and optional mediation has not taken place, or agreement has not been reached during the mediation process, the employee and/or his/her representative may submit a written appeal within seven (7) calendar days to the City Manager.

B. A meeting with the City Manager shall be held with the employee and his/her representative. The City Manager, at his/her discretion, may designate a representative to hear the appeal.

C. The City Manager will present his/her answer in writing to the employee within seven (7) calendar days of the meeting. The decision of the City Manager or designee shall be final.

Section 4. Major Disciplinary Action

Step 1. Notice of Intent

A. Whenever the appropriate Department Director intends to suspend without pay, reduce pay, demote or dismiss the employee, the Department Director shall give the employee a written notice of intent to discipline which sets forth the following:

1. The major disciplinary action intended;

2. The specific charges upon which the action is based;

3. A factual summary of the grounds upon which the charges are based;

4. A copy of all written materials, reports, or documents upon which the discipline is based;

5. Notice of the employee’s right to respond to the charges either orally or in writing to the appropriate department head;

6. The date, time and person before whom the employee may respond in no less than seven (7) calendar days; should the employee wish to appeal the disciplinary action;

7. Notice that failure to respond at the time specified shall constitute a waiver of the right to respond prior to final discipline being imposed.
8. The notice shall also advise the employee that he/she is entitled to have representation of his/her own choice at the meeting with the Department Head.

B. Response by Employee

The employee shall have the right to respond to the appropriate Department Director orally or in writing at a meeting with the Department Director. The employee shall have a right to be represented at the meeting set to hear the employee’s response. In cases of suspensions, reductions, demotions, or dismissals, the employee’s timely filed response will be considered before final action is taken.

C. Decision

Within seven (7) calendar days of the meeting with the Department Director, the Department Director shall issue a written decision setting forth the action to be taken, the grounds for the proposed action and the employee’s right to appeal the Department Director’s decision to the City Manager.

Step 2. Appeal Hearing Before the City Manager

A. An employee may appeal the decision of the Department Director by filing a written notice of appeal. The notice must be filed with the City Manager within fourteen (14) calendar days of the date of the decision by the Department Director.

B. Within seven (7) calendar days of receipt of a notice of appeal, the City Manager shall set a meeting date to be held within fourteen (14) calendar days. Written notice of the meeting will be personally delivered or mailed to the employee not later than fourteen (14) calendar days prior to the meeting.

C. The notice of meeting given to the employee shall contain the following:

1. The date and place of the meeting.

2. That the employee may be present and that he/she may be represented by another party.

3. That the employee and/or his/her representative may present oral and documentary evidence and examine witnesses.

D. The City Manager or his/her designee shall be present at the meeting and shall consider oral and documentary evidence presented by either party.

E. Final Notice
After meeting with the City Manager, designee, or the expiration of the employee’s time to respond to the notice of intent, the appropriate authority shall:

1. Dismiss the notice of intent and take no disciplinary action against the employee;

2. Modify the intended disciplinary action; or

3. Prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following: the disciplinary action taken; the effective date of the disciplinary action taken; specific charges upon which the action is based; a factual summary of the facts upon which the charges are based; the written materials, reports and documents upon which the disciplinary action is based; and the employee’s right to appeal.

Step 3. Advisory Arbitration

A. Advisory Arbitration

The employee and/or his/her representative may request advisory arbitration by written notification to the City manager within fourteen (14) calendar days of the conclusions of Step 2 of the appeals procedure.

B. List of Arbitrators

The City Manager, upon receipt of written notification, will request a list of five arbitrators from the American Arbitration Association.

C. Selection of Arbitrator

Upon receipt of the list of arbitrators, the parties shall meet within seven (7) calendar days to choose one arbitrator by striking names of arbitrators from the list until only one arbitrator is left. The City shall have the benefit of the first strike.

D. Hearing Board

A hearing will be conducted by a hearing board consisting of said arbitrator, one member from management and one member from the Union. Said hearing will be scheduled as soon as reasonably possible but no less than fourteen (14) calendar days of the selection of the arbitrator.
E. **Conduct of a Hearing**

a) The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses but hearings shall be conducted in a manner most conducive to determination of the truth.

b) Any relevant evidence may be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objection in civil actions.

c) Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence that shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.

d) The rules dealing with privileges shall be effective to the same extent that they are now or hereafter may be recognized in civil actions.

e) Irrelevant and unduly repetitious evidence may be excluded.

f) The Hearing Board shall determine relevancy, weight and credibility of testimony and evidence. Decisions made by the Hearing Board shall not be invalidated by any informality in the proceedings.

g) During examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.

F. **Burden of Proof**

In a disciplinary appeal the City has the burden of proof by preponderance of the evidence.

G. **Proceed with Hearing or Request for Continuance**

Each side should be asked if it is ready to proceed. If either side is not ready and wishes a continuance, good cause must be stated.

H. **Testimony Under Oath**

All witnesses shall be sworn in for the record prior to offering testimony at the heading. The Hearing Board will request the witnesses to raise their right hand and respond to the following: “Do you swear that the testimony you are about to give at this hearing is the truth, the whole truth and nothing but the truth?”
I. Presentation of the Case

The hearing shall proceed in the following order unless the Hearing Board for special reason, directs otherwise:

a. The party imposing discipline (Department) shall be permitted to make an opening statement.

b. The appealing party (employee) shall be permitted to make an opening statement.

c. The party imposing disciplinary action (Department) shall produce their evidence.

d. The party appealing from such disciplinary action (employee) may then offer their evidence.

e. The party imposing discipline (Department) followed by the appealing party (employee) may offer rebutting evidence.

f. Closing arguments shall be permitted at the discretion of the Hearing Board. The party with the burden of proof, the Department, shall have the right to go first and to close the hearing by making the last argument. The Hearing Board may place a time limit on closing arguments. The Hearing Board or the parties may request the submission of written briefs. After the request for submittal of written briefs, the Hearing Board will determine whether to allow the parties to submit written briefs and set a briefing schedule.

J. Right to Control Proceedings

While the parties are generally free to present their case in the order that they prefer, the Hearing Board reserves the right to control the proceedings, including, but not limited to, altering the order of witnesses, limiting redundant or irrelevant testimony, or by the direct questioning of witnesses.

K. Hearing Demeanor and Behavior

All parties and their attorneys or representatives shall not, by written or oral presentation, disparage the intelligence, ethics, morals, integrity or personal behavior of their adversaries.

L. Hearing Written Decision

Within 30 calendar days of the hearing, the Hearing Board shall issue its written decision setting forth the action to be taken and the reasons for such action. Written notice of the decision shall be personally delivered to the employee or
 mailed to the employee by registered or certified mail, return receipt requested, within seven (7) calendar days.

M. City Council Review

Within fourteen (14) calendar days of receipt of Hearing Board advisory decision, either party may request in writing a City Council review of the matter.

N. City Council Decision

Upon receipt of a request for review, the City Council shall either uphold the advisory decision or call for a review of the matter.

O. Expenses

All expenses of the arbitration shall be shared equally by the parties. However, expenses relating to the calling of witnesses or the obtaining of depositions or any similar expense associated with such proceedings shall be borne by the party at whose request such witnesses or depositions are required.

P. City Council Ruling

Any legal action or proceeding by either party contesting or seeking review of the ruling of the City Council shall be started within 90 calendar days of the City Council ruling. A disciplinary action not appealed or legal action or proceeding not started within the required time period will be considered resolved as of the previous action. Time limits in this procedure may be extended by agreement in writing of the parties.
ARTICLE 16
ASSOCIATION BUSINESS

A. DUES AND BENEFITS DECLARATION

The City shall continue to deduct dues and Association sponsored benefit program premiums on a regular basis from the pay of all classifications and positions recognized to be represented by the Association, who voluntarily authorize the deduction in writing on a form to be provided for this purpose which is mutually agreed to by the Association and the City. The City shall remit such funds to the Association within 30 days following the deduction. The Association agrees to hold the City harmless and indemnify the City against the claims, causes of action, or lawsuits arising as a result of the deductions on transmittal of such funds to the Association, except the intentional failure of the City to transmit monies deducted from the employees pursuant to this Article to the Association.

B. PROVISION OF UNIT MEMBERSHIP LIST

Within thirty (30) calendar days of adoption of this MOU, the City shall provide unit representatives with a list consisting of:

1. Name of each unit member in alphabetical order by last name

2. Each unit member’s class title, department, work location, and last known residence address and telephone number

3. The list shall be updated every six (6) months thereafter

C. USE OF CITY FACILITIES

City facilities may be used with the prior approval of Management for the purpose of holding meetings, if such facilities can be made available without disrupting the normal operations of the facilities.

Each work location will provide a bulletin board or reasonable space that may be used by the Association for the posting of notices of official Association business and/ or Association related articles.

D. AGENCY SHOP

If, during the term of the agreement, employees establish an agency shop, either pursuant to Government Code Section 3507.1 or through an election, the following language shall apply:

Thirty days after the certification of a successful agency fee election or thirty days after verification of majority status, all employees represented by the Association shall as a condition of continuing employment become and remain members of the Association or shall
pay to the Association a service fee in lieu thereof. The election or the verification of the majority status will be conducted by an agreed upon neutral third party, or if the parties cannot agree, by the State Mediation and Conciliation Service.

Any employee hired after the agency fee is in place shall be provided, through the Human Resources Department, with an authorization for the deduction of Association dues. Said employees shall have thirty (30) working days following the initial date of employment to fully execute the authorization form of his or her choice and return said form to the Human Resources Department. The effective date of Association dues, service fee deductions, or charitable contributions for such employees shall be the beginning of the first pay period after receipt of the employee’s signed authorization form.

Any employee of the City’s subject to this Memorandum of Understanding who wishes to execute a written declaration claiming a religious exemption from paying Association dues, and who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting a public employee organization and which is recognized as such by the Public Employer Relations Board shall, upon presentation of verification of active membership in such religion, body or sect be permitted to make a charitable contribution equal to the service fee in lieu of Association membership or service fee payment. Declarations or applications for religious exemption and any supporting documentation shall be forwarded to the Association within fifteen (15) calendar days of receipt by the City. The Association shall have fifteen (15) calendar days after receipt of a request for religious exemption to challenge any exemption granted by Human Resources or his or her designee. If challenged, the deduction to the charity of the employee’s choice shall commence, but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be granted by regular payroll deduction only. For the purpose of this section, charitable deduction means a contribution to an organization that complies with Section 501(c)3 of the Internal Revenue Code and accepts donations via automatic payroll deduction.

The Association shall indemnify and hold the City, its officers and employees harmless from any and all claims, demands, suits or any other action arising from the Agency Fee provisions herein. In no event shall the City be required to pay from its own funds Association dues, service fees or charitable donations which the employee was obligated to pay, but failed to pay regardless of the reasons.

E. ASSOCIATION BANK OF HOURS

The City agrees to maintain the bank of hours available for Association activity at 80 hours. A formal notification shall be given to the Human Resources office on July 1 of each year of the names of duly appointed Association representatives and at any time thereafter when an addition or deletion of the list is made.

Those items charged to the Bank of Hours shall be for routine Association business, including Association sponsored workshops. The designated pay code of “335” shall be used on employee timesheets to indicate hours chargeable to the Bank of Hours.
Association business not charged to the Bank of Hours shall be tracked for time spent in these activities: MOU negotiations and Meet and Confers. Employees engaged in these activities shall use a project code of “1100” on timesheets to indicate Association activity.

Should the regular Association bank of 80 hours be exhausted a case by case request to increase hours will be considered.

F. VOLUNTARY POLITICAL CONTRIBUTIONS

City agrees that bargaining unit employees will be allowed to make voluntary political contributions to the Association’s Political Action Committee through payroll deductions.
ARTICLE 17
MANAGEMENT RIGHTS CLAUSE

A. The City and Association agree that the City retains and has the exclusive decision-making authority to manage municipal services and the work force performing those services in accord with existing law and provisions of the established MOU.

B. The Association further agrees that the City has, except as expressly and lawfully restricted by specific provisions of the MOU, the exclusive decision-making authority to:

1. Determine and modify the organization of City government and its constituent work units.

2. Determine the nature, standards, levels and mode of delivery of services to be offered to the public.

3. Determine the methods, means, and the numbers and kinds of personnel by which services are to be provided.

4. Determine whether goods or services shall be made, purchased or contracted for.

5. No bargaining unit employee shall be laid off, demoted or suffer loss of pay or benefits as a result of the contracting out of work. The parties agree to meet and confer as required by law on matters relating to wages, hours or working conditions. Said provisions will apply except for contracts required by bona fide emergencies.

6. Direct employees, including scheduling and assigning work and overtime.

7. Establish employee performance standards and require compliance therewith.

8. Discharge, suspend, demote, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline employees subject to the requirements of applicable law.

9. Relieve employees from duty because of lack of work or lack of funds or for other legitimate reasons.

10. Implement rules, regulations and directives consistent with law and the specific provisions of the MOU.

11. Take all necessary actions to protect the public and carry out its mission in emergencies.
C. If the exercise of these management rights impact members’ wages, hours or working conditions, City agrees to meet and confer with Association pursuant to State law.

D. Except as provided or within the City’s Personnel Rules and Regulations and the existing and effective MOU, decisions under this article shall not be subject to the Grievance Procedure.
ARTICLE 18
SEVERABILITY

If an article, section, position or portion thereof contained in the Memorandum of Understanding or application thereof to any person or circumstance is held to be unconstitutional, invalid by operation of law, or by any tribunal or office of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by tribunal or office, the remainder of the Memorandum of Understanding and application of such provisions or portion thereof, to other persons or circumstances, shall be deemed severable, shall not be affected, and shall remain in full force and effect. Furthermore, the City and the Association shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such article, section, position or portion.
ARTICLE 19
EFFECT

It is understood and agreed that this agreement shall not become effective for any purpose or be binding on either party until approved by the City Council and the bargaining unit membership, and nothing herein shall be construed as obligating the City Council to approve in whole or in part. If the City Council approves in full, then this agreement shall become effective July 1, 2017. The Memorandum of Understanding (MOU) constitutes and includes all negotiations, compromises, and representations made by either party; and both parties acknowledge that each has met and conferred in good faith in negotiations to this point.
ARTICLE 20
LABOR-MANAGEMENT COMMITTEE

The parties shall convene a labor management committee within six (6) months of adoption of this MOU to address updating various work policies and rules.
ARTICLE 21
TERM

This MOU will be effective as of July 1, 2017, and will continue through midnight June 30, 2020.

IN WITNESS THEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this ___ day of ____________, 2017.

______________________________  ______________________________
René Bobadilla            Charissa Manor
City Manager              Association President

______________________________  ______________________________
Maurice Sebastian         Eyvette Ruiz
Director of Human Resources  Association Vice President

______________________________  ______________________________
Michael Solorza            Leticia Reyes
Director of Finance        Association Secretary

______________________________
Julie Martinez
Association Treasurer

______________________________
James Coiner
Member-At-Large
APPENDIX A
MID-MANAGER CLASSIFICATIONS

<table>
<thead>
<tr>
<th>CITY OF PICO RIVERA</th>
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</thead>
<tbody>
<tr>
<td>Mid-Management Classifications</td>
</tr>
<tr>
<td>*Coordinator</td>
</tr>
<tr>
<td>Deputy City Clerk</td>
</tr>
<tr>
<td>*Senior Coordinator</td>
</tr>
<tr>
<td>Senior Inspector</td>
</tr>
<tr>
<td>Senior Supervisor</td>
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<tr>
<td>*Senior Technician</td>
</tr>
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*Denotes Positions NOT at-will
### APPENDIX B

#### PROFESSIONAL AND CONFIDENTIAL CLASSIFICATIONS

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**APPENDIX C**

**SALARY SCHEDULES**

**EFFECTIVE FISCAL YEAR 2017-18**

**MID-MANAGER CLASSIFICATIONS**

*Salary ranges below reflect 2.0% cost of living adjustment (COLA) effective the first full pay period in July, 2017 and will be effective for the FY 2017-18*

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<tr>
<td>Coordinator</td>
<td>IV</td>
<td>2017-2018 2% ZONE A: 5,127-5,896</td>
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<tr>
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<td>II</td>
<td>2017-2018 2% ZONE A: 5,275-6,433</td>
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<td>2017-2018 2% ZONE B: 6,435-7,272</td>
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<td>Senior Coordinator</td>
<td>IV</td>
<td>2017-2018 2% ZONE A: 6,781-8,140</td>
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<td>2017-2018 2% ZONE B: 6,514-7,980</td>
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<tr>
<td>Senior Inspector</td>
<td>III</td>
<td>2017-2018 2% ZONE A: 7,981-9,178</td>
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<td>Senior Supervisor</td>
<td>IV</td>
<td>2017-2018 2% ZONE A: 8,141-9,361</td>
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<td>Technician</td>
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SALARY SCHEDULES
EFFECTIVE FISCAL YEAR 2017-18
PROFESSIONAL AND CONFIDENTIAL CLASSIFICATIONS

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**MEMORANDUM OF UNDERSTANDING**

**Appendix A**

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*Denotes Positions NOT at-will*
# MID-MANAGERS AND PROFESSIONAL AND CONFIDENTIAL EMPLOYEES MEMORANDUM OF UNDERSTANDING

## Appendix B

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CITY OF PICO RIVERA
Monthly Salary Ranges for Professional & Confidential Positions
MOU APPENDIX C
Effective Fiscal Year 2017-18

*Salary ranges below reflect 2.0% cost of living adjustment (COLA) effective the first full pay period in July, 2017 and will be effective for the FY 2017-18

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Monthly Salary Ranges for Mid-Manager Positions  
MOU APPENDIX C  
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**MOU APPENDIX C**

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MID-MANAGERS AND PROFESSIONAL AND CONFIDENTIAL EMPLOYEES
MEMORANDUM OF UNDERSTANDING
Appendix A

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<tr>
<th>CITY OF PICO RIVERA</th>
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*Denotes Positions NOT at-will
**Professional & Confidential Classifications**

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<td>Senior Planner</td>
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<td>Senior Public Information Officer</td>
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</table>

*Denotes Positions NOT at-will*
MEMORANDUM OF UNDERSTANDING

Between

CITY OF PICO RIVERA

And

PICO RIVERA MID MANAGERS and PROFESSIONALS, & CONFIDENTIAL EMPLOYEES ASSOCIATION

JULY 1, 2015 – JUNE 30, 2017

JULY 1, 2017 – June 30, 2020
ARTICLE 1
PREAMBLE

This Memorandum of Understanding (“MOU”) is made and entered into between the representatives of the City of Pico Rivera, hereinafter referred to as "City" and the Pico Rivera Mid-Managers, Professionals, & Confidential Employees Association, hereinafter referred to as the "Association", pursuant to the California Government Code Section 3500, et. seq. This consolidated MOU supersedes previous MOUs for the Mid-Management Unit and the Professionals & Confidential Unit. This MOU is effective July 1, 2015-2017 through June 30, 2017-2020.
ARTICLE 2
RECOGNITION

The City hereby formally recognizes the Association as the exclusive representative of both the mid-managers unit and the professionals and confidential unit, representing employees in the classifications listed in Attachment “A” and “B”. The City agrees to meet and confer on all matters within the scope of representation as authorized by law, except as specified in this MOU.
ARTICLE 3
MAINTENANCE OF BENEFITS AND ZIPPER CLAUSE

Except as provided herein, there shall be no changes in wages, hours or working conditions as a result of entering into this MOU, and all rights, privileges, benefits, terms and conditions of employment, as of the date of this MOU, which are not specifically set forth, shall remain in force, unchanged and unaffected during the term of this agreement, unless changed by mutual consent. Thus, for the life of this agreement, there shall be no reduction of benefits or privileges, unless by dictate of law, such changes are mandated.

Furthermore, it is understood and agreed that for the term of this agreement neither party shall be compelled to negotiate with the other concerning any negotiable issue except by mutual agreement by the parties or as otherwise provided in this agreement.

Notwithstanding the above, if a recognized bargaining unit receives a higher increase during this MOU, the City shall meet with the Association within a reasonable time period thereafter in order to provide the same increase to the Association effective in this MOU as of the same date.
ARTICLE 4
NON-DISCRIMINATION CLAUSE

The parties agree that there shall be no discrimination against any applicant or employee based upon race, color, national origin, ancestry, age, sex (including gender, gender identity, gender expression, and pregnancy), disability, religion, marital status, medical condition, genetic characteristics or information, sexual orientation (including homosexuality, bisexuality, or heterosexuality), political activity, Association activity, or any other legally protected classification.
ARTICLE 5
SALARIES & COMPENSATION

A. COLAs:

Year One:
The salary increase shall be 2.0% for Year One of this agreement. The salary increase shall be retroactively effective to the first full payroll period commencing on or after July 1, 2017.

Year Two:
The salary increase for Year Two of this agreement shall be the change in the Consumer Price Index (CPI-U) for the Los Angeles-Riverside-Orange region as published by the Department of Labor’s Bureau of Labor Statistics (BLS), as measured from April 2017 to April 2018, but will not exceed five percent (5.0%). The salary increase will be effective the first full payroll period commencing on or after July 1, 2018.

Year Three:
The salary increase for Year Three of this agreement shall be the change in the Consumer Price Index (CPI-U) for the Los Angeles-Riverside-Orange region as published by the Department of Labor’s Bureau of Labor Statistics (BLS), as measured from April 2018 to April 2019, but will not exceed five percent (5.0%). The salary increase will be effective the first full payroll period commencing on or after July 1, 2019.

The salary increase shall be 2.0% for Year Two of this agreement. The salary increase shall be effective the first payroll period commencing on or after July 1, 2016.

The adjusted salary ranges are set forth in Attachment "C" and reflect a 2.0% salary increase for Year One of this agreement.

In order to implement the salary increases for Year Two and Year Three of this agreement, the City shall conduct a class and compensation study – at the City’s expense. The class and compensation study shall be completed no later than July 1, 2018. Furthermore, it is understood that the recommendations and findings of the class and compensation study must be approved by the City Council in order to take effect.

Upward adjustments to salary ranges as recommended by a City Council approved class and compensation study will be phased in during the term of this MOU. Furthermore, any employee in a classification that requires a reduction in the salary range shall be “Y-rated” and shall not receive salary adjustments until the salary range of their classification is equal to or greater than their current rate of pay.
In no way will an employee be adversely impacted by the implementation of the class and compensation study.

B. Pension Swap for Classic Members Under Tier II (Hired on or before June 30, 2012 (Tier II)):

Tier II employees shall begin paying the full 7.0% employee share of PERS effective the first full pay period commencing on or after July 1, 2017. Tier II employees currently pay 4.0% of the 7.0% employee share of PERS. Tier II employees will pay the additional 3.0% of the employee share.

The City shall simultaneously implement a 4.0% salary increase for all Tier II members as soon as practicable after adoption of this MOU effective the first full pay period commencing on or after July 1, 2017.

The goal of this pension swap is to have all employees, regardless of hire date or PERS member status (i.e., “classic” vs. “new member”) paying the full share of the PERS employee rate.

Effective in the same pay period as the increase, the City shall reduce the employer paid member contribution to 4%. Members shall thereafter be responsible for paying the remaining portion of the member contribution.

Effective in the first payroll period commencing on or after January 1, 2017, the City shall implement another 4% salary increase for all Tier I members. Effective in the same pay period as the increase, the City shall reduce the employer paid member contribution to 0%. Members shall thereafter be responsible for paying their full member contribution.

C. Early Retirement Incentive:

The City will implement a one-time “early retirement incentive program” immediately following ratification of this MOU. All City of Pico Rivera employees who meet the minimum requirements to retire under PERS guidelines (i.e., are at least age fifty (50) and have at least five (5) years of PERS service credit) shall be eligible to participate in the “early retirement incentive program.”

The program will provide a lump-sum payment equal to six (6) months of an eligible employee’s base salary. The “final salary” amount will be the based salary the employee earned during their last pay period prior to retirement. It is understood that in order to receive the six (6) month base salary lump-sum payout that the employee must formally retire from the City of Pico Rivera, according to all applicable PERS rules, guidelines and procedures in effect at the time.
Should this MOU be approved by the City Council, management will draft guidelines and procedures for administering the program.

C.D. Longevity Pay: Effective July 1, 2016, members shall be eligible for an annual longevity pay based on years of service as follows:

a. $300 for Members with 5 or more years of City Service
b. $600 for Members with 10 or more years of City Service
c. $750 for Members with 15 or more years of City Service

Longevity pay is paid annually on the first full payroll period at the end of June to all members who qualify as of that date. City service is calculated based on years of service at full time status with the City of Pico Rivera.

C.E. Bilingual Pay: Effective first pay period after adoption of this MOU, members shall be eligible to receive bilingual pay as follows:

a. $25 per month for appointed Bilingual Speakers
b. $50 per month for appointed Bilingual Transcribers/Transcribers/Writers

The precise terms and conditions of the bilingual pay program shall be negotiated by the parties during the term of this MOU and memorialized in a separate side letter agreement and City-wide bilingual pay policy.

C.F. Merit Increases: Merit increases are permitted. The City agrees that for any member whose evaluation is late and is eligible for a merit increase, the employee shall receive the increase retroactive to their anniversary date.

C.G. Move Up Pay: In the event that an employee is assigned by a department head or his/her designee, as reflected in a Personnel Action Form, to work in a higher compensated classification and works in that capacity for a minimum of one continuous month, he/she will receive the pay of the higher rated classification. The increase in pay shall be at least five percent (5%), not to exceed the top of the range of the higher rated classification.

C.H. Call Back Pay: Call back pay shall be applicable to Public Work’s Supervisors and the Public Works Coordinator only. Call back occurs when an employee is called back to work after his/her regularly scheduled shift. Public Works Supervisors and the Public Works Coordinator shall be compensated at time and one-half (1 ½) of their hourly rates for hours worked. Call back time includes reasonable travel time to and from the employee’s residence and the designated worksite(s). Time and one-half (1 ½), upon arrival, is at the discretion of the Director of Public Works.
G.1. **Direct Deposit:** All employees will be required to enroll in direct deposit of payroll checks no later than the last full pay period in December, 2017. The City reserves the right to begin charging the cost of processing a bi-weekly “live printed check” for those employees who do not enroll in direct deposit by this deadline. All new hires shall be required to enroll in direct deposit immediately upon hire.
ARTICLE 6
FLEXIBLE HEALTH AND RELATED BENEFITS

A. Medical Benefits:

1. Employees Hired Before July 1, 2012
   The City shall pay one hundred percent (100%) of the health insurance premiums for HMO providers and a maximum of eighty five percent (85%) of the premium rate for PERS CARE (PPO).

2. Employees Hired On or After July 1, 2012
   The City shall pay one hundred percent (100%) of the health insurance premiums for the employee and eligible dependents not to exceed the Kaiser HMO premium rate. Employees may choose a different health care provider offered by the City, however, any cost greater than the Kaiser HMO premium rate shall be paid by the employee, through payroll deductions.

B. Dental Benefits:
   The City shall pay one hundred percent (100%) of the dental insurance premium for the employee and eligible dependents not to exceed the HMO premium rate. Employees may choose a different dental plan offered by the City, however, any cost greater than the HMO premium rate shall be paid by the employee, through payroll deductions.

C. Vision Benefits:
   The City shall pay one hundred percent (100%) of the vision insurance premium for the employee and eligible dependents.

D. Cash Back Incentive In-Lieu of Benefits Program:
   1. The Cash Back Incentive In-Lieu of Benefits Program (i.e., “Cash In-Lieu”) allows employees to opt out of the City’s provided health plan under certain conditions. An employee will be eligible for the Cash Back Incentive In-Lieu Program only when the employee provides proof of other medical coverage and an executed Health Insurance Waiver form. An employee may participate in the Cash Back Incentive In-Lieu Program only at the time of Open Enrollment, when a qualifying life event (QLE) occurs, or at the time of hire. In the event the employee loses health coverage through the alternative source, the employee should contact Human Resources regarding the employee’s eligibility to enroll in the City’s Health Plan.
Cash In-Lieu of Benefits Program amounts shall be eighty percent (80%) of the monthly health benefit program amounts published by CalPERS for 2017 and will be fixed at the 2017 rates for the duration of this MOU (July 1, 2017 – June 30, 2020).

1. Employees will be eligible to receive eighty percent (80%) of the health program amount they would qualify for. This amount will be distributed through the normal payroll process in twenty-six (26) equal payments.

   Monthly Cash Back Incentive
   
<table>
<thead>
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<th>Single</th>
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<td>$125.00</td>
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2. When an employee leaves employment, the City must offer the opportunity to continue the medical, dental and vision benefits they have upon terminating. If the employee is participating in the Cash Back Incentive Program, Consolidated Omnibus Budget Reconciliation Act (COBRA) medical benefits continuation will not be available.

3. Upon retirement, if an employee was not previously enrolled in a City sponsored PERS medical plan, the employee may be eligible to enroll in the CalPERS retirement medical plan subject to CalPERS regulations.
ARTICLE 7
SUPPLEMENTAL BENEFITS

A. Life and Accidental Death and Dismemberment Insurance:

The City shall provide a life insurance and accidental death and dismemberment (AD&D) insurance benefit valued at $20,000 per employee.

B. Supplemental Life Insurance Premiums:

Employees may elect supplemental life insurance through a City provider at the employee’s expense, paid through payroll deduction.

C. Disability Insurance:

The City shall pay one-hundred percent (100%) of the premiums for Long and Short-Term Disability

D. Work Related Travel Insurance:

Work Related Travel Insurance: The City shall provide an additional Accidental Death and Dismemberment (AD&D) benefit to all full-time City employees by Hartford Life and Accident. Said coverage is to cover work related travel for all employees and City Council, City Manager and Commissioners as follows:

i. $150,000 Employees earning $5,000 per monthly and over or more
ii. $100,000 Employees earning $3,500 but less than $5,000 per monthly
iii. $75,000 Employees earning $2,500 but less than $3,500 per monthly
iv. $50,000 Employees earning less than $2,500 per monthly

E. Employee Assistance Program:

The City offers an Employee Assistance Program (EAP) which provides counseling and assistance to employees. The program includes the following components:

i. Referring of employees to a variety of counseling/treatment facilities for personnel.

ii. Informing employees of the program and types of assistance available.

iii. Training of supervisors to recognize employee problems.
Referring of employees to affordable service providers – ones covered by the employee’s medical insurance or ones that are affordable to the employee.

Reporting to City is done on a confidential basis.

F. Deferred Compensation Plan: The City has available one or more deferred compensation plan(s) (i.e., Internal Revenue Code Section 457 program) which employees may choose to participate in at their own expense.

In addition, the City agrees to establish a contribution matching program effective January 1, 2018. For the first year of this program (January 1, 2018 – December 31, 2018), the City will make available a pool of matching funds not to exceed twenty thousand dollars ($20,000) to CEA members who participate in the City’s Deferred Compensation Plan (i.e., 457 program). In order to qualify for the City matching contribution, employees must be enrolled in the Deferred Compensation Plan and must be making bi-weekly contributions.

The City will match Association members contributions up to a maximum of five hundred dollars ($500.00) during the calendar year (January 1, 2018 – December 31, 2018), up to the pool maximum of $20,000. Once the pool maximum amount of $20,000 is exhausted, no additional matching will be provided.

Participation in the Deferred Compensation Plan is voluntary. The City will endeavor to provide education to all employees on the benefits of participating in the Deferred Compensation Program. The City agrees to revisit the pool maximum amount for subsequent calendar years covered by this MOU.
ARTICLE 8
RETIREMENT

A. CalPERS Benefit: The City contracts for a defined benefit retirement plan through the California Public Employees’ Retirement System (CalPERS).

1. The Public Employees’ Pension Reform Act of 2013 (“PEPRA”):

   a. “Classic Members” include employees hired prior to January 1, 2013, and those who are hired on or after that date who were already members of CalPERS or a public retirement system/plan with reciprocity with CalPERS and are hired by the City within six (6) months of separation from their prior CalPERS or such prior employment.

   b. “New Members” are those employees who become members of a public retirement system for the first time on or after January 1, 2013 and who do not otherwise meet the tests for being defined as a “Classic” Member.

2. Full-Time “Classic Members” hired prior to July 1, 2012 (“Tier 1I”):

   a. Members shall receive the 2.5% at age 55 benefit formula.

   b. Final retirement compensation shall be calculated using the single highest year of CalPERS reportable earnings, per the California Government Code.

   c. The City pays the eight percent (8%) employer paid member contribution (EPMC) and reports it to CalPERS as reportable earnings. Tier I members pay the full eight percent (8.0%) employee share.

      As soon as practicable after adoption of this MOU, but within the same pay period as the 4% salary increase as specified in the pension swap section above, employees shall pay 4% of the member contribution and the City’s portion of the paid member contribution shall be reduced from 8% to 4%.

      Effective the first pay period on or including January 1, 2017, but within the same pay period as the additional 4% salary increase as specified in the pension swap section above, employees shall pay the full 8% member contribution and the City’s portion of the paid member contribution shall be reduced from 4% to 0%.
All employee-paid member contributions shall be pre-tax via payroll deduction.

   a. Members shall receive the 2.0% at age 60 benefit formula.
   b. Final retirement compensation shall be calculated using the average of the three (3) highest consecutive year earnings, per the California Government Code.
   c. The City pays three percent (3%) of the employer paid member contribution (EPMC) and does not report it to CalPERS as reportable earnings. Tier II members pay the full seven percent (7.0%) employee share, as described and discussed in Article 5, Salaries and Compensation. It is the intention of the City that Tier II members will not bear the burden of the additional employee contributions towards their retirement, and this is fully described in Article 5, Salaries and Compensation.

   All employee-paid member contributions shall be pre-tax via payroll deduction.

4. “New Members” under the PEPRA - Full time employees hired on or after January 1, 2013 (Tier III):
   a. New Members are covered by the two percent (2%) at age sixty two (62) retirement benefit formula.
   b. New Members retirement benefit will be based on the highest thirty six (36) consecutive months of compensation earnable.
   c. Per PEPRA, the City does not make contributions towards the employee share for new members. New members are responsible for paying the full amount of the employee share, equal to fifty percent (50%) of the total “normal cost” as determined by CalPERS annual valuation reports. The City will not make any contributions towards the employee share of PERS, as outlined in AB 340.
   d. New Members pay a member contribution to PERS at the rate of fifty percent (50%) of the total “normal cost” of the plan, as defined by CalPERS.
   e. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis by way of payroll deduction.

   All employee-paid member contributions shall be pre-tax via payroll deduction.
5. Applicable to all Full-Time Employees regardless of hire date:

a. Retired Death Benefit – the City’s contract with CalPERS provides for a five-thousand dollar ($5,000) lump sum death benefit payable upon retiree’s death.

b. Pre-Retirement Option 2W Benefit – the City has contracted with CalPERS to provide a monthly death benefit allowance for a surviving spouse or registered domestic partner. The allowance is calculated as though the member retires from service on the date and chose Option 2W.

c. Service Credit Buy-Back Program – eligible employees can purchase, with pre-tax dollars, service credits from PERS for past eligible employment.

d. Military Buy-Back – eligible employees can purchase, with pre-tax dollars, a maximum of four (4) years service credit from PERS at the employee’s expense.

e. 1959 Survivor Benefit Level 4 – The City’s contract with PERS provides 1959 Survivor’s Benefits Level 4. The 1959 Survivor’s Benefit is paid along with other death benefits whether or not the employee was eligible to retire at the time of death.

The benefit consists of a monthly allowance which may be paid to the employee’s eligible surviving spouse and children. A spouse is eligible if he/she (1) has care of eligible children (including stepchildren) or (2) is age 60 or older. (Children are eligible if under age 22 and unmarried or incapacitated because of a disability which began before age 22). A parent may be eligible if there is no surviving spouse or eligible children, and the parent(s) was dependent on the member for at least half of their support at the time of the member’s death.

The benefit level amounts to be provided are dictated by PERS and the amounts provided will be done in accordance with the latest rates published by PERS.

Effective September 5, 2012, Survivor’s Benefit levels are:

- **Level Four**
  - 1 Dependent: $950
  - 2 Dependents: $1,900
B. Retiree Health Insurance - The City offers retiree medical health coverage through CalPERS medical.

1. For Employees Hired Before July 1, 2012:
   The City pays one hundred percent (100%) of the retiree’s health insurance premium based on the retiree’s level of coverage.

2. For Employees Hired on or after July 1, 2012:
   The City pays the minimum contribution required by the Public Employees Medical and Hospital Care Act (PEMHCA) toward the retiree’s CalPERS medical insurance premium. This amount is adjusted annually by CalPERS.

3+ Dependents $2,280
ARTICLE 9
WORK SCHEDULES

The City implemented an Alternative Work Week schedule commonly known as the “9/80 Plan” with the pay period covering July 1, 1992. Elements of the “9/80 Plan” include: a) employees will work nine (9) hours on Monday through Thursdays and eight (8) hours on every other Friday; b) the alternate Fridays will be a day off and City Hall will be closed; c) City Hall hours will be changed to 7:30 a.m. to 5:30 p.m. Monday through Friday; d) City Yard hours will be changed to 6:30 a.m. to 4:00 p.m. Monday through Thursdays and 6:30 to 3:00 p.m. on working Fridays; e) the payroll period start and end times will be adjusted to comply with Fair Labor Standards Act requirements; f) vacation, holiday and sick leaves will be given in hourly rather than daily increments; g) holiday schedules will be based on an 88 hour annual minimum and a 90 hour annual maximum. Holiday and alternate Friday schedules and related information will be disseminated prior to implementation.
ARTICLE 109
OVERTIME, HOLIDAYS, SCHEDULES AND TYPES OF LEAVE

A. Schedule Flexibility

In the spirit of providing Management and Exempt Employees with the ability to adjust schedules according to need, it is understood that Exempt employees, through prior discussion and approval of their supervisors, will have flexibility in schedules. The intent of this flexibility is due to the understanding that Exempt employees are at times asked to work additional hours for which they do not receive compensatory time or overtime compensation.

B. Overtime

1. Non-Exempt full time employees will be compensated for overtime worked when specifically authorized by the department head and approved by the City Manager.

2. The City shall use reasonable efforts to distribute overtime work equitably among the qualified employees of an officer, operational unit or work group with consideration given to City need and employees availability in making the distribution. Upon reasonable notice, an employee shall be required to work overtime as needed. If an employee is not available for an overtime assignment it shall be without prejudice to consideration of that employee for subsequent overtime assignments.

3. For the purpose of computing hours worked, time during which an employee is excused from work because of a holiday shall be considered as time worked by the employee. In all other cases, hours worked shall include all the time during which an employee is required to be on employer’s premises on duty or at a prescribed work place. Paid leave time is not considered in computing hours worked. Overtime for all part-time personnel will be calculated as specified under the Fair Labor Standards Act.

4. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 ½) times the hourly rate in effect at the time such overtime service is rendered when the employee has worked in excess of a full regularly scheduled work week.

5. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 ½) times the hourly rate in effect at the time such overtime services is rendered when the employee has worked in excess of the regularly scheduled work day and when the employee has also worked in excess of a full regularly scheduled work week.

6. Compensation for non-exempt full time employees who work in excess of the
regularly scheduled workday but do not work in excess of the regularly scheduled workweek shall be at the straight time hourly rate for those hours worked in excess of the regularly scheduled work day. Time and one-half shall be paid only after the employee has also worked in excess of and has satisfied the regularly scheduled workweek requirement.

7. Compensation for overtime worked also be in the form of compensatory time off which shall be credited at the rate of which straight time or time and one-half, whichever is appropriate, according to the provisions above.

8. At the time overtime is earned and by taking into account the stated preference of the employee to receive pay or compensatory time off, the Department Head will be responsible for determining departmental/operational needs and will have sole discretion in final determination in the manner of compensation.

9. Employees may bank a maximum of forty (40) hours of compensatory time off. No employee shall be allowed to accumulate more than forty (40) hours of compensatory time.

10. Depending on departmental and operational needs at the time the overtime hours are worked the Department Head will have sole discretion in determining when compensatory time off may be taken. Operational needs will take precedence; however, a reasonable effort to accommodate employee preference will be used.

A.C. FMLA & and Kin Care Leave:

Association members may maintain forty (40) leave hours (sick, vacation or compensatory time) “on the books” if they choose.

B.D. Administrative Leave:

All exempt bargaining unit employees shall receive forty-five (45) sixty (60) hours of Administrative Leave per year. Public Work’s Supervisor and the Public Works Coordinator shall receive Administrative Leave in conjunction with the call back pay provision above.

C.E. Compensatory Time:

Non-exempt members may bank a maximum of sixty (60) hours of compensatory time off. No member shall be allowed to accumulate more than sixty (60) hours of compensatory time off.
Sick leave with pay is granted to all permanent, probationary and provisional employees. The following are details of the sick leave provision:

1. **Accrual**

   a. Sick leave allowance is eighty-one (81) one hundred and five (105) hours per year.

   b. Each employee will accrue three point one two (3.12) four point zero three eight five (4.0385) hours of sick leave each pay period.

   c. The maximum number of accrued hours per year is eighty-one (81) one hundred and five (105) hours.

   d. The maximum number of hours available for cash payment per year is eighty-one (81) hours. *(Accrued during the current fiscal year)*

2. **Use** - An employee's sick leave and/or compensatory time accruals can be used for an illness or medical appointment of an employee or family member as well as for any unexpected absence. This should be done at the employee's discretion, keeping in mind that the use of sick leave rather than other available leave may impact future leave availability when needed.

3. **Personal Sick Leave** - Employees are allowed to use 24 hours of their sick time as personal sick leave, which shall be counted as hours worked for overtime purposes.

4. **Physician's Certificate** - An employee may be required to provide the supervisor or Department Head with a physician's certification of illness or a release to return to work. An employee injured off the job shall be required to provide a physician’s release to return to work.

5. **Accumulation** - Up to eight hundred (800) hours of sick leave may be accumulated during the course of employment with the City. If an employee’s sick leave is exhausted, the employee may use vacation time for illness but only after a full workday advance request and with the approval of the employee’s supervisor, Department Director and Director of Human Resources, and Department Head. Vacation leave, under any circumstance, may not be used for single day illnesses.

If an employee has no paid leave time accumulated or has paid leave time but wishes not to use it, he/she must take leave without pay or any other leave otherwise provided by law.
6. **Cash Payment** - In June of each year (i.e., the first full pay period of June), each employee may choose to take any or all of the fiscal year's accumulated sick leave as cash, provided the "cash out" amount does not exceed eighty-one (81) hours. The balance of the sick leave may be left on the books. **Per California Labor Code**, sick leave is paid at the employees' rate of pay at the time of pay out (i.e., the employee's pay rate during the first full pay period in June), as time. The time remaining on the books may only be taken as cash when the employee terminates employment.

7. **Credit Upon Termination** - Employees who terminate employment may be paid the salary equivalent of all accrued sick leave prior to the effective date of termination. **Per California Labor Code**, sick leave is paid at the employees' rate of pay at the time of termination/separation. It is paid at the rate at which it was earned. Accumulated sick leave may also be converted to service credit with CalPERS at time of retirement, subject to CalPERS law. A choice of either sick leave as service credit or cash-out of sick leave will be given.

**E. G.** Vacation Leave:

1. **Length**: The amount of vacation that a member accrues is based on years of service.
   
   - One through Four Years: 88 Hours (3.385 hours per pay period)
   - Five through Nine Years: 128 Hours (4.923 hours per pay period)
   - Ten Years or More: 168 Hours (6.462 hours per pay period)

2. **Accrual**: All employees who have completed one year of continuous service shall be credited with a vacation benefit of eighty-eight (88) hours effective the first day following the one year anniversary of the start of employment. Vacation leave will begin accruing immediately upon the employee’s official start-date.

3. **Credit Upon Termination**: Employees who terminate employment shall be paid the salary equivalent of all accrued vacation leave earned prior to the effective date of termination. **Per California Labor Code**, vacation leave is paid at the employees’ rate of pay at the time of termination/separation.

4. **Eligibility**: An employee must work for the City for at least one year in a full time capacity to be eligible to take paid vacation. Employees who terminate prior to one year may receive pay for the amount of vacation that they had accrued prior to termination.
5.4 **Schedules**: Each department will keep and monitor the vacation schedule of its employees. Each employee shall request vacation time in writing in advance of the time desired. Such request will be signed by the employee and must be approved by the employee’s supervisor and/or Department *Head- Director* to be valid. The Department *Head- Director* will determine the vacation schedule with due regard for the wishes of the employee and the needs of the department subject to the M.O.U. In the event a vacation request is denied, the reason for the denial shall be provided in writing.

6.5 **Accumulation**: Vacation time may be accumulated to a maximum of three-hundred and twenty (320) hours. Employees with hours in excess of three hundred and twenty (320) will have those excess hours paid out the first payday in December, 2017. There will be no accumulation of vacation hours beyond the three-hundred and twenty (320) hours. This maximum accumulation cap shall be effective the first full pay period of January, 2018. The intent of this effective date is to allow employees sufficient notification time prior to implementation of the “hard cap” on vacation accumulation. Hours in excess of three-hundred and twenty (320) hours will automatically be paid out to the employee annually on the first payday of December.

7.6 **Vacation Cash Out**: Each year in December (first payday of December), an employee may opt to cash out any or all vacation hours that exceed one-hundred twenty (120) hours. If a cash out is elected, a minimum balance of one-hundred twenty (120) hours must remain on the books. *Per California Labor Code, vacation leave is paid at the employees’ rate of pay at the time of pay out (i.e., the employee’s pay rate during the first payday of December).*

8.7 **Emergency Cash-Out**: At the request of the eligible employee, emergency vacation leave payouts may be approved throughout the year without the minimum balance requirement. Employees must submit the request in writing to the City Manager describing the emergency. An emergency is defined as follows:

- A severe financial hardship;
- Event was unforeseeable (including but not limited to: illness, accident or casualty);
- Event was incurred by employee, spouse or dependent; and
- Employee has no other means to cover costs.

The City Manager’s decision is final.
**Holidays:**

1. Authorized City holidays shall be as follows: During the term of this MOU (July 1, 2017 – June 30, 2020), the following holidays shall be recognized on the days and dates listed below:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 2</td>
<td>January 1</td>
<td>January 1</td>
<td></td>
</tr>
<tr>
<td>Martin Luther King Day</td>
<td>January 15</td>
<td>January 21</td>
<td>January 20</td>
<td></td>
</tr>
<tr>
<td>President’s Day</td>
<td>February 19</td>
<td>February 18</td>
<td>February 17</td>
<td></td>
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<tr>
<td>César Chávez Day</td>
<td>Friday, March 30</td>
<td>April 1</td>
<td>March 31</td>
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<tr>
<td>Memorial Day</td>
<td>Monday, May 28</td>
<td>May 27</td>
<td>May 25</td>
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<tr>
<td>Independence Day</td>
<td>Tuesday, July 4</td>
<td>Wednesday, July 4</td>
<td>Thursday, July 4</td>
<td></td>
</tr>
<tr>
<td>Labor Day</td>
<td>Monday, September 4</td>
<td>Monday, September 3</td>
<td>Monday, September 2</td>
<td></td>
</tr>
<tr>
<td>Veteran’s Day</td>
<td>Friday, November 10</td>
<td>Monday, November 12</td>
<td>Monday, November 11</td>
<td></td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Thursday, November 23</td>
<td>Thursday, November 22</td>
<td>Thursday, November 28</td>
<td></td>
</tr>
<tr>
<td>Day after Thanksgiving</td>
<td>Friday, November 24</td>
<td>Friday, November 29</td>
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<tr>
<td>Christmas Day</td>
<td>Monday, December 25</td>
<td>Tuesday, December 25</td>
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<tr>
<td></td>
<td>Wednesday, December 25</td>
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</tr>
</tbody>
</table>

1. **Industrial Illness or Injury Leave:**

   An employee who is absent from work due to a work-related injury or illness shall be on industrial accident leave. The City shall conform to Workers’ Compensation laws of the State of California in effect at the time of injury. Employees may receive information on Workers’ Compensation Procedures from the Human Resources Division.

   When a waiting period is required in order to begin Workers’ Compensation benefits, an injured worker may use available leave time along with the City paid Workers’ Compensation rate per day. Following the waiting period, an injured worker on total disability will receive the State Worker’s Compensation rate. The employee may make up the difference between the State mandated rate and her/his base pay by utilizing available leave time.

   If an injured worker has exhausted all available leave, continues to receive Workers’ Compensation benefits and is medically unable to return to work, the City shall compensate the injured worker the difference between the State mandated benefit and eighty percent sixty-six and two-thirds percent (66.6678%) of the employee’s base pay for a period not to exceed ninety (90) days from the date leave is exhausted or unless
state's State law says differently.

H.J. Jury Duty:

Service as a juror by employees will be limited to serving once in any two-year period. Payment for jury duty service will be limited to ten (10) days. If an employee is assigned to a trial within the first ten (10) days of jury service, the employee’s time to complete the trial will be paid by the City.

The employee must obtain proof of jury service from the Court and submit it to the Finance Department upon completion of his/her jury duty. The employee must also submit any payment received from the Court (except mileage reimbursement) to the Finance Department in order to receive full salary for the time served.

H.K. Bereavement Leave:

A three (3) day bereavement leave shall be granted to full-time employees for a death in the immediate family. The immediate family shall be defined as parents, step-parents, stepbrother/sister, step-children, mother/father-in-law, brother/sister-in-law, spouse, brothe/sister, children, grandparents, grandchild, step-grandchild, court-appointed or other verifiable guardian. Upon request and with supervisory approval, a day of vacation may be added to bereavement leave to accommodate personal or travel need.

Bereavement leave shall not be charged to the employee's sick or vacation leave balance.

H.L. Catastrophic Leave:

1. Purpose –

Catastrophic leave is a leave sharing program intended to allow employees to voluntarily donate accrued leave to other eligible employees for the employee or the care of a spouse, parent or dependent child of an employee suffering from a catastrophic illness or injury.

A catastrophic illness of an employee is any non-occupational medically verifiable illness or injury of such serious nature as to require long-term absence from work. Catastrophic illness of a family member shall be defined as those medically verifiable illnesses or injuries which are of such serious nature as to require long-term and/or full-time care by the employee. Family members are defined as the employee’s spouse/domestic partner, parent, parent-in-law, child, or other person for whom the employee is legal guardian. Catastrophic illness leave shall be additional paid leave available from vacation, sick or compensatory leave donated by other City employees to a specific qualified employee.

2. Eligibility –
a. An employee (recipient) may be eligible to receive and use donated leave if he or she, or their family member, has a catastrophic illness as defined above.

b. The employee must produce competent medical verification of the illness or non-work related injury satisfactory to the City.

c. The employee must have a minimum of one year of service with the City.

d. The employee must have exhausted all paid leave, including but not limited to sick leave, vacation, and compensatory time.

e. In order to receive and use donated leave, an employee must not be receiving any other salary continuation benefits such as disability benefits.

f. No more than four-hundred eighty (480) hours per twelve (12) month period from date of catastrophic leave approval may be received by the employee.

g. The employee must complete the Catastrophic Illness Donation Request Form and submit the form to the employee’s department head and City Manager for signature. The Personnel Officer will certify that the employee is eligible to participate in the catastrophic leave donation program.

3. Donor Employee Eligibility –

The employee must have an accrued vacation leave balance of at least forty (40) hours after the donation of vacation time and a sick leave balance of at least sixty (60) hours after the donation of sick leave time. Employees may donate all of their compensatory time.

The employee must complete the Catastrophic Illness Donation Form.


Donations must be in whole hours and the amount of hours an employee wishes to donate shall be at his/her own discretion on the condition the employee meets the leave balance minimums.

Donor names will be kept confidential.

All time donated will be credited on an hour-for-hour basis, regardless of hourly pay differentials between donating employee and recipient.
All donations shall be voluntary and at the discretion of the donor employee and once processed are irrevocable once leave hours are transferred to the recipient.

5. **How to Apply for or Donate Leave**

An employee who qualifies for catastrophic illness leave shall complete the Catastrophic Illness Donation Request Form and submit it to the department head who shall, in conjunction with the City Manager and Personnel Officer, review it for approval or denial.

Upon approval, donor employees shall complete the Catastrophic Illness Donation Form indicating a willingness to donate vacation leave, sick leave or compensatory time and the amount of said time to be donated. The completed form should then be forwarded to payroll.

Subsequent to the receipt of the leave donation forms and the determination of the total hours donated, Payroll shall credit the recipient employee’s sick leave balance on a biweekly payroll basis. An employee who is receiving catastrophic illness leave donated by other employees shall be allowed to accrue vacation and sick leave while in that status; however, all accrued leave shall first be used prior to the use of donated leave time.

Donations not used by recipient will be returned to donors proportionately.

6. **Solicitation of Donations**

Human Resources will notify City employees that the recipient employee is eligible to receive voluntary donations of accrued vacation, sick and compensatory time. Human Resources will not release any medical information regarding the recipient employee or his or her family member.

7. **Contact Information**

Questions about Catastrophic Leave should be directed to Human Resources.
ARTICLE 10-11
SEVERANCE

A. Mid-Managers Unit

A mid-management member who has completed at least six months of continuous employment and who is involuntarily separated is entitled to severance pay as follows:

- 6 months thru 4 years of employment: One (1) month pay
- 5 years thru 9 years of employment: Two (2) months’ pay
- 10 years thru 14 years of employment: Four (4) months’ pay
- 15 years and over of employment: Five (5) months’ pay

B. Professionals & Confidential Unit

A Professionals & Confidential member who has completed at least one year of continuous employment and who is involuntarily separated is entitled to three (3) month’s severance pay.

A Professionals & Confidential member who has completed ten (10) years or more of city service and who is involuntarily separated is entitled to five (5) month’s severance pay.
ARTICLE 121
OTHER TERMS

A. Flextime

During the term of this MOU, the City agrees to amend the current policy of using flextime within one pay period to allowing members up to 2 months to use their flextime.

B. Overtime

1. Non-Exempt full time employees will be compensated for overtime worked when specifically authorized by the department head and approved by the City Manager.

2. The City shall use reasonable efforts to distribute overtime work equitably among the qualified employees of an officer, operational unit or work group with consideration given to City need and employees availability in making the distribution. Upon reasonable notice, an employee shall be required to work overtime as needed. If an employee is not available for an overtime assignment it shall be without prejudice to consideration of that employee for subsequent overtime assignments.

3. For the purpose of computing hours worked, time during which an employee is excused from work because of a holiday shall be considered as time worked by the employee. In all other cases, hours worked shall include all the time during which an employee is required to be on employer’s premises on duty or at a prescribed work place. Paid leave time is not considered in computing hours worked. Overtime for all part-time personnel will be calculated as specified under the Fair Labor Standards Act.

4. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 ½) times the hourly rate in effect at the time such overtime service is rendered when the employee has worked in excess of a full regularly scheduled work week.

5. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 ½) times the hourly rate in effect at the time such overtime services is rendered when the employee has worked in excess of the regularly scheduled work day and when the employee has also worked in excess of a full regularly scheduled work week.

6. Compensation for non-exempt full time employees who work in excess of the regularly scheduled workday, but do not work in excess of the regularly scheduled workweek shall be at the straight time hourly rate for those hours worked in excess of the regularly scheduled work day. Time and one-half shall be paid only after the...
employee has also worked in excess of and has satisfied the regularly scheduled workweek requirement.

7. Compensation for overtime worked also be in the form of compensatory time off which shall be credited at the rate of which straight time or time and one half; whichever is appropriate, according to the provisions above.

8. At the time overtime is earned and by taking into account the stated preference of the employee to receive pay or compensatory time off, the Department Head will be responsible for determining departmental/operational needs and will have sole discretion in final determination in the manner of compensation.

9. Employees may bank a maximum of forty (40) hours of compensatory time off. No employee shall be allowed to accumulate more than forty (40) hours of compensatory time.

10. Depending on departmental and operational needs at the time the overtime hours are worked the Department Head will have sole discretion in determining when compensatory time off may be taken. Operational needs will take precedence; however, a reasonable effort to accommodate employee preference will be used.

C.A. Work Schedules

The City implemented an Alternative Work Week schedule commonly known as the “9/80 Plan” with the pay period covering July 1, 1992. Elements of the “9/80 Plan” include: a) employees will work nine (9) hours on Monday through Thursdays and eight (8) hours on every other Friday; b) the alternate Fridays will be a day off and City Hall will be closed; c) City Hall hours will be changed to 7:30 a.m. to 5:30 p.m. Monday through Friday; d) City Yard hours will be changed to 6:30 a.m. to 4:00 p.m. Monday through Thursdays and 6:30 to 3:00 p.m. on working Fridays; e) the payroll period start and end times will be adjusted to comply with Fair Labor Standards Act requirements; f) vacation, holiday and sick leaves will be given in hourly rather than daily increments; g) holiday schedules will be based on an 88 hour annual minimum and a 90 hour annual maximum. Holiday and alternate Friday schedules and related information will be disseminated prior to implementation.

D.A. Uniforms

For those full-time employees who are required to wear a City uniform, the City shall pay the costs associated with the provision of required uniforms. It is the right of the City to determine what constitutes a required uniform. It is understood that where the City provides a uniform, said uniform must be worn while on duty. For those items of protective clothing worn but not provided by the City, no logos/insignias of athletic teams, commercial products or companies may be worn. The design and color of such clothing must not interfere with free ease of movement, shall not present a safety hazard
and must be worn, in the case of jackets and/or tee shirts, with an orange City-furnished safety vest as the outer layer visible to all. City-paid time shall not be used for purchase of uniform equipment.

The City agrees to provide safety shoes to Field Service Personnel. Shoes will be replaced as wear and tear warrants; however, in no case shall any employee receive more than two pair of safety shoes in any twelve-month period. Determination of eligibility for safety shoes and/or replacement thereof shall be made by the Department Head or his/her designee in accordance with this policy.

The City shall establish procedures for the issuance and replacement of work shoes. Departmental discretion shall be used in determining the type of work shoes acceptable for designated positions. The maximum amount payable by the City for a single pair of work shoes is $100–150 per pair. Regardless of cost, work shoes shall be substantial enough to provide the required protection and durable enough to require no more than the allowed two pair per year.

Any employee issued safety shoes shall wear such shoes at all times during working hours. Employees not issued safety shoes shall be expected to wear shoes at all times during working hours. Employees not issued safety shoes shall be expected to wear shoes appropriate to the working environment, as determined by the Department Head. Safety shoes shall not be purchased on City-paid time.

E.A. Performance Evaluations

The City agrees that any Association member whose performance evaluation is late and the member’s performance rating was at a minimum satisfactory will be entitled to receive the merit increase retroactive to the anniversary date.

The City agrees that each member will receive a copy of his or her performance evaluation and it is agreed that the member’s signature on the evaluation form shall not necessarily indicate agreement with the content of said evaluation.

E.A. Last Chance Agreements

Management reserves the right to utilize Last Chance Agreements when warranted. Examples of conditions when such an Agreement may be utilized include the following:

1. When there has been a violation of City Rules and Regulations or Policies;

2.1 As a final effort, before termination, to assist an employee in improving his performance;

3.1 In cases of substance abuse i.e. drugs or alcohol.
Each Last Chance Agreement will be considered on a case-by-case basis. However, unless otherwise stipulated in the Agreement, the duration of a Last Chance agreement shall not exceed three (3) years, which in all cases shall be the maximum.

G. Capital Improvement Projects

Capital Improvement Project (CIP) is a project authorized by the City Council and included in the City’s Capital Budget. Capital projects usually include expenditure for new construction, improvements, equipment, acquisition, or design/engineering. Normal repair or maintenance projects are not considered capital projects and are usually completed with maintenance and operation (M & O) funding.

A CIP manager may perform one or more of the following tasks: develop a project scope; create a project estimate and budget; contract for architectural and engineering services; prepare required memoranda and reports to City Council, City departments, and outside agencies; meet with community groups, bidders, consultants, contractors, utilities and other public agencies; oversee construction contractors, inspectors, etc.; administer contracts; and, approve invoices.

Under the City’s current policy, capital improvement project management is not the responsibility of bargaining unit members. Association members may be called upon to assist and/or provide expertise to the Capital Improvement Managers.

H.B. Mandatory Drug Testing

The City and Association agree that all new hires shall be required to participate in mandatory drug testing as part of the employee eligibility process, at the time of the post-offer physical examination.
ARTICLE 132
EDUCATION REIMBURSEMENT AND LOAN FORGIVENESS

To encourage employees to further their education, it is City policy, with the signed approval of both the Department Head and City Manager, to provide financial assistance to the employee for registration, books and parking related educational expenses as outlined in applicable Internal Revenue Service (IRS) code. The maximum annual amount of tuition reimbursement will be the IRS maximum of $5,250 (or the effective amount should it be adjusted by the IRS in a given year).

The City shall develop and publish an educational reimbursement program that satisfies all required IRS rules and guidelines.

In addition, Management agrees to meet and confer with the Association during the term of this MOU to discuss the feasibility of a student loan forgiveness program, up to a maximum of three thousand dollars ($3,000.00) per fiscal year for an undergraduate degree or fifty percent (50%) of their tuition for a graduate degree up to a maximum of one thousand five hundred dollars ($1,500.00). To be eligible for financial assistance, an employee must complete the class with passing grade of “C” or above.

Programs leading to a professional degree or certification must be in a specific job-related field of professional discipline, and should provide the participating employee with skills, knowledge and competencies applicable to their current position but that which is above and beyond the minimum requirements.

Funding for tuition may be obtained by either:

1. Tuition Reimbursement:
   a. Obtain approval by Department Head.
   b. Complete the City’s application form.
   c. Obtain all required signatures prior to the registration of the class.
   d. Complete the class and submit grade report and requisition for reimbursement.

   OR

2. Tuition Advance/Upfront funding:
   a. Obtain approval by Department Head.
   b. Complete the City’s application form.
   c. Obtain required signature (Department Head and City Manager).
   d. Obtain up-front funding.
   e. Complete the class and submit grade report and receipts.
If the course is not completed and/or a passing grade of “C” or above is not achieved, the employee must repay in full the entire amount of the upfront funding. The City agrees to modify the City’s application form to include several lines for multiple class selections in case the employee’s first class choice is unavailable.
ARTICLE 134
GRIEVANCE PROCEDURES

A. Performance Evaluations

The City agrees that any Association member whose performance evaluation is late and the member’s performance rating was at a minimum satisfactory will be entitled to receive the merit increase retroactive to the anniversary date.

The City agrees that each member will receive a copy of his or her performance evaluation and it is agreed that the member’s signature on the evaluation form shall not necessarily indicate agreement with the content of said evaluation.

B. Last Chance Agreements

Management reserves the right to utilize Last Chance Agreements when warranted. Examples of conditions when such an Agreement may be utilized include the following:

1. When there has been a violation of City Rules and Regulations or Policies;

2. As a final effort, before termination, to assist an employee in improving his performance;

3. In cases of substance abuse i.e. drugs or alcohol.

Each Last Chance Agreement will be considered on a case by case basis. However, unless otherwise stipulated in the Agreement, the duration of a Last Chance agreement shall not exceed three (3) years, which in all cases shall be the maximum.

Section 1:C. Definitions

A grievance is defined as any dispute concerning the interpretation or application of the M.O.U.M.O.U, departmental rules and regulations governing personnel practices, or working conditions applicable to employees covered by the M.O.U.M.O.U.

A grievant is an employee or group of employees adversely affected by an act or omission of the employer.

Section 2:D. Purpose of Grievance Procedure

The general purpose of the grievance procedure is to resolve disputes, differences of opinions and interpretations informally at the earliest point possible.

The grievance procedure is not intended to be used for:
MEMORANDUM OF UNDERSTANDING
2015 - 2017
MID-MANAGERS and PROFESSIONALS, and CONFIDENTIAL EMPLOYEES ASSOCIATION

a) challenges to the agreed upon outcome of a Meet and Confer process; or

b) cases of reduction in pay, demotion, suspensions, or termination resulting from disciplinary action.

Section 3:E. Rights and Responsibilities

At Steps 2, 3 and 4, the grievant may be represented by him/herself, the Association, an Association attorney or one representative of the grievant’s choice. If the representative is a fellow employee, that employee will receive time off from his or her work assignment for only the time of the grievance meeting or hearing. Within one day prior to the grievance meeting, the employee shall inform the party hearing the grievance of whether he or she shall be represented at the grievance meeting and shall identify the representative.

The time limits between steps of the grievance procedure provided herein may be extended by mutual agreement. The employee and management may waive one or more levels of review from this grievance procedure, again by mutual agreement.

Section 4:F. Specifics of the Grievance

In filing a grievance, the employee should set forth the following information, said information must be submitted in writing beginning with Step 2:

a) the specific section of the MOU, City policies or law allegedly violated, misinterpreted or misapplied;

b) the specific act or omission which gave rise to this alleged violation, misinterpretation or misapplication;

c) the date or dates on which the violation, misinterpretation or misapplication occurred;

d) documents, witnesses or other evidence supporting your position; and

e) the remedy requested.

Section 5:G. Procedure

An employee who wishes to file a grievance must do so within ten calendar days of when he/she became aware of or should have been aware of the circumstances that gave rise to a grievance.

Step 1. First Level of Review

Informal: The employee shall discuss the grievance with the immediate management supervisor on an informal basis in an effort to resolve the grievance. Said grievance shall be considered waived if not so presented to the immediate management supervisor within ten calendar days following the day when the event upon which the grievance is based occurred.
Formal: The immediate management supervisor may require that the employee submit the grievance in writing. Similar grievances submitted by more than one employee may be consolidated by management into one or more separate grievances.

The immediate management supervisor shall respond in writing within seven calendar days following the meeting with the employee. Failure to respond within such time limit shall entitle the employee to process the grievance at the next step.

Step 2. Second Level of Review

If the grievance is not settled at Step 1, the employee may proceed to Step 2 by serving a written notice of the grievance on a form provided by management to the Department Head within five calendar days of receipt of the grievance response at Step 1. Failure of the employee to serve such written notice shall constitute a waiver of the grievance. If such written notice is served, the Department Head may meet with the employee and a written decision or statement of facts and issues shall be rendered to the employee and representative of the employee's choice, if any, within ten calendar days from the date of service. Failure of management to respond within such time limit shall entitle the employee to process the grievance at the next level of review.

Step 3. Mediation As Optional Dispute Resolution

If a grievance is not resolved after review by the Department Head, the Association and the City may agree to submit the matter to a neutral third party for resolution. If either party wishes to exercise this option, they shall make the request within 5 calendar days of the Department Head's response. If the parties mutually agree to use this option they shall meet within 10 calendar days to request a mediator from the State Board of Mediation or as soon as a meeting can be scheduled.

Step 4. Third Level of Review

If the grievance is not settled at Step 2 or Step 3, the employee may proceed to Step 4 by serving written notice of the grievance on said form upon the City Manager within five calendar days following receipt of the grievance response at Step 2 or Step 3. Failure of the employee to serve such notice shall constitute a waiver of the grievance. If such notice is served, the grievance shall be reviewed by the City Manager or that person's designee within ten calendar days. The City Manager or designee may afford the parties an opportunity to present oral or written arguments on the merits of the grievance and shall render to the employee and representative of the employee's choice, if any, a written decision within ten calendar days from the date said arguments were submitted. The decision of the City Manager shall be final.
ARTICLE 154

PROBATIONARY PERIODS AND DISCIPLINE PROCEDURES

Members in job classifications designated without an asterisk * in Attachments A & and B are considered at-will employees and are not subject to the following discipline procedure.

Members in job classifications designated with an asterisk * in Attachments A & and B are not at-will and are subject to the following probationary periods and disciplinary procedure as outlined immediately, below:

A. Probationary Period

All new hires shall serve a twelve (12) month probationary period. Current employees who are promoted into a classification that is not at-will and that is covered by this MOU are not subject to a probationary period promotional probation period of six (6) 12 months.

B. Disciplinary Procedure

Members shall first be subject to an informal conference summary regarding their job performance prior to any formal discipline taken as it relates to minor disciplinary action as listed below under “Section 1: Minor Disciplinary Actions.” The nature, severity, and egregiousness of the employee performance or situation and or violation of any City Policies and Procedures may lead to grounds for discipline under “Section 1: Major Disciplinary Action.”

Prior to any disciplinary action, members shall first be subject to an informal conference summary regarding their job performance.

Proper subjects to be handled by these procedures are disciplinary actions including but not limited to:

Section 1. Disciplinary Actions

Disciplinary actions may include the following:

Minor Disciplinary Action

- Counseling
- Oral reprimand
- Written reprimand

Major Disciplinary Action

- Suspension without pay
Section 2. Grounds for Discipline

The following list is illustrative and not inclusive:

A. Fraud in securing employment or making a false statement on an application for employment.
B. Incompetency (i.e., inability to comply with the minimum standard of an employee’s position for a significant period of time.)
C. Inefficiency or neglect of duty (i.e., failure to perform duties required of an employee within his position.)
D. Willful disobedience and insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position or insulting or demeaning the authority of a supervisor or manager.
E. Dishonesty involving employment.
F. Being under the influence of alcohol or illegal drugs or narcotics while on duty, being impaired by alcohol or illegal drugs in the employee’s biological system while on duty which could impact the employee’s ability to do the job.
G. Excessive absenteeism.
H. Inexcusable absence without leave.
I. Abuse or misuse of sick leave (i.e., taking sick leave without a doctor’s certificate when one is required).
J. The conviction of either a misdemeanor or a felony involving moral turpitude shall constitute grounds for discipline up to and including dismissal. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The Personnel Officer may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline, or the determination if such conviction is an offense involving moral turpitude. A conviction of a felony or any offense involving moral turpitude, whether based on a plea of guilty or verdict, is deemed to be a conviction within the meaning of this Section.
K. Discourteous treatment of the public or other employees.
L. Improper or unauthorized use of City property.
M. Refusal to subscribe to any oath or affirmation which is required by law in connection with City employment.
N. Any willful act of conduct undertaken in bad faith, either during or outside of duty hours which is of such a nature that it causes discredit to the City, the employee’s department or division.
O. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of City property.
P. Violation of the Departmental policies or procedures.
Q. Mental or physical impairment which renders the employee unable to perform the essential functions of the job without reasonable accommodation, or without presenting a direct threat to the health and safety of self and others.
R. Outside employment not specifically authorized by the appointing authority.
S. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of his or her official duties (refer to City's List of Gifts & Gratuities Policy in Appendix).
T. The refusal of any City employee to testify under oath before any Grand Jury having jurisdiction over any then pending cause of inquiry in which the investigation of government bribery or misconduct in City office is involved shall constitute of itself sufficient ground for the immediate discharge of such officer or employee.
U. Willful violation of any of the provisions of the ordinances, resolutions or any rules, regulations or policies which may be prescribed by the City.
V. Improper political activity. Example: Those campaigning for or espousing the election or non-election of any candidate in national, state, county or municipal elections while on duty and/or during working hours or in an agency uniform on or off duty; or the dissemination of political material of any kind while on duty and/or during working hours or in uniform.
W. Working overtime without authorization.

Section 3. Response to Written Reprimand

An employee who wishes to object to a written reprimand must do so within fourteen (14) calendar days of mailing or personal delivery of the notice of the disciplinary action.

Step 1. A. The employee and/or his/her representative will present his/her objection to his/her supervisor orally or in writing within fourteen (14) calendar days.

B. The immediate supervisor will answer the objection orally or in writing within seven (7) calendar days after presentation of the objection.

Step 2. A. An employee and/or his/her representative wishing to pursue the Supervisor's response will, within seven (7) calendar days, present it in writing to his/her Department Head.

B. At the option of the Department Head, a meeting shall be held with the employee and his/her representative.

C. The Department Head will present his/her written answer to the employee within seven (7) calendar days of receipt of the objection.
Step 3. Mediation as Optional Dispute Resolution

If an objection is not resolved after review by the Department Head, the Union and the City may agree to submit the matter to a neutral third party for resolution. If either party wishes to exercise this option, they shall make the request within seven (7) calendar days of the Department Head's response. If the parties mutually agree to use this option they shall meet within fourteen (14) calendar days of the request a mediator from the State Board of Mediation or as soon as a meeting can be scheduled.

Step 4.

A. If the objection has not been settled at the second step and optional mediation has not taken place, or agreement has not been reached during the mediation process, the employee and/or his/her representative may submit a written appeal within seven (7) calendar days to the City Manager.

B. A meeting with the City Manager shall be held with the employee and his/her representative. The City Manager, at his/her discretion, may designate a representative to hear the appeal.

C. The City Manager will present his/her answer in writing to the employee within seven (7) calendar days of the meeting. The decision of the City Manager or designee shall be final.

Section 4. Major Disciplinary Action

Step 1. Notice of Intent

A. Whenever the appropriate Department Head Director intends to suspend without pay, reduce pay, demote or dismiss the employee, the Department Head Director shall give the employee a written notice of intent to discipline which sets forth the following:

1. The major disciplinary action intended;

2. The specific charges upon which the action is based;

3. A factual summary of the grounds upon which the charges are based;

4. A copy of all written materials, reports, or documents upon which the discipline is based;

5. Notice of the employee’s right to respond to the charges either orally or in writing to the appropriate department head;
6. The date, time and person before whom the employee may respond in no less than seven (7) calendar days; should the employee wish to appeal the disciplinary action;

7. Notice that failure to respond at the time specified shall constitute a waiver of the right to respond prior to final discipline being imposed.

8. The notice shall also advise the employee that he/she is entitled to have representation of his/her own choice at the meeting with the Department Head.

B. Response by Employee

The employee shall have the right to respond to the appropriate Department Head Director orally or in writing at a meeting with the Department Head Director. The employee shall have a right to be represented at the meeting set to hear the employee’s response. In cases of suspensions, reductions, demotions, or dismissals, the employee’s timely filed response will be considered before final action is taken.

C. Decision

Within seven (7) calendar days of the meeting with the Department Head Director, the Department Head Director shall issue a written decision setting forth the action to be taken, the grounds for the proposed action and the employee’s right to appeal the Department Head Director’s decision to the City Manager.

Step 2. Appeal Hearing Before the City Manager

A. An employee may appeal the decision of the Department Head Director by filing a written notice of appeal. The notice must be filed with the City Manager within fourteen (14) calendar days of the date of the decision by the Department Head Director.

B. Within seven (7) calendar days of receipt of a notice of appeal, the City Manager shall set a meeting date to be held within fourteen (14) calendar days. Written notice of the meeting will be personally delivered or mailed to the employee not later than fourteen (14) calendar days prior to the meeting.

C. The notice of meeting given to the employee shall contain the following:

1. The date and place of the meeting.

2. That the employee may be present and that he/she may be represented by another party.
3. That the employee and/or his/her representative may present oral and documentary evidence and examine witnesses.

D. The City Manager or his/her designee shall be present at the meeting and shall consider oral and documentary evidence presented by either party.

E. Final Notice

After meeting with the City Manager, designee, or the expiration of the employee’s time to respond to the notice of intent, the appropriate authority shall:

1. Dismiss the notice of intent and take no disciplinary action against the employee;

2. Modify the intended disciplinary action; or

3. Prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following: the disciplinary action taken; the effective date of the disciplinary action taken; specific charges upon which the action is based; a factual summary of the facts upon which the charges are based; the written materials, reports and documents upon which the disciplinary action is based; and the employee’s right to appeal.

Step 3. Advisory Arbitration

A. Advisory Arbitration

The employee and/or his/her representative may request advisory arbitration by written notification to the City manager within fourteen (14) calendar days of the conclusions of Step 2 of the appeals procedure.

B. List of Arbitrators

The City Manager, upon receipt of written notification, will request a list of five arbitrators from the American Arbitration Association.

C. Selection of Arbitrator

Upon receipt of the list of arbitrators, the parties shall meet within seven (7) calendar days to choose one arbitrator by striking names of arbitrators from the list until only one arbitrator is left. The City shall have the benefit of the first strike.

D. Hearing Board
A hearing will be conducted by a hearing board consisting of said arbitrator, one member from management and one member from the Union. Said hearing will be scheduled as soon as reasonably possible but no less than fourteen (14) calendar days of the selection of the arbitrator.

E. **Conduct of a Hearing**

a) The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses but hearings shall be conducted in a manner most conducive to determination of the truth.

b) Any relevant evidence may be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objection in civil actions.

c) Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence that shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.

d) The rules dealing with privileges shall be effective to the same extent that they are now or hereafter may be recognized in civil actions.

e) Irrelevant and unduly repetitious evidence may be excluded.

f) The Hearing Board shall determine relevancy, weight and credibility of testimony and evidence. Decisions made by the Hearing Board shall not be invalidated by any informality in the proceedings.

g) During examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.

F. **Burden of Proof**

In a disciplinary appeal the City has the burden of proof by preponderance of the evidence.

G. **Proceed with Hearing or Request for Continuance**

Each side should be asked if it is ready to proceed. If either side is not ready and wishes a continuance, good cause must be stated.

H. **Testimony Under Oath**
All witnesses shall be sworn in for the record prior to offering testimony at the heading. The Hearing Board will request the witnesses to raise their right hand and respond to the following: “Do you swear that the testimony you are about to give at this hearing is the truth, the whole truth and nothing but the truth?”

I. Presentation of the Case

The hearing shall proceed in the following order unless the Hearing Board for special reason, directs otherwise:

a. The party imposing discipline (Department) shall be permitted to make an opening statement.

b. The appealing party (employee) shall be permitted to make an opening statement.

c. The party imposing disciplinary action (Department) shall produce their evidence.

d. The party appealing from such disciplinary action (employee) may then offer their evidence.

e. The party imposing discipline (Department) followed by the appealing party (employee) may offer rebutting evidence.

f. Closing arguments shall be permitted at the discretion of the Hearing Board. The party with the burden of proof, the Department, shall have the right to go first and to close the hearing by making the last argument. The Hearing Board may place a time limit on closing arguments. The Hearing Board or the parties may request the submission of written briefs. After the request for submittal of written briefs, the Hearing Board will determine whether to allow the parties to submit written briefs and set a briefing schedule.

J. Right to Control Proceedings

While the parties are generally free to present their case in the order that they prefer, the Hearing Board reserves the right to control the proceedings, including, but not limited to, altering the order of witnesses, limiting redundant or irrelevant testimony, or by the direct questioning of witnesses.

K. Hearing Demeanor and Behavior

All parties and their attorneys or representatives shall not, by written or oral presentation, disparage the intelligence, ethics, morals, integrity or personal behavior of their adversaries.
L. **Hearing Written Decision**

Within 30 calendar days of the hearing, the Hearing Board shall issue its written decision setting forth the action to be taken and the reasons for such action. Written notice of the decision shall be personally delivered to the employee or mailed to the employee by registered or certified mail, return receipt requested, within seven (7) calendar days.

M. **City Council Review**

Within fourteen (14) calendar days of receipt of Hearing Board advisory decision, either party may request in writing a City Council review of the matter.

N. **City Council Decision**

Upon receipt of a request for review, the City Council shall either uphold the advisory decision or call for a review of the matter.

O. **Expenses**

All expenses of the arbitration shall be shared equally by the parties. However, expenses relating to the calling of witnesses or the obtaining of depositions or any similar expense associated with such proceedings shall be borne by the party at whose request such witnesses or depositions are required.

P. **City Council Ruling**

Any legal action or proceeding by either party contesting or seeking review of the ruling of the City Council shall be started within 90 calendar days of the City Council ruling. A disciplinary action not appealed or legal action or proceeding not started within the required time period will be considered resolved as of the previous action. Time limits in this procedure may be extended by agreement in writing of the parties.
ARTICLE 165
ASSOCIATION BUSINESS

A. DUES AND BENEFITS DECLARATION

The City shall continue to deduct dues and Association sponsored benefit program premiums on a regular basis from the pay of all classifications and positions recognized to be represented by the Association, who voluntarily authorize the deduction in writing on a form to be provided for this purpose which is mutually agreed to by the Association and the City. The City shall remit such funds to the Association within 30 days following the deduction. The Association agrees to hold the City harmless and indemnify the City against the claims, causes of action, or lawsuits arising as a result of the deductions on transmittal of such funds to the Association, except the intentional failure of the City to transmit monies deducted from the employees pursuant to this Article to the Association.

B. PROVISION OF UNIT MEMBERSHIP LIST

Within thirty (30) calendar days of adoption of this MOU, the City shall provide unit representatives with a list consisting of:

1. Name of each unit member in alphabetical order by last name
2. Each unit member’s class title, department, work location, and last known residence address and telephone number
3. The list shall be updated every six (6) months thereafter

C. USE OF CITY FACILITIES

City facilities may be used with the prior approval of Management for the purpose of holding meetings, if such facilities can be made available without disrupting the normal operations of the facilities.

Each work location will provide a bulletin board or reasonable space that may be used by the Association for the posting of notices of official Association business and/ or Association related articles.

D. AGENCY SHOP

If, during the term of the agreement, employees establish an agency shop, either pursuant to Government Code Section 3507.1 or through an election, the following language shall apply:

Thirty days after the certification of a successful agency fee election or thirty days after verification of majority status, all employees represented by the Association shall as a condition
of continuing employment become and remain members of the Association or shall pay to the Association a service fee in lieu thereof. The election or the verification of the majority status will be conducted by an agreed upon neutral third party, or if the parties cannot agree, by the State Mediation and Conciliation Service.

Any employee hired after the agency fee is in place shall be provided, through the Human Resources Department, with an authorization for the deduction of Association dues. Said employees shall have thirty (30) working days following the initial date of employment to fully execute the authorization form of his or her choice and return said form to the Human Resources Department. The effective date of Association dues, service fee deductions, or charitable contributions for such employees shall be the beginning of the first pay period after receipt of the employee’s signed authorization form.

Any employee of the City’s subject to this Memorandum of Understanding who wishes to execute a written declaration claiming a religious exemption from paying Association dues, and who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting a public employee organization and which is recognized as such by the Public Employer Relations Board shall, upon presentation of verification of active membership in such religion, body or sect be permitted to make a charitable contribution equal to the service fee in lieu of Association membership or service fee payment. Declarations or applications for religious exemption and any supporting documentation shall be forwarded to the Association within fifteen (15) calendar days of receipt by the City. The Association shall have fifteen (15) calendar days after receipt of a request for religious exemption to challenge any exemption granted by Human Resources or his or her designee. If challenged, the deduction to the charity of the employee’s choice shall commence, but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be granted by regular payroll deduction only. For the purpose of this section, charitable deduction means a contribution to an organization that complies with Section 501(c)3 of the Internal Revenue Code and accepts donations via automatic payroll deduction.

The Association shall indemnify and hold the City, its officers and employees harmless from any and all claims, demands, suits or any other action arising from the Agency Fee provisions herein. In no event shall the City be required to pay from its own funds Association dues, service fees or charitable donations which the employee was obligated to pay, but failed to pay regardless of the reasons.

E. ASSOCIATION BANK OF HOURS

The City agrees to maintain the bank of hours available for Association activity at 80 hours. A formal notification shall be given to the Human Resources office on July 1 of each year of the names of duly appointed Association representatives and at anytime thereafter when an addition or deletion of the list is made.

Those items charged to the Bank of Hours shall be for routine Association business, including Association sponsored workshops. The designated pay code of “335” shall be used on employee
timesheets to indicate hours chargeable to the Bank of Hours.

Association business not charged to the Bank of Hours shall be tracked for time spent in these activities: MOU negotiations and Meet and Confers. Employees engaged in these activities shall use a project code of “1100” on timesheets to indicate Association activity.

Should the regular Association bank of 80 hours be exhausted a case by case request to increase hours will be considered.

F. VOLUNTARY POLITICAL CONTRIBUTIONS

City agrees that bargaining unit employees will be allowed to make voluntary political contributions to the Association’s Political Action Committee through payroll deductions.
ARTICLE 176
MANAGEMENT RIGHTS CLAUSE

A. The City and Association agree that the City retains and has the exclusive decision-making authority to manage municipal services and the work force performing those services in accord with existing law and provisions of the established MOU.

B. The Association further agrees that the City has, except as expressly and lawfully restricted by specific provisions of the MOU, the exclusive decision-making authority to:

1. Determine and modify the organization of City government and its constituent work units.
2. Determine the nature, standards, levels and mode of delivery of services to be offered to the public.
3. Determine the methods, means, and the numbers and kinds of personnel by which services are to be provided.
4. Determine whether goods or services shall be made, purchased or contracted for.
5. No bargaining unit employee shall be laid off, demoted or suffer loss of pay or benefits as a result of the contracting out of work. The parties agree to meet and confer as required by law on matters relating to wages, hours or working conditions. Said provisions will apply except for contracts required by bona fide emergencies.
6. Direct employees, including scheduling and assigning work and overtime.
7. Establish employee performance standards and require compliance therewith.
8. Discharge, suspend, demote, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline employees subject to the requirements of applicable law.
9. Relieve employees from duty because of lack of work or lack of funds or for other legitimate reasons.
10. Implement rules, regulations and directives consistent with law and the specific provisions of the MOU.
11. Take all necessary actions to protect the public and carry out its mission in emergencies.

C. If the exercise of these management rights impact members’ wages, hours or working
conditions, City agrees to meet and confer with Association pursuant to State law.

D. Except as provided or within the City’s Personnel Rules and Regulations and the existing and effective MOU, decisions under this article shall not be subject to the Grievance Procedure.
ARTICLE 187
SEVERABILITY

If an article, section, position or portion thereof contained in the Memorandum of Understanding or application thereof to any person or circumstance is held to be unconstitutional, invalid by operation of law, or by any tribunal or office of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by tribunal or office, the remainder of the Memorandum of Understanding and application of such provisions or portion thereof, to other persons or circumstances, shall be deemed severable, shall not be affected, and shall remain in full force and effect. Furthermore, the City and the Association shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such article, section, position or portion.
ARTICLE 198
EFFECT

It is understood and agreed that this agreement shall not become effective for any purpose or be binding on either party until approved by the City Council and the bargaining unit membership, and nothing herein shall be construed as obligating the City Council to approve in whole or in part. If the City Council approves in full, then this agreement shall become effective July 1, 2017. The Memorandum of Understanding (MOU) constitutes and includes all negotiations, compromises, and representations made by either party; and both parties acknowledge that each has met and conferred in good faith in negotiations to this point.
ARTICLE 1920

Labor/Management Committee

The parties shall convene a labor management committee within six (6) months of adoption of this MOU to address updating various work policies and rules.
ARTICLE 210
TERM

This MOU will be effective as of July 1, 2017, and will continue through midnight June 30, 2020.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this ____ day of ____________, 2017.
### MID-MANAGEMENT CLASSIFICATIONS

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*Denotes Positions NOT at-will

Comment [MS2]: See separate attachment for updated list
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### Professional & Confidential Classifications

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<td>Assistant to the City Manager</td>
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<tr>
<td>Building Official</td>
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<tr>
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*Denotes Positions NOT at-will

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**Attachment B**

Comment [MS3]: See separate attachment for updated list.
## CITY OF PICO RIVERA

### Professional & Confidential Classifications

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Appendix C

Effective Fiscal Year 2017-18

*Salary ranges below reflect 2.0% cost of living adjustment (COLA) effective the first full pay period in July, 2017 and will be effective for the FY 2017-18

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## Attachment C

**Effective Fiscal Year 2017-18**

*Salary ranges below reflect 2.0% cost of living adjustment (COLA) effective the first full pay period in July, 2017 and will be effective for the FY 2017-18*

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<tbody>
<tr>
<td>Coordinator</td>
<td>IV</td>
<td>5,127-5,896</td>
<td>5,897-6,780</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deputy City Clerk</td>
<td>II</td>
<td></td>
<td>5,275-6,433</td>
<td>6,435-7,272</td>
<td></td>
</tr>
<tr>
<td>Senior Coordinator</td>
<td>IV</td>
<td></td>
<td>6,781-8,140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Inspector</td>
<td>III</td>
<td>6,514-7,980</td>
<td>7,981-9,178</td>
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<tr>
<td>Senior Supervisor</td>
<td>IV</td>
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<tr>
<td>Senior Technician</td>
<td>III</td>
<td>6,514-7,980</td>
<td>7,981-9,178</td>
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<tr>
<td>Supervisor</td>
<td>IV</td>
<td>6,781-8,140</td>
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<tr>
<td>Technician</td>
<td>III</td>
<td>4,561-5,360</td>
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<td>5,359</td>
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MEMORANDUM OF UNDERSTANDING
2015 - 2017
MID-MANAGERS and PROFESSIONALS and CONFIDENTIAL EMPLOYEES ASSOCIATION
Page 34 of 55
MEMORANDUM OF UNDERSTANDING

Between

CITY OF PICO RIVERA

And

PICO RIVERA MID MANAGERS, PROFESSIONALS, & CONFIDENTIAL EMPLOYEES ASSOCIATION

JULY 1, 2015 – JUNE 30, 2017
ARTICLE 1
PREAMBLE

This Memorandum of Understanding ("MOU") is made and entered into between the representatives of the City of Pico Rivera, hereinafter referred to as "City" and the Pico Rivera Mid-Managers, Professionals, & Confidential Employees Association, hereinafter referred to as the "Association", pursuant to the California Government Code Section 3500, et. seq. This consolidated MOU supersedes previous MOUs for the Mid-Management Unit and the Professionals & Confidential Unit. This MOU is effective July 1, 2015 through June 30, 2017.

ARTICLE 2
RECOGNITION

The City hereby formally recognizes the Association as the exclusive representative of both the mid-managers unit and the professionals & confidential unit, representing employees in the classifications listed in Attachment "A" and "B". The City agrees to meet and confer on all matters within the scope of representation as authorized by law, except as specified in this MOU.

ARTICLE 3
MAINTENANCE OF BENEFITS AND ZIPPER CLAUSE

Except as provided herein, there shall be no changes in wages, hours or working conditions as a result of entering into this MOU, and all rights, privileges, benefits, terms and conditions of employment, as of the date of this MOU, which are not specifically set forth, shall remain in force, unchanged and unaffected during the term of this agreement, unless changed by mutual consent. Thus, for the life of this agreement, there shall be no reduction of benefits or privileges.

Furthermore, it is understood and agreed that for the term of this agreement neither party shall be compelled to negotiate with the other concerning any negotiable issue except by mutual agreement by the parties or as otherwise provided in this agreement.

Notwithstanding the above, if a recognized bargaining unit receives a higher increase during this MOU, the City shall meet with the Association within a reasonable time period thereafter in order to provide the same increase to the Association effective in this MOU as of the same date.

ARTICLE 4
NON-DISCRIMINATION CLAUSE

The parties agree that there shall be no discrimination against any applicant or employee based upon race, color, national origin, ancestry, age, sex (including gender, gender identity, gender expression, and pregnancy), disability, religion, marital status, medical condition, genetic characteristics or information, sexual orientation (including homosexuality, bisexuality, or heterosexuality), political activity, Association activity, or any other legally protected classification.
ARTICLE 5
SALARIES & COMPENSATION

A. COLAs:

The salary increase shall be 2.0% for Year One of this agreement. The salary increase shall be retroactively effective to the first payroll period commencing on or after July 1, 2015.

The salary increase shall be 2.0% for Year Two of this agreement. The salary increase shall be effective the first payroll period commencing on or after July 1, 2016.

The adjusted salary ranges are set forth in Attachment "C".

B. Pension Swap for Classic Members Under Tier 1 (Hired prior to July 1, 2012):

The City shall implement a 4% salary increase for Tier I members as soon as practicable after adoption of this MOU. Effective in the same pay period as the increase, the City shall reduce the employer paid member contribution to 4%. Members shall thereafter be responsible for paying the remaining portion of the member contribution.

Effective in the first payroll period commencing on or after January 1, 2017, the City shall implement another 4% salary increase for Tier I members. Effective in the same pay period as the increase, the City shall reduce the employer paid member contribution to 0%. Members shall thereafter be responsible for paying their full member contribution.

C. Longevity Pay: Effective July 1, 2016, members shall be eligible for an annual longevity pay based on years of service as follows:

   a. $300 for Members with 5 years or more years of City Service
   b. $600 for Members with 10 years or more years of City Service
   c. $750 for Members with 15 years or more years of City Service

   Longevity pay is paid out each year at the end of June to all members who qualify as of that date. City service is calculated based on years of service at full time status.

D. Bilingual Pay: Effective first pay period after adoption of this MOU, members shall be eligible to receive bilingual pay as follows:

   a. $25 per month for appointed Bilingual Speakers
   b. $50 per month for appointed Bilingual Transcribers/Writers
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The precise terms and conditions of the bilingual pay program shall be negotiated by the parties during the term of this MOU and memorialized in a separate side letter agreement and City-wide bilingual pay policy.

E. Merit Increases: Merit increases are permitted. The City agrees that for any member whose evaluation is late and is eligible for a merit increase shall receive the increase retroactive to their anniversary date.

F. Move Up Pay: In the event that an employee is assigned by a department head or his/her designee, as reflected in a Personnel Action Form, to work in a higher compensated classification and works in that capacity for a minimum of one continuous month, he/she will receive the pay of the higher rated classification. The increase in pay shall be at least five percent (5%), not to exceed the top of the range of the higher rated classification.

Emergency Call Back Pay: Emergency Call back pay shall be applicable to Public Work’s Supervisors only. Emergency Call Back occurs when an employee is called back to work after his regularly scheduled shift. Public Works Supervisors shall be compensated at their regular rate of pay or hours worked. Emergency Call Back Pay shall begin, upon arrival on scene.

ARTICLE 6
FLEXIBLE BENEFITS

A. Medical Benefits:

1. Employees Hired Before July 1, 2012

   The City shall pay one hundred percent (100%) of the health insurance premiums for HMO providers and a maximum of eighty five percent (85%) of the premium rate for PERS CARE (PPO).

2. Employees Hired On or After July 1, 2012

   The City shall pay one hundred percent (100%) of the health insurance premiums for the employee and eligible dependents not to exceed the Kaiser HMO premium rate. Employees may choose a different health care provider offered by the City, however, any cost greater than the Kaiser HMO premium rate shall be paid by the employee, through payroll deductions.

B. Dental Benefits:

1. The City shall pay one hundred percent (100%) of the dental insurance premium for the employee and eligible dependents not to exceed the HMO premium rate. Employees may choose a different dental plan offered by the City, however, any cost
greater than the HMO premium rate shall be paid by the employee, through payroll deductions.

C. Vision Benefits:

1. The City shall pay one hundred percent (100%) of the vision insurance premium for the employee and eligible dependents.

D. Cash Back Incentive:

1. The Cash Back Incentive program allows employees to opt out of the City's provided health plan under certain conditions. An employee will be eligible for the Cash Back Incentive Program only when the employee provides proof of other medical coverage and an executed Health Insurance Waiver form. An employee may participate in the Cash Back Incentive Program only at the time of Open Enrollment or at the time of hire. In the event the employee loses health coverage through the alternative source, the employee should contact Human Resources regarding the employee's eligibility to enroll in the City's Health Plan.

<table>
<thead>
<tr>
<th>Monthly Cash Back Incentive</th>
<th>Single</th>
<th>Two-Party</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>$125.00</td>
<td>$160.00</td>
<td>$200.00</td>
<td></td>
</tr>
</tbody>
</table>

When an employee leaves employment, the City must offer the opportunity to continue the medical, dental and vision benefits they have upon terminating. If the employee is participating in the Cash Back Incentive Program, Consolidated Omnibus Budget Reconciliation Act (COBRA) medical benefits continuation will not be available. Upon retirement, if an employee was not previously enrolled in a City sponsored PERS medical plan, the employee may be eligible to enroll in the CalPERS retirement medical plan subject to CalPERS regulations.

ARTICLE 7
SUPPLEMENTAL BENEFITS

A. Life and Accidental Death and Dismemberment Insurance:

The City shall provide a life insurance and accidental death and dismemberment (AD&D) insurance benefit valued at $20,000 per employee.

B. Supplemental Life Insurance Premiums:

Employees may elect supplemental life insurance through a City provider at the employee's expense, paid through payroll deduction.
C. Disability Insurance:

The City shall pay one-hundred percent (100%) of the premiums for Long and Short-Term Disability.

D. Work Related Travel Insurance:

Work Related Travel Insurance: The City provides an additional Accidental Death and Dismemberment benefit to all full-time City employees by Hartford Life and Accident. Said coverage is to cover work related travel for all employees and City Council, City Manager and Commissioners as follows:

i. $150,000 Employees earning $5,000 monthly and over

ii. $100,000 Employees earning $3,500 but less than $5,000 monthly

iii. $75,000 Employees earning $2,500 but less than $3,500 monthly

iv. $50,000 Employees earning less than $2,500 monthly

E. Employee Assistance Program:

The City offers an Employee Assistance Program which provides counseling and assistance to employees. The program includes the following components:

i. Referring of employees to a variety of counseling/treatment facilities for personnel.

ii. Informing employees of the program and types of assistance available.

iii. Training of supervisors to recognize employee problems.

iv. Referring of employees to affordable service providers – ones covered by the employee’s medical insurance or ones that are affordable to the employee.

v. Reporting to City is done on a confidential basis.

F. Deferred Compensation Plan: The City has available one or more deferred compensation plan(s) which employees may choose to participate in at their own expense.

ARTICLE 8
RETIREMENT
MEMORANDUM OF UNDERSTANDING
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A. CalPERS Benefit: The City contracts for a defined benefit retirement plan through the California Public Employees’ Retirement System (CalPERS).

1. The Public Employees’ Pension Reform Act of 2013 (“PEPRA”):

   a. “Classic Members” include employees hired prior to January 1, 2013, and those who are hired on or after that date who were already members of CalPERS or a public retirement system/plan with reciprocity with CalPERS and are hired by the City within six (6) months of separation from their prior CalPERS or such prior employment.

   b. “New Members” are those employees who become members of a public retirement system for the first time on or after January 1, 2013 and who do not otherwise meet the tests for being defined as a “Classic” Member.

2. Full-Time “Classic Members” hired prior to July 1, 2012 (“Tier 1”):

   a. Members shall receive the 2.5% at age 55 benefit formula.

   b. Final retirement compensation shall be calculated using the single highest year of CalPERS reportable earnings, per the California Government Code.

   c. The City pays the eight percent (8%) employer paid member contribution (EPMC) and reports it to CalPERS as reportable earnings.

   As soon as practicable after adoption of this MOU, but within the same pay period as the 4% salary increase as specified in the pension swap section above, employees shall pay 4% of the member contribution and the City’s portion of the paid member contribution shall be reduced from 8% to 4%.

   Effective the first pay period on or including January 1, 2017, but within the same pay period as the additional 4% salary increase as specified in the pension swap section above, employees shall pay the full 8% member contribution and the City’s portion of the paid member contribution shall be reduced from 4% to 0%.

   All employee-paid member contributions shall be pre-tax via payroll deduction.

3. Full-Time “Classic Members” hired after June 30, 2012 (“Tier 2”):

   a. Members shall receive the 2.0% at age 60 benefit formula.
b. Final retirement compensation shall be calculated using the average of the three (3) highest consecutive year earnings, per the California Government Code.

c. The City pays three percent (3%) of the employer paid member contribution (EPMC) and does not report it to CalPERS as reportable earnings.

All employee-paid member contributions shall be pre-tax via payroll deduction.

4. "New Members" under the PEPRA: Full time employees hired on or after January 1, 2013 (Tier III):

a. New Members are covered by the two percent (2%) at age sixty two (62) retirement formula.

b. New Members retirement benefit will be based on the highest 36 consecutive months of compensation earnable.

c. New Members pay a member contribution to PERS at the rate of fifty percent (50%) of the total "normal cost" of the plan, as defined by CalPERS.

d. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis by way of payroll deduction.

5. Applicable to all Full-Time Employees regardless of hire date:

a. Retired Death Benefit – the City’s contract with CalPERS provides for a five-thousand dollar ($5,000) lump sum death benefit payable upon retiree’s death.

b. Pre Retirement Option 2W Benefit – the City has contracted with CalPERS to provide a monthly death benefit allowance for a surviving spouse or registered domestic partner. The allowance is calculated as though the member retires from service on the date and chose Option 2W.

c. Service Credit Buy-Back Program – eligible employees can purchase, with pre-tax dollars, service credits from PERS for past eligible employment.

d. Military Buy-Back – eligible employees can purchase, with pre-tax dollars, a maximum of four (4) years service credit from PERS at the employee’s expense.
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e. 1959 Survivor Benefit Level 4 – The City’s contract with PERS provides 1959 Survivor’s Benefits Level 4. The 1959 Survivor’s Benefit is paid along with other death benefits whether or not the employee was eligible to retire at the time of death.

The benefit consists of a monthly allowance which may be paid to the employee’s eligible surviving spouse and children. A spouse is eligible if he/she (1) has care of eligible children (including stepchildren) or (2) is age 60 or older. (Children are eligible if under age 22 and unmarried or incapacitated because of a disability which began before age 22). A parent may be eligible if there is no surviving spouse or eligible children, and the parent(s) was dependent on the member for at least half of their support at the time of the member’s death.

Effective September 5, 2012, Survivor’s Benefit levels are:

<table>
<thead>
<tr>
<th>Level Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Dependent</td>
</tr>
<tr>
<td>2 Dependents</td>
</tr>
<tr>
<td>3+ Dependents</td>
</tr>
</tbody>
</table>

B. Retiree Health Insurance - The City offers retiree medical through CalPERS medical.

1. For Employees Hired Before July 1, 2012

The City pays one hundred percent (100%) of the retiree’s health insurance premium based on the retiree’s level of coverage.

2. For Employees Hired on or after July 1, 2012

The City pays the minimum contribution required by the Public Employees Medical and Hospital Care Act (PEMHCA) toward the retiree’s CalPERS medical insurance premium.

ARTICLE 9
TYPES OF LEAVE

A. FMLA & Kin Care Leave:
Association members may maintain 40 leave hours (sick, vacation or compensatory time) "on the books" if they choose.

B. Administrative Leave:

All exempt bargaining unit employees shall receive forty five (45) hours of Administrative Leave per year. Public Work's Supervisors and the Public Works Coordinator shall receive Administrative Leave in conjunction with the call-back pay provision above.

C. Compensatory Time:

Non-exempt members may bank a maximum of sixty (60) hours of compensatory time off. No member shall be allowed to accumulate more than sixty (60) hours of compensatory time off.

D. Sick Leave:

Sick leave with pay is granted to all permanent, probationary and provisional employees. The following are details of the sick leave provision:

1. Accrual
   
   a. Sick leave allowance is eighty-one (81) hours per year
   
   b. Each employee will accrue three point one two (3.12) hours of sick leave each pay period.
   
   c. The maximum number of accrued hours per year is eighty-one (81) hours.
   
   d. The maximum number of hours available for cash payment per year is eighty-one (81) hours.

2. Use - An employee's sick leave and/or compensatory time accruals can be used for an illness or medical appointment of an employee or family member as well as for any unexpected absence. This should be done at the employee's discretion, keeping in mind that the use of sick leave rather than other available leave may impact future leave availability when needed.

3. Personal Sick Leave - Employees are allowed to use 24 hours of their sick time as personal sick leave, which shall be counted as hours worked for overtime purposes.
4. **Physician's Certificate** - An employee may be required to provide the supervisor or Department Head with a physician's certification of illness or a release to return to work. An employee injured off the job shall be required to provide a physician's release to return to work.

5. **Accumulation** - Up to eight hundred (800) hours of sick leave may be accumulated during the course of employment with the City. If an employee's sick leave is exhausted, the employee may use vacation time for illness but only after a full workday advance request and with the approval of the supervisor and Department Head. Vacation leave, under any circumstance, may not be used for single day illnesses. If an employee has no paid leave time accumulated or has paid leave time but wishes not to use it, he/she must take leave without pay or any other leave otherwise provided by law.

6. **Cash Payment** - In June of each year, each employee may choose to take any or all of the fiscal year's accumulated sick leave as cash provided it does not exceed eighty-one (81) hours. The balance of the sick leave may be left on the books as time. The time remaining on the books may only be taken as cash when the employee terminates employment.

7. **Credit Upon Termination** - Employees who terminate employment may be paid the salary equivalent of all accrued sick leave prior to the effective date of termination. It is paid at the rate at which it was earned. Accumulated sick leave may also be converted to service credit with CalPERS at time of retirement, subject to CalPERS law. A choice of either sick leave as service credit or cash-out of sick leave will be given.

E. **Vacation Leave:**

1. **Length:** The amount of vacation that a member accrues is based on years of service.

   - One through Four Years  88 Hours (3.385 hours per pay period)
   - Five through Nine Years  128 Hours (4.923 hours per pay period)
   - Ten Years or More  168 Hours (6.462 hours per pay period)
2. **Accrual:** All employees who have completed one year of continuous service shall be credited with a vacation benefit of eighty-eight (88) hours effective the first day following the one year anniversary of the start of employment.

3. **Credit Upon Termination:** Employees who terminate employment shall be paid the salary equivalent of all accrued vacation leave earned prior to the effective date of termination.

4. **Eligibility:** An employee must work for the City for at least one year in a full-time capacity to be eligible to take paid vacation. Employees who terminate prior to one year may receive pay for the amount of vacation that they had accrued prior to termination.

5. **Schedules:** Each department will keep and monitor the vacation schedule of its employees. Each employee shall request vacation time in writing in advance of the time desired. Such request will be signed by the employee and must be approved by the employee's supervisor and/or Department Head to be valid. The Department Head will determine the vacation schedule with due regard for the wishes of the employee and the needs of the department subject to the M.O.U. In the event a vacation request is denied, the reason for the denial shall be provided in writing.

6. **Accumulation:** Vacation time may be accumulated to a maximum of three-hundred and twenty (320) hours. Hours in excess of three-hundred and twenty (320) hours will automatically be paid out to the employee annually on the first payday of December.

7. **Vacation Cash Out:** Each year in December, an employee may opt to cash out any or all vacation hours that exceed one-hundred twenty (120) hours. If a cash out is elected, a minimum balance of one-hundred twenty (120) hours must remain on the books.

8. **Emergency Cash-Out:** At the request of the eligible employee, emergency vacation leave payouts may be approved throughout the year without the minimum balance requirement. Employees must submit the request in writing to the City Manager describing the emergency. An emergency is defined as follows:

   a. A severe financial hardship;
   b. Event was unforeseeable (including but not limited to: illness, accident or casualty);
   c. Event was incurred by employee, spouse or dependent; and
d. Employee has no other means to cover costs.

The City Manager’s decision is final.

F. Holidays:

1. Authorized City holidays shall be as follows:

   New Year’s Day
   Martin Luther King Day
   President’s Day
   César Chávez Day
   Memorial Day
   Independence Day
   Labor Day
   Veteran’s Day
   Thanksgiving Day
   Day after Thanksgiving
   Christmas Day

2. The City shall fund eight (8) hours of compensation for each such holiday falling on a Friday, and nine (9) hours for each such holiday falling on a Monday-Thursday.

G. Industrial Illness or Injury Leave:

An employee who is absent from work due to a work-related injury or illness shall be on industrial accident leave. The City shall conform to Workers’ Compensation laws of the State of California in effect at the time of injury. Employees may receive information on Workers’ Compensation Procedures from the Human Resources Division.

When a waiting period is required in order to begin Workers’ Compensation benefits, an injured worker may use available leave time along with the City paid Workers’ Compensation rate per day. Following the waiting period, an injured worker on total disability will receive the State Worker’s Compensation rate. The employee may make up the difference between the State mandated rate and her/his base pay by utilizing available leave time.

If an injured worker has exhausted all available leave, continues to receive Workers’ Compensation benefits and is medically unable to return to work, the City shall compensate the injured worker the difference between the State mandated benefit and eighty percent (80%) of the employee’s base pay for a period not to exceed ninety (90) days from the date leave is exhausted.

Jury Duty:
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Service as a juror by employees will be limited to serving once in any two-year period. Payment for jury duty service will be limited to ten (10) days. If an employee is assigned to a trial within the first ten (10) days of jury service, the employee’s time to complete the trial will be paid by the City.

The employee must obtain proof of jury service from the Court and submit it to the Finance Department upon completion of his/her jury duty. The employee must also submit any payment received from the Court (except mileage reimbursement) to the Finance Department in order to receive full salary for the time served.

H. Bereavement Leave:

A three (3) day bereavement leave shall be granted to full-time employees for a death in the immediate family. The immediate family shall be defined as parents, step-parents, stepbrother/sister, step-children, mother/father-in-law, brother/sister-in-law, spouse, brother/sister, children, grandparents, grandchild, step-grandchild, court-appointed or other verifiable guardian. Upon request and with supervisory approval, a day of vacation may be added to bereavement leave to accommodate personal or travel need.

Bereavement leave shall not be charged to the employee’s sick or vacation leave balance.

I. Catastrophic Leave:

1. Purpose –

Catastrophic leave is a leave sharing program intended to allow employees to voluntarily donate accrued leave to other eligible employees for the employee or the care of a spouse, parent or dependent child of an employee suffering from a catastrophic illness or injury.

A catastrophic illness of an employee is any non-occupational medically verifiable illness or injury of such serious nature as to require long-term absence from work. Catastrophic illness of a family member shall be defined as those medically verifiable illnesses or injuries which are of such serious nature as to require long-term and/or full-time care by the employee. Family members are defined as the employee’s spouse/domestic partner, parent, parent-in-law, child, or other person for whom the employee is legal guardian. Catastrophic illness leave shall be additional paid leave available from vacation, sick or compensatory leave donated by other City employees to a specific qualified employee.

2. Eligibility –

a. An employee (recipient) may be eligible to receive and use donated leave if he or she, or their family member, has a catastrophic illness as defined above.
b. The employee must produce competent medical verification of the illness or non-work related injury satisfactory to the City.

c. The employee must have a minimum of one year of service with the City.

d. The employee must have exhausted all paid leave, including but not limited to sick leave, vacation, and compensatory time.

e. In order to receive and use donated leave, an employee must not be receiving any other salary continuation benefits such as disability benefits.

f. No more than four-hundred eighty (480) hours per twelve (12) month period from date of catastrophic leave approval may be received by the employee.

g. The employee must complete the Catastrophic Illness Donation Request Form and submit the form to the employee’s department head and City Manager for signature. The Personnel Officer will certify that the employee is eligible to participate in the catastrophic leave donation program.

3. Donor Employee Eligibility

The employee must have an accrued vacation leave balance of at least forty (40) hours after the donation of vacation time and a sick leave balance of at least sixty (60) hours after the donation of sick leave time. Employees may donate all of their compensatory time.

The employee must complete the Catastrophic Illness Donation Form.

4. Conditions for Making Leave Donations

Donations must be in whole hours and the amount of hours an employee wishes to donate shall be at his/her own discretion on the condition the employee meets the leave balance minimums.

Donor names will be kept confidential.

All time donated will be credited on an hour-for-hour basis, regardless of hourly pay differentials between donating employee and recipient.

All donations shall be voluntary and at the discretion of the donor employee and once processed are irrevocable once leave hours are transferred to the recipient.
5. How to Apply for or Donate Leave –

An employee who qualifies for catastrophic illness leave shall complete the Catastrophic Illness Donation Request Form and submit it to the department head who shall, in conjunction with the City Manager and Personnel Officer, review it for approval or denial.

Upon approval, donor employees shall complete the Catastrophic Illness Donation Form indicating a willingness to donate vacation leave, sick leave or compensatory time and the amount of said time to be donated. The completed form should then be forwarded to payroll.

Subsequent to the receipt of the leave donation forms and the determination of the total hours donated, Payroll shall credit the recipient employee’s sick leave balance on a biweekly payroll basis. An employee who is receiving catastrophic illness leave donated by other employees shall be allowed to accrue vacation and sick leave while in that status; however, all accrued leave shall first be used prior to the use of donated leave time.

Donations not used by recipient will be returned to donors proportionately.

6. Solicitation of Donations –

Human Resources will notify City employees that the recipient employee is eligible to receive voluntary donations of accrued vacation, sick and compensatory time. Human Resources will not release any medical information regarding the recipient employee or his or her family member.

7. Contact Information –

Questions about Catastrophic Leave should be directed to Human Resources.

**ARTICLE 10**

**SEVERANCE**

A. Mid-Managers Unit

A mid-management member who has completed at least six months of continuous employment and who is involuntarily separated is entitled to severance pay as follows:

<table>
<thead>
<tr>
<th>Years of Employment</th>
<th>Pay Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months thru 4 years</td>
<td>One (1) month</td>
</tr>
<tr>
<td>5 years thru 9 years</td>
<td>Two (2) months</td>
</tr>
<tr>
<td>10 years thru 14 years</td>
<td>Four (4) months</td>
</tr>
<tr>
<td>15 years and over</td>
<td>Five (5) months</td>
</tr>
</tbody>
</table>
B. Professionals & Confidential Unit

A Professionals & Confidential member who has completed at least one year of continuous employment and who is involuntarily separated is entitled to three (3) month’s severance pay.

A Professionals & Confidential member who has completed 10 years or more of city service and who is involuntarily separated is entitled to five (5) month’s severance pay

ARTICLE 11
OTHER TERMS

A. Flextime

During the term of this MOU, the City agrees to amend the current policy of using flextime within one pay period to allowing members up to 2 months to use their flextime.

B. Overtime

1. Non-Exempt full time employees will be compensated for overtime worked when specifically authorized by the department head and approved by the City Manager.

2. The City shall use reasonable efforts to distribute overtime work equitably among the qualified employees of an officer, operational unit or work group with consideration given to City need and employees availability in making the distribution. Upon reasonable notice, an employee shall be required to work overtime as needed. If an employee is not available for an overtime assignment it shall be without prejudice to consideration of that employee for subsequent overtime assignments.

3. For the purpose of computing hours worked, time during which an employee is excused from work because of a holiday shall be considered as time worked by the employee. In all other cases, hours worked shall include all the time during which an employee is required to be on employer’s premises on duty or at a prescribed work place. Paid leave time is not considered in computing hours worked. Overtime for all part-time personnel will be calculated as specified under the Fair Labor Standards Act.

4. Compensation for non-exempt full time employees for overtime worked shall be at time and one-half (1 1/2) times the hourly rate in effect at the time such overtime service is rendered when the employee has worked in excess of a full regularly scheduled work week.

5. Compensation for non-exempt full time employees for overtime worked shall be at
time and one-half (1 1/2) times the hourly rate in effect at the time such overtime services is rendered when the employee has worked in excess of the regularly scheduled work day and when the employee has also worked in excess of a full regularly scheduled work week.

6. Compensation for non-exempt full time employees who work in excess of the regularly scheduled workday but do not work in excess of the regularly scheduled workweek shall be at the straight time hourly rate for those hours worked in excess of the regularly scheduled work day. Time and one-half shall be paid only after the employee has also worked in excess of and has satisfied the regularly scheduled workweek requirement.

7. Compensation for overtime worked also be in the form of compensatory time off which shall be credited at the rate of which straight time or time and one-half, whichever is appropriate, according to the provisions above.

8. At the time overtime is earned and by taking into account the stated preference of the employee to receive pay or compensatory time off, the Department Head will be responsible for determining departmental/operational needs and will have sole discretion in final determination in the manner of compensation.

9. Employees may bank a maximum of forty (40) hours of compensatory time off. No employee shall be allowed to accumulate more than forty (40) hours of compensatory time.

10. Depending on departmental and operational needs at the time the overtime hours are worked the Department Head will have sole discretion in determining when compensatory time off may be taken. Operational needs will take precedence; however, a reasonable effort to accommodate employee preference will be used.

C. Work Schedules

The City implemented an Alternative Work Week schedule commonly known as the “9/80 Plan” with the pay period covering July 1, 1992. Elements of the “9/80 Plan” include; a) employees will work nine (9) hours on Monday through Thursdays and eight (8) hours on every other Friday; b) the alternate Fridays will be a day off and City Hall will be closed; c) City Hall hours will be changed to 7:30 a.m. to 5:30 p.m. Monday through Friday; d) City Yard hours will be changed to 6:30 a.m. to 4:00 p.m. Monday through Thursdays and 6:30 to 3:00 p.m. on working Fridays; e) the payroll period start and end times will be adjusted to comply with Fair Labor Standards Act requirements; f) vacation, holiday and sick leaves will be given in hourly rather than daily increments; g) holiday schedules will be based on an 88 hour annual minimum and a 90 hour annual maximum. Holiday and alternate Friday schedules and related information will be disseminated prior to implementation.
D. Uniforms

For those full-time employees who are required to wear a City uniform, the City shall pay the costs associated with the provision of required uniforms. It is the right of the City to determine what constitutes a required uniform. It is understood that where the City provides a uniform, said uniform must be worn while on duty. For those items of protective clothing worn but not provided by the City, no logos/insignias of athletic teams, commercial products or companies may be worn. The design and color of such clothing must not interfere with free ease of movement, shall not present a safety hazard and must be worn, in the case of jackets and/or tee shirts, with an orange City-furnished safety vest as the outer layer visible to all. City-paid time shall not be used for purchase of uniform equipment.

The City agrees to provide safety shoes to Field Service Personnel. Shoes will be replaced as wear and tear warrants; however, in no case shall any employee receive more than two pair of safety shoes in any twelve-month period. Determination of eligibility for safety shoes and/or replacement thereof shall be made by the Department Head or his/her designee in accordance with this policy.

The City shall establish procedures for the issuance and replacement of work shoes. Departmental discretion shall be used in determining the type of work shoes acceptable for designated positions. The maximum amount payable by the City for a single pair of work shoes is $100 per pair. Regardless of cost, work shoes shall be substantial enough to provide the required protection and durable enough to require no more than the allowed two pair per year.

Any employee issued safety shoes shall wear such shoes at all times during working hours. Employees not issued safety shoes shall be expected to wear shoes at all times during working hours. Employees not issued safety shoes shall be expected to wear shoes appropriate to the working environment, as determined by the Department Head. Safety shoes shall not be purchased on City-paid time.

E. Performance Evaluations

The City agrees that any Association member whose performance evaluation is late and the member’s performance rating was at a minimum satisfactory will be entitled to receive the merit increase retroactive to the anniversary date.

The City agrees that each member will receive a copy of his or her performance evaluation and it is agreed that the member’s signature on the evaluation form shall not necessarily indicate agreement with the content of said evaluation.

F. Last Chance Agreements
Management reserves the right to utilize Last Chance Agreements when warranted. Examples of conditions when such an Agreement may be utilized include the following:

1. When there has been a violation of City Rules and Regulations or Policies;

2. As a final effort, before termination, to assist an employee in improving his performance;

3. In cases of substance abuse i.e. drugs or alcohol.

Each Last Chance Agreement will be considered on a case by case basis. However, unless otherwise stipulated in the Agreement, the duration of a Last Chance agreement shall not exceed three (3) years, which in all cases shall be the maximum.

G. Capital Improvement Projects

Capital Improvement Project (CIP) is a project authorized by the City Council and included in the City’s Capital Budget. Capital projects usually include expenditure for new construction, improvements, equipment, acquisition, or design/engineering. Normal repair or maintenance projects are not considered capital projects and are usually completed with maintenance and operation (M & O) funding.

A CIP manager may perform one or more of the following tasks: develop a project scope; create a project estimate and budget; contract for architectural and engineering services; prepare required memoranda and reports to City Council, City departments, and outside agencies; meet with community groups, bidders, consultants, contractors, utilities and other public agencies; oversee construction contractors, inspectors, etc.; administer contracts; and, approve invoices.

Under the City’s current policy, capital improvement project management is not the responsibility of bargaining unit members. Association members may be called upon to assist and/or provide expertise to the Capital Improvement Managers.

H. Mandatory Drug Testing

The City and Association agree that all new hires shall be required to participate in mandatory drug testing as part of the employee eligibility process, at the time of the post-offer physical examination.

ARTICLE 12
EDUCATION REIMBURSEMENT
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To encourage employees to further their education, it is City policy, with the signed approval of both the Department Head and City Manager, to provide financial assistance to the employee for registration, books and parking up to a maximum of three-thousand dollars ($3,000.00) per fiscal year for an undergraduate degree or fifty percent (50%) of their tuition for a graduate degree up to a maximum of one-thousand five hundred dollars ($1,500.00). To be eligible for financial assistance, an employee must complete the class with passing grade of “C” or above.

Programs leading to a professional degree or certification must be in a specific job-related field of professional discipline, and should provide the participating employee with skills, knowledge and competencies applicable to their current position but that which is above and beyond the minimum requirements.

Funding for tuition may be obtained by either:

1. Tuition Reimbursement:
   a. Obtain approval by Department Head.
   b. Complete the City’s application form.
   c. Obtain all required signatures prior to the registration of the class.
   d. Complete the class and submit grade report and requisition for reimbursement.

OR

2. Tuition Advance/Upfront funding:
   a. Obtain approval by Department Head.
   b. Complete the City’s application form.
   c. Obtain required signature (Department Head and City Manager)
   d. Obtain up-front funding.
   e. Complete the class and submit grade report and receipts.

If the course is not completed and/or a passing grade of “C” or above is not achieved, the employee must repay in full the entire amount of the upfront funding. The City agrees to modify the City’s application form to include several lines for multiple class selections in case the employee’s first class choice is unavailable.

**ARTICLE 13**
GRIEVANCE PROCEDURES

Section 1: Definitions

A grievance is defined as any dispute concerning the interpretation or application of the M.O.U. departmental rules and regulations governing personnel practices, or working conditions applicable to employees covered by the M.O.U.
A grievant is an employee or group of employees adversely affected by an act or omission of the employer.

Section 2: Purpose of Grievance Procedure

The general purpose of the grievance procedure is to resolve disputes, differences of opinions and interpretations informally at the earliest point possible.

The grievance procedure is not intended to be used for:

a) challenges to the agreed upon outcome of a Meet and Confer process; or
b) cases of reduction in pay, demotion, suspensions, or termination resulting from disciplinary action.

Section 3: Rights and Responsibilities

At Steps 2, 3 and 4, the grievant may be represented by him/herself, the Association, one association attorney or representative of the grievant's choice. If the representative is a fellow employee, that employee will receive time off from his or her work assignment for only the time of the grievance meeting or hearing. Within one day prior to the grievance meeting, the employee shall inform the party hearing the grievance of whether he or she shall be represented at the grievance meeting and shall identify the representative.

The time limits between steps of the grievance procedure provided herein may be extended by mutual agreement. The employee and management may waive one or more levels of review from this grievance procedure, again by mutual agreement.

Section 4: Specifics of the Grievance

In filing a grievance, the employee should set forth the following information, said information must be submitted in writing beginning with Step 2:

a) the specific section of the MOU, City policies or law allegedly violated, misinterpreted or misapplied;

b) the specific act or omission which gave rise to this alleged violation, misinterpretation or misapplication;

c) the date or dates on which the violation, misinterpretation or misapplication occurred;

d) documents, witnesses or other evidence supporting your position; and

e) the remedy requested.
Section 5: Procedure

An employee who wishes to file a grievance must do so within ten calendar days of when he/she became aware of or should have been aware of the circumstances that gave rise to a grievance.

Step 1. First Level of Review

Informal: The employee shall discuss the grievance with the immediate management supervisor on an informal basis in an effort to resolve the grievance. Said grievance shall be considered waived if not so presented to the immediate management supervisor within ten calendar days following the day when the event upon which the grievance is based occurred.

Formal: The immediate management supervisor may require that the employee submit the grievance in writing. Similar grievances submitted by more than one employee may be consolidated by management into one or more separate grievances.

The immediate management supervisor shall respond in writing within seven calendar days following the meeting with the employee. Failure to respond within such time limit shall entitle the employee to process the grievance at the next step.

Step 2. Second Level of Review

If the grievance is not settled at Step 1, the employee may proceed to Step 2 by serving a written notice of the grievance on a form provided by management to the Department Head within five calendar days of receipt of the grievance response at Step 1. Failure of the employee to serve such written notice shall constitute a waiver of the grievance. If such written notice is served, the Department Head may meet with the employee and a written decision or statement of facts and issues shall be rendered to the employee and representative of the employee's choice, if any, within ten calendar days from the date of service. Failure of management to respond within such time limit shall entitle the employee to process the grievance at the next level of review.

Step 3. Mediation As Optional Dispute Resolution

If a grievance is not resolved after review by the Department Head, the Association and the City may agree to submit the matter to a neutral third party for resolution. If either party wishes to exercise this option, they shall make the request within 5 calendar days of the Department Head's response. If the parties mutually agree to use this option they shall meet within 10 calendar days to request a mediator from the State Board of Mediation or as soon as a meeting can be scheduled.

Step 4. Third Level of Review

If the grievance is not settled at Step 2 or Step 3, the employee may proceed to Step 4 by serving written notice of the grievance on said form upon the City Manager within five calendar days
following receipt of the grievance response at Step 2 or Step 3. Failure of the employee to serve such notice shall constitute a waiver of the grievance. If such notice is served, the grievance shall be reviewed by the City Manager or that person's designee within ten calendar days. The City Manager or designee may afford the parties an opportunity to present oral or written arguments on the merits of the grievance and shall render to the employee and representative of the employee's choice, if any, a written decision within ten calendar days from the date said arguments were submitted. The decision of the City Manager shall be final.

ARTICLE 14
DISCIPLINE PROCEDURES

Members in job classifications designated without an asterisk * in Attachment A & B are considered at-will employees and are not subject to the following discipline procedure.

Members in job classifications designated with an asterisk * in Attachment A & B are not at-will and are subject to the following disciplinary procedure, below.

New hires shall serve a 12 month probationary period. Current employees who are promoted are subject to a promotional probation period of 12 months.

Prior to any disciplinary action, members shall first be subject to an informal conference summary regarding their job performance.

Proper subjects to be handled by these procedures are disciplinary actions including but not limited to:

Section 1. Disciplinary Actions

Disciplinary actions may include the following:

Minor Disciplinary Action
A. Counseling
B. Oral reprimand
C. Written reprimand

Major Disciplinary Action
D. Suspension without pay
E. Reduction in pay
F. Demotion
G. Dismissal (Negative Termination)

Section 2. Grounds for Discipline

The following list is illustrative and not inclusive:

A. Fraud in securing employment or making a false statement on an application for employment.
B. Incompetency (i.e., inability to comply with the minimum standard of an employee's position for a significant period of time.)
C. Inefficiency or neglect of duty (i.e., failure to perform duties required of an employee within his position.)
D. Willful disobedience and insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position or insulting or demeaning the authority of a supervisor or manager.
E. Dishonesty involving employment.
F. Being under the influence of alcohol or illegal drugs or narcotics while on duty, being impaired by alcohol or illegal drugs in the employee's biological system while on duty which could impact the employee's ability to do the job.
G. Excessive absenteeism.
H. Inexcusable absence without leave.
I. Abuse or misuse of sick leave (i.e., taking sick leave without a doctor's certificate when one is required).
J. The conviction of either a misdemeanor or a felony involving moral turpitude shall constitute grounds for discipline up to and including dismissal. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The Personnel Officer may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline, or the determination if such conviction is an offense involving moral turpitude. A conviction of a felony or any offense involving moral turpitude, whether based on a plea of guilty or verdict, is deemed to be a conviction within the meaning of this Section.
K. Discourteous treatment of the public or other employees.
L. Improper or unauthorized use of City property.
M. Refusal to subscribe to any oath or affirmation which is required by law in connection with City employment.
N. Any willful act of conduct undertaken in bad faith, either during or outside of duty hours which is of such a nature that it causes discredit to the City, the employee's department or division.
O. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of City property.
P. Violation of the Departmental policies or procedures.
Q. Mental or physical impairment which renders the employee unable to perform the essential functions of the job without reasonable accommodation, or without presenting a direct threat to the health and safety of self and others.
R. Outside employment not specifically authorized by the appointing authority.
S. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of his or her official duties (refer to City's List of Gifts & Gratuities Policy in Appendix).
T. The refusal of any City employee to testify under oath before any Grand Jury having jurisdiction over any then pending cause of inquiry in which the
investigation of government bribery or misconduct in City office is involved shall constitute of itself sufficient ground for the immediate discharge of such officer or employee.

U. Willful violation of any of the provisions of the ordinances, resolutions or any rules, regulations or policies which may be prescribed by the City.

V. Improper political activity. Example: Those campaigning for or espousing the election or non-election of any candidate in national, state, county or municipal elections while on duty and/or during working hours or in an agency uniform on or off duty; or the dissemination of political material of any kind while on duty and/or during working hours or in uniform.

W. Working overtime without authorization.

Section 3. Response to Written Reprimand

An employee who wishes to object to a written reprimand must do so within fourteen (14) calendar days of mailing or personal delivery of the notice of the disciplinary action.

Step 1. A. The employee and/or his/her representative will present his/her objection to his/her supervisor orally or in writing within fourteen (14) calendar days.

B. The immediate supervisor will answer the objection orally or in writing within seven (7) calendar days after presentation of the objection.

Step 2. A. An employee and/or his/her representative wishing to pursue the Supervisor's response will, within seven (7) calendar days, present it in writing to his/her Department Head.

B. At the option of the Department Head, a meeting shall be held with the employee and his/her representative.

C. The Department Head will present his/her written answer to the employee within seven (7) calendar days of receipt of the objection.

Step 3. Mediation as Optional Dispute Resolution

If an objection is not resolved after review by the Department Head, the Union and the City may agree to submit the matter to a neutral third party for resolution. If either party wishes to exercise this option, they shall make the request within seven (7) calendar days of the Department Head's response. If the parties mutually agree to use this option they shall meet within fourteen (14) calendar days of the request a mediator from the State Board of Mediation or as soon as a meeting can be scheduled.
Step 4. 

A. If the objection has not been settled at the second step and optional mediation has not taken place, or agreement has not been reached during the mediation process, the employee and/or his/her representative may submit a written appeal within seven (7) calendar days to the City Manager.

B. A meeting with the City Manager shall be held with the employee and his/her representative. The City Manager, at his/her discretion, may designate a representative to hear the appeal.

C. The City Manager will present his/her answer in writing to the employee within seven (7) calendar days of the meeting. The decision of the City Manager or designee shall be final.

Section 4. Major Disciplinary Action

Step 1. Notice of Intent

A. Whenever the appropriate Department Head intends to suspend without pay, reduce pay, demote or dismiss the employee, the Department Head shall give the employee a written notice of intent to discipline which sets forth the following:

1. The major disciplinary action intended;

2. The specific charges upon which the action is based;

3. A factual summary of the grounds upon which the charges are based;

4. A copy of all written materials, reports, or documents upon which the discipline is based;

5. Notice of the employee’s right to respond to the charges either orally or in writing to the appropriate department head;

6. The date, time and person before whom the employee may respond in no less than seven (7) calendar days; should the employee wish to appeal the disciplinary action;

7. Notice that failure to respond at the time specified shall constitute a waiver of the right to respond prior to final discipline being imposed.

8. The notice shall also advise the employee that he/she is entitled to have representation of his/her own choice at the meeting with the Department Head.

B. Response by Employee
The employee shall have the right to respond to the appropriate Department Head orally or in writing at a meeting with the Department Head. The employee shall have a right to be represented at the meeting set to hear the employee’s response. In cases of suspensions, reductions, demotions, or dismissals, the employee’s timely filed response will be considered before final action is taken.

C. Decision

Within seven (7) calendar days of the meeting with the Department Head, the Department Head shall issue a written decision setting forth the action to be taken, the grounds for the proposed action and the employee’s right to appeal the Department Head’s decision to the City Manager.

Step 2. Appeal Hearing Before the City Manager

A. An employee may appeal the decision of the Department Head by filing a written notice of appeal. The notice must be filed with the City Manager within fourteen (14) calendar days of the date of the decision by the Department Head.

B. Within seven (7) calendar days of receipt of a notice of appeal, the City Manager shall set a meeting date to be held within fourteen (14) calendar days. Written notice of the meeting will be personally delivered or mailed to the employee not later than fourteen (14) calendar days prior to the meeting.

C. The notice of meeting given to the employee shall contain the following:

1. The date and place of the meeting.
2. That the employee may be present and that he/she may be represented by another party.
3. That the employee and/or his/her representative may present oral and documentary evidence and examine witnesses.

D. The City Manager or his/her designee shall be present at the meeting and shall consider oral and documentary evidence presented by either party.

E. Final Notice

After meeting with the City Manager, designee, or the expiration of the employee’s time to respond to the notice of intent, the appropriate authority shall:

1. Dismiss the notice of intent and take no disciplinary action against the employee;
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2. Modify the intended disciplinary action; or

3. Prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following: the disciplinary action taken; the effective date of the disciplinary action taken; specific charges upon which the action is based; a factual summary of the facts upon which the charges are based; the written materials, reports and documents upon which the disciplinary action is based; and the employee’s right to appeal.

Step 3. Advisory Arbitration

A. Advisory Arbitration

The employee and/or his/her representative may request advisory arbitration by written notification to the City manager within fourteen (14) calendar days of the conclusions of Step 2 of the appeals procedure.

B. List of Arbitrators

The City Manager, upon receipt of written notification, will request a list of five arbitrators from the American Arbitration Association.

C. Selection of Arbitrator

Upon receipt of the list of arbitrators, the parties shall meet within seven (7) calendar days to choose one arbitrator by striking names of arbitrators from the list until only one arbitrator is left. The City shall have the benefit of the first strike.

D. Hearing Board

A hearing will be conducted by a hearing board consisting of said arbitrator, one member from management and one member from the Union. Said hearing will be scheduled as soon as reasonably possible but no less than fourteen (14) calendar days of the selection of the arbitrator.

E. Conduct of a Hearing

a) The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses but hearings shall be conducted in a manner most conducive to determination of the truth.
b) Any relevant evidence may be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objection in civil actions.

c) Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence that shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.

d) The rules dealing with privileges shall be effective to the same extent that they are now or hereafter may be recognized in civil actions.

e) Irrelevant and unduly repetitious evidence may be excluded.

f) The Hearing Board shall determine relevancy, weight and credibility of testimony and evidence. Decisions made by the Hearing Board shall not be invalidated by any informality in the proceedings.

g) During examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.

F. Burden of Proof

In a disciplinary appeal the City has the burden of proof by preponderance of the evidence.

G. Proceed with Hearing or Request for Continuance

Each side should be asked if it is ready to proceed. If either side is not ready and wishes a continuance, good cause must be stated.

H. Testimony Under Oath

All witnesses shall be sworn in for the record prior to offering testimony at the heading. The Hearing Board will request the witnesses to raise their right hand and respond to the following: “Do you swear that the testimony you are about to give at this hearing is the truth, the whole truth and nothing but the truth?”

I. Presentation of the Case

The hearing shall proceed in the following order unless the Hearing Board for special reason, directs otherwise:

a. The party imposing discipline (Department) shall be permitted to make an opening statement.
b. The appealing party (employee) shall be permitted to make an opening statement.

c. The party imposing disciplinary action (Department) shall produce their evidence.

d. The party appealing from such disciplinary action (employee) may then offer their evidence.

e. The party imposing discipline (Department) followed by the appealing party (employee) may offer rebutting evidence.

f. Closing arguments shall be permitted at the discretion of the Hearing Board. The party with the burden of proof, the Department, shall have the right to go first and to close the hearing by making the last argument. The Hearing Board may place a time limit on closing arguments. The Hearing Board or the parties may request the submission of written briefs. After the request for submittal of written briefs, the Hearing Board will determine whether to allow the parties to submit written briefs and set a briefing schedule.

J. **Right to Control Proceedings**

While the parties are generally free to present their case in the order that they prefer, the Hearing Board reserves the right to control the proceedings, including, but not limited to, altering the order of witnesses, limiting redundant or irrelevant testimony, or by the direct questioning of witnesses.

K. **Hearing Demeanor and Behavior**

All parties and their attorneys or representatives shall not, by written or oral presentation, disparage the intelligence, ethics, morals, integrity or personal behavior of their adversaries.

L. **Hearing Written Decision**

Within 30 calendar days of the hearing, the Hearing Board shall issue its written decision setting forth the action to be taken and the reasons for such action. Written notice of the decision shall be personally delivered to the employee or mailed to the employee by registered or certified mail, return receipt requested, within seven (7) calendar days.

M. **City Council Review**
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Within fourteen (14) calendar days of receipt of Hearing Board advisory decision, either party may request in writing a City Council review of the matter.

N. City Council Decision

Upon receipt of a request for review, the City Council shall either uphold the advisory decision or call for a review of the matter.

O. Expenses

All expenses of the arbitration shall be shared equally by the parties. However, expenses relating to the calling of witnesses or the obtaining of depositions or any similar expense associated with such proceedings shall be borne by the party at whose request such witnesses or depositions are required.

P. City Council Ruling

Any legal action or proceeding by either party contesting or seeking review of the ruling of the City Council shall be started within 90 calendar days of the City Council ruling. A disciplinary action not appealed or legal action or proceeding not started within the required time period will be considered resolved as of the previous action. Time limits in this procedure may be extended by agreement in writing of the parties.

ARTICLE 15
ASSOCIATION BUSINESS

A. DUES AND BENEFITS DECLARATION

The City shall continue to deduct dues and Association sponsored benefit program premiums on a regular basis from the pay of all classifications and positions recognized to be represented by the Association, who voluntarily authorize the deduction in writing on a form to be provided for this purpose which is mutually agreed to by the Association and the City. The City shall remit such funds to the Association within 30 days following the deduction. The Association agrees to hold the City harmless and indemnify the City against the claims, causes of action, or lawsuits arising as a result of the deductions on transmittal of such funds to the Association, except the intentional failure of the City to transmit monies deducted from the employees pursuant to this Article to the Association.

B. PROVISION OF UNIT MEMBERSHIP LIST

Within thirty (30) calendar days of adoption of this MOU, the City shall provide unit representatives with a list consisting of:

1. Name of each unit member in alphabetical order by last name
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2. Each unit member’s class title, department, work location, and last known residence
   address and telephone number

3. The list shall be updated every six (6) months thereafter

C. USE OF CITY FACILITIES

City facilities may be used with the prior approval of Management for the purpose of holding
meetings, if such facilities can be made available without disrupting the normal operations of the
facilities.

Each work location will provide a bulletin board or reasonable space that may be used by the
Association for the posting of notices of official Association business and/ or Association related
articles.

D. AGENCY SHOP

If, during the term of the agreement, employees establish an agency shop, either pursuant to
Government Code Section 3507.1 or through an election, the following language shall apply:

Thirty days after the certification of a successful agency fee election or thirty days after
verification of majority status, all employees represented by the Association shall as a condition
of continuing employment become and remain members of the Association or shall pay to the
Association a service fee in lieu thereof. The election or the verification of the majority status
will be conducted by an agreed upon neutral third party, or if the parties cannot agree, by the
State Mediation and Conciliation Service.

Any employee hired after the agency fee is in place shall be provided, through the Human
Resources Department, with an authorization for the deduction of Association dues. Said
employees shall have thirty (30) working days following the initial date of employment to fully
execute the authorization form of his or her choice and return said form to the Human Resources
Department. The effective date of Association dues, service fee deductions, or charitable
contributions for such employees shall be the beginning of the first pay period after receipt of the
employee’s signed authorization form.

Any employee of the City’s subject to this Memorandum of Understanding who wishes to
execute a written declaration claiming a religious exemption from paying Association dues, and
who is a member of a bona fide religion, body or sect which has historically held conscientious
objections to joining or financially supporting a public employee organization and which is
recognized as such by the Public Employer Relations Board shall, upon presentation of
verification of active membership in such religion, body or sect be permitted to make a charitable
contribution equal to the service fee in lieu of Association membership or service fee payment.
Declarations or applications for religious exemption and any supporting documentation shall be
forwarded to the Association within fifteen (15) calendar days of receipt by the City. The
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Association shall have fifteen (15) calendar days after receipt of a request for religious exemption to challenge any exemption granted by Human Resources or his or her designee. If challenged, the deduction to the charity of the employee’s choice shall commence, but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be granted by regular payroll deduction only. For the purpose of this section, charitable deduction means a contribution to an organization that complies with Section 501(c)3 of the Internal Revenue Code and accepts donations via automatic payroll deduction.

The Association shall indemnify and hold the City, its officers and employees harmless from any and all claims, demands, suits or any other action arising from the Agency Fee provisions herein. In no event shall the City be required to pay from its own funds Association dues, service fees or charitable donations which the employee was obligated to pay, but failed to pay regardless of the reasons.

E. ASSOCIATION BANK OF HOURS

The City agrees to maintain the bank of hours available for Association activity at 80 hours. A formal notification shall be given to the Human Resources office on July 1 of each year of the names of duly appointed Association representatives and at anytime thereafter when an addition or deletion of the list is made.

Those items charged to the Bank of Hours shall be for routine Association business, including Association sponsored workshops. The designated pay code of “335” shall be used on employee timesheets to indicate hours chargeable to the Bank of Hours.

Association business not charged to the Bank of Hours shall be tracked for time spent in these activities: MOU negotiations and Meet and Confers. Employees engaged in these activities shall use a project code of “1100” on timesheets to indicate Association activity.

Should the regular Association bank of 80 hours be exhausted a case by case request to increase hours will be considered.

F. VOLUNTARY POLITICAL CONTRIBUTIONS

City agrees that bargaining unit employees will be allowed to make voluntary political contributions to the Association’s Political Action Committee through payroll deductions.

ARTICLE 16
MANAGEMENT RIGHTS CLAUSE

A. The City and Association agree that the City retains and has the exclusive decision-making authority to manage municipal services and the work force performing those services in accord with existing law and provisions of the established MOU.

B. The Association further agrees that the City has, except as expressly and lawfully
restricted by specific provisions of the MOU, the exclusive decision-making authority to:

1. Determine and modify the organization of City government and its constituent work units.

2. Determine the nature, standards, levels and mode of delivery of services to be offered to the public.

3. Determine the methods, means, and the numbers and kinds of personnel by which services are to be provided.

4. Determine whether goods or services shall be made, purchased or contracted for.

5. No bargaining unit employee shall be laid off, demoted or suffer loss of pay or benefits as a result of the contracting out of work. The parties agree to meet and confer as required by law on matters relating to wages, hours or working conditions. Said provisions will apply except for contracts required by bona fide emergencies.

6. Direct employees, including scheduling and assigning work and overtime.

7. Establish employee performance standards and require compliance therewith.

8. Discharge, suspend, demote, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline employees subject to the requirements of applicable law.

9. Relieve employees from duty because of lack of work or lack of funds or for other legitimate reasons.

10. Implement rules, regulations and directives consistent with law and the specific provisions of the MOU.

11. Take all necessary actions to protect the public and carry out its mission in emergencies.

C. If the exercise of these management rights impact members’ wages, hours or working conditions, City agrees to meet and confer with Association pursuant to State law.

D. Except as provided or within the City’s Personnel Rules and Regulations and the existing and effective MOU, decisions under this article shall not be subject to the Grievance Procedure.

ARTICLE 17
SEVERABILITY
MEMORANDUM OF UNDERSTANDING
2015 - 2017
MID-MANAGERS, PROFESSIONALS, & CONFIDENTIAL EMPLOYEES ASSOCIATION
Page 36 of 43

If an article, section, position or portion thereof contained in the Memorandum of Understanding or application thereof to any person or circumstance is held to be unconstitutional, invalid by operation of law, or by any tribunal or office of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by tribunal or office, the remainder of the Memorandum of Understanding and application of such provisions or portion thereof, to other persons or circumstances, shall be deemed severable, shall not be affected, and shall remain in full force and effect. Furthermore, the City and the Association shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such article, section, position or portion.

ARTICLE 18
EFFECT

It is understood and agreed that this agreement shall not become effective for any purpose or be binding on either party until approved by the City Council and the bargaining unit membership, and nothing herein shall be construed as obligating the City Council to approve in whole or in part. If the City Council approves in full, then this agreement shall become effective July 1, 2015. The Memorandum of Understanding constitutes and includes all negotiations, compromises, and representations made by either party; and both parties acknowledge that each has met and conferred in good faith in negotiations to this point.

ARTICLE 19
Labor/Management Committee

The parties shall convene a labor management committee within six (6) months of adoption of this MOU to address updating various work policies and rules.

ARTICLE 20
TERM

This MOU will be effective as of July 1, 2015, and will continue through midnight June 30, 2017.
MEMORANDUM OF UNDERSTANDING
2015 -2017
MID-MANAGERS, PROFESSIONALS, & CONFIDENTIAL EMPLOYEES ASSOCIATION
Page 37 of 43

IN WITNESS THEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this 16th day of February, 2016.

Rene Bobadilla
City Manager

Charissa Manor
President

Maurice Sebastian
Human Resources Director

Evette Ruiz
Vice President

Julie Martinez
Association Secretary

Zoraida Caltitla
Association Treasurer
CITY OF PICO RIVERA

<table>
<thead>
<tr>
<th>Mid-Management Classifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Coordinator</td>
</tr>
<tr>
<td>Deputy City Clerk</td>
</tr>
<tr>
<td>*Senior Coordinator</td>
</tr>
<tr>
<td>Senior Inspector</td>
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<tr>
<td>Senior Supervisor</td>
</tr>
<tr>
<td>*Senior Technician</td>
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<td>*Supervisor</td>
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<tr>
<td>*Technician</td>
</tr>
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MEMORANDUM OF UNDERSTANDING
2015-2017
MID-MANAGERS, PROFESSIONALS, & CONFIDENTIAL EMPLOYEES ASSOCIATION
Page 39 of 43

Attachment B

<table>
<thead>
<tr>
<th>CITY OF PICO RIVERA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Professional &amp; Confidential Classifications</strong></td>
</tr>
<tr>
<td><em>Analyst</em></td>
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<tr>
<td>Assistant City Engineer</td>
</tr>
<tr>
<td>Assistant to the City Manager</td>
</tr>
<tr>
<td>Building Official</td>
</tr>
<tr>
<td>City Engineer</td>
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<tr>
<td>City Deputy Treasurer</td>
</tr>
<tr>
<td><em>Executive Assistant</em></td>
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<tr>
<td>Manager</td>
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<tr>
<td><em>Planner</em></td>
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<tr>
<td>Principal Accountant</td>
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<td>Principal Analyst</td>
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<td>Principal Planner</td>
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<tr>
<td>Public Information Officer</td>
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<tr>
<td>Public Works Superintendent</td>
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<tr>
<td>Senior Accountant</td>
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<td>Senior Analyst</td>
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<td>Senior Engineer</td>
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<td><em>Senior Executive Assistant</em></td>
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<tr>
<td>Senior Planner</td>
</tr>
<tr>
<td>Senior Public Information Officer</td>
</tr>
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</table>
## Monthly Salary Ranges for Professional & Confidential At-Will Positions
### Effective July 1, 2015

<table>
<thead>
<tr>
<th>Position</th>
<th>Group</th>
<th>Applicable Zones and Ranges</th>
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<tbody>
<tr>
<td>1 Analyst</td>
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<tr>
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<tr>
<td>3 Assistant to the City Manager</td>
<td>VII</td>
<td>9,134 - 10,504</td>
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<td>4 Building Official</td>
<td>VI</td>
<td>8,960 - 10,214</td>
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<td>VI</td>
<td>6,652 - 7,753</td>
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<td>6 City Engineer</td>
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<td>8 Executive Assistant</td>
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<td>3,731 - 4,573 4,574 - 5,578</td>
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<td>VI</td>
<td>5,838 - 6,713 6,714 - 7,721</td>
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<td>15 Public Works Superintendent</td>
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<td>6,714 - 7,721 7,723 - 8,959</td>
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CITY OF PICO RIVERA

Monthly Salary Ranges for Represented At-Will Middle Management Positions
EFFECTIVE JULY 1, 2015 - JUNE 30, 2016

<table>
<thead>
<tr>
<th>Position</th>
<th>Group</th>
<th>A</th>
<th>B</th>
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<tr>
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# City of Pico Rivera

**Monthly Salary Ranges for Professional & Confidential At-Will Positions**

**Effective July 1, 2016**

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CITY OF PICO RIVERA
Monthly Salary Ranges for Represented At-Will Middle Management Positions
EFFECTIVE JULY 1, 2016 - JUNE 30, 2017

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