



# CITY OF MERCED

## Amended

### Meeting Agenda

City Council Chamber  
Merced Civic Center  
2nd Floor  
678 W. 18th Street  
Merced, CA 95340

## City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, May 21, 2018

6:00 PM

Council Chambers, 2nd Floor, Merced Civic  
Center, 678 W. 18th Street, Merced, CA 95340

**Closed Session at 5:30 PM/Regular Meeting at 6:00 PM**

### NOTICE TO PUBLIC

#### WELCOME TO THE MEETING OF THE MERCED CITY COUNCIL

At least 72 hours prior to each regular City Council meeting, a complete agenda packet is available for review on the City's website at [www.cityofmerced.org](http://www.cityofmerced.org) or at the City Clerk's Office, 678 W. 18th Street, Merced, CA 95340. All public records relating to an open session item that are distributed to a majority of the Council will be available for public inspection at the City Clerk's Office during regular business hours.

#### PUBLIC COMMENT: OBTAIN SPEAKER CARD FROM THE CITY CLERK

Members of the audience who wish to address the City Council are requested to complete a speaker card available at the podium against the right-hand side of the Council Chamber. Please submit the completed card to the City Clerk before the item is called, preferably before the meeting begins.

#### INDIVIDUALS WITH DISABILITIES

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk at (209) 388-8650. Assisted hearing devices are available for meetings held in the Council Chamber.

#### A. CLOSED SESSION ROLL CALL

#### B. CLOSED SESSION

- B.1.** [18-259](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6
- B.2.** [18-261](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organizations: Merced Police Officers' Association (MPOA); Merced Association of Police Sergeants. AUTHORITY: Government Code Section 54957.6

## **C. CALL TO ORDER**

C.1. Invocation - Spencer Boelter, Young Life

C.2. Pledge of Allegiance to the Flag

## **D. ROLL CALL**

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

## **E. REPORT OUT OF CLOSED SESSION**

## **F. WRITTEN PETITIONS AND COMMUNICATIONS**

## **G. ORAL COMMUNICATIONS**

Members of the public who wish to speak on any matter not listed on the agenda may speak during this portion of the meeting and will be allotted 5 minutes. The Mayor may, at his discretion, reduce the time to 3 minutes if there are more than 3 speakers, in order to accommodate as many speakers as possible. State law prohibits the City Council from acting at this meeting on any matter raised during the public comment period. Members of the public who wish to speak on a matter that is listed on the agenda will be called upon to speak during discussion of that item.

## **H. CONSENT CALENDAR**

Adoption of the Consent Calendar may be made by one motion of the City Council, provided that any Council member, individual, or organization may request removal of an item from the Consent Calendar for separate consideration. If a request for removal of an item from the Consent Calendar has been received, the item will be discussed and voted on separately.

H.1. [18-181](#)      **SUBJECT: Reading by Title of All Ordinances and Resolutions**

### **REPORT IN BRIEF**

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

### **RECOMMENDATION**

**City Council** - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

- H.2. [18-251](#) **SUBJECT:** Information Only - Bicycle Advisory Commission Minutes of February 27, 2018

**RECOMMENDATION**

For information only.

- H.3. [18-253](#) **SUBJECT:** Information Only - Planning Commission Minutes of April 4, 2018

**RECOMMENDATION**

For information only.

- H.4. [18-256](#) **SUBJECT:** Information Only - Site Plan Review Committee Minutes of March 15, 2018

**RECOMMENDATION**

For information only.

- H.5. [18-263](#) **SUBJECT:** Information Only - Traffic Committee Meeting Minutes of March 13, 2018

**RECOMMENDATION**

For information only.

- H.6. [18-258](#) **SUBJECT:** City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of April 16, 2018 and April 30, 2018

**REPORT IN BRIEF**

Official adoption of previously held meeting minutes.

**RECOMMENDATION**

**City Council/Public Financing and Economic Development/Parking Authority** - Adopt a motion approving the meeting minutes of April 16, 2018 and April 30, 2018.

- H.7. [18-228](#) **SUBJECT:** Boards and Commissions Annual Vacancies

**REPORT IN BRIEF**

Authorizes staff to seek applicants for vacancies for terms expiring July 1,

2018 and for current vacant seats on all Boards and Commissions.

**RECOMMENDATION**

**City Council** - Adopt a motion directing the Clerk's Office to notice all current vacant seats and upcoming vacancies for all Boards and Commissions.

**H.8.**     [18-212](#)

**SUBJECT:** City Owned Real Property Request #18-02 for Bob Hart Square (Mercy Medical Center Merced Foundation for a Dinner Fundraiser)

**REPORT IN BRIEF**

Consider allowing the exclusive use of Bob Hart Square by the Mercy Medical Center Merced Foundation for the bi-annual "Taste of Merced" fundraiser, to include the serving of alcohol, on Friday, September 28, 2018, from 2:00 p.m. to 10:00 p.m.

**RECOMMENDATION**

**City Council** - Adopt a motion approving the exclusive use of Bob Hart Square Park on Friday, September 28, 2018, from 2:00 p.m. to 10:00 p.m., as requested by the Mercy Medical Center Merced Foundation, for the "Taste of Merced" fundraiser (includes the serving of alcohol); subject to the conditions outlined in the administrative staff report.

**H.9.**     [18-270](#)

**SUBJECT:** Supplemental Appropriation for Payment of Workers' Compensation Medical Claims

**REPORT IN BRIEF**

Supplemental appropriation for payment of Workers' Compensation medical claims

**RECOMMENDATION**

**City Council** - Adopt a motion:

A. Approving a supplemental appropriation in Fund 061 - Measure C in the amount of \$50,000 and transferring to Fund 666 Workers Compensation Fund; and,

B. Approving a supplemental appropriation in the General Fund in the amount of \$225,000 and transferring to Fund 666 Workers Compensation Fund; and,

C. Authorizing the Finance Officer to make the necessary budget



adjustments.

H.10. [18-266](#)

**SUBJECT:** Lease Agreement Between the City of Merced and Greyhound Lines, Inc., Located at the Merced Transportation Building

**REPORT IN BRIEF**

Lease Agreement between the City of Merced and Greyhound Lines, Inc., located at the Merced Transportation Building.

**RECOMMENDATION**

**City Council** - Adopt a motion approving the lease agreement between the City of Merced and Greyhound Lines, Inc.; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

H.11. [18-234](#)

**SUBJECT:** Increase Contingency Percentage for the Traffic Synchronization Project 113066 (5085-035)

**REPORT IN BRIEF**

Authorizes approval to increase the contingency from 10% to 11% of the original construction contract amount, or an increase in the total additional work from \$22,617.75 to \$24,902.30.

**RECOMMENDATION**

**City Council** - Adopt a motion increasing the contingency from 10% to 11% for the Traffic Synchronization Project 113066; and, authorizing the City Manager or Assistant City Manager to sign the necessary documents.

H.12. [18-231](#)

Updated Admin. Report

**SUBJECT:** Memorandum of Understanding with Merced Association of City Employees (MACE)

**REPORT IN BRIEF**

Consider approving Memorandum of Understanding with Merced Association of City Employees (MACE).

**RECOMMENDATION**

**City Council** - Adopt a motion approving **Resolution 2018-31**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with Merced Association of City Employees; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

H.13. [18-236](#)

Updated Admin. Report

**SUBJECT:** Memorandum of Understanding with American Federation

of State, County and Municipal Employees, District Council 57, Local 2703 (AFSCME)

**REPORT IN BRIEF**

Consider approving Memorandum of Understanding with American Federation of State, County and Municipal Employees, District Council 57, Local 2703 (AFSCME).

**RECOMMENDATION**

**City Council** - Adopt a motion approving **Resolution 2018-32**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with AFSCME (MCEA) District Council 57; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

H.14. [18-239](#)  
Updated Admin. Report

**SUBJECT:** Memorandum of Understanding with Merced Fire Fighters, Local 1479 (Fire)

**REPORT IN BRIEF**

Consider approving Memorandum of Understanding with Merced Fire Fighters, Local 1479 (Fire).

**RECOMMENDATION**

**City Council** - Adopt a motion approving **Resolution 2018-30**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with the International Fire Fighters Association Local #1479; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

H.15. [18-242](#)

**SUBJECT:** 2018/2019 Local Transportation Fund (LTF)

**REPORT IN BRIEF**

Accepts \$316,961 in Local Transportation Funds (LTF) from Merced County Association of Governments (MCAG) for street and road maintenance.

**RECOMMENDATION**

**City Council** - Adopt a motion:

A. Adopting **Resolution 2018-26**, a Resolution of the City Council of the City of Merced, California, approving the Local Transportation Fund (LTF) Claim to be filed with the Merced County Association of Governments (MCAG) for Fiscal Year 2018/2019; and,

B. Authorizing the Finance Officer to make any necessary budget adjustments.

**H.16.** [18-241](#)

**SUBJECT:** Master Recipient Funding Agreement with Merced County Association of Governments to Receive Measure V Funds for Fiscal Years 2018/2019 and 2019/2020

**REPORT IN BRIEF**

Consider authorizing a Master Recipient Funding Agreement with Merced County Association of Governments to receive Measure V funds for two consecutive fiscal years.

**RECOMMENDATION**

**City Council** - Adopt a motion approving the Master Recipient Funding Agreement with Merced County Association of Governments; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

**H.17.** [18-255](#)

**SUBJECT:** Contract Amendment with Data Ticket, Inc.

**REPORT IN BRIEF**

Consider a one-year extension with Data Ticket, Inc. for citation processing services.

**RECOMMENDATION**

**City Council** - Adopt a motion approving a one-year extension to the contract with Data Ticket, Inc. and authorizing the City Manager or Assistant City Manager to execute all necessary documents.

**H.18.** [18-273](#)

**SUBJECT:** Second Reading of Ordinance to Repeal Regional Transportation Impact Fee

**REPORT IN BRIEF**

Second reading of previously introduced ordinance.

**RECOMMENDATION**

**City Council** - Adopt a motion adopting **Ordinance No. 2487**, an Ordinance of the City Council of the City of Merced, California, Repealing Chapter 17.64 of the Merced Municipal Code relating to the Regional Transportation Impact Fees.

## I. PUBLIC HEARINGS

Members of the public who wish to speak on public hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to further public comment and brought to the Council for discussion and action. Further comment will not be received unless requested by the Council.

- I.1. [18-123](#) **SUBJECT:** Public Hearing - Holding Election for Annexation No. 12 into Community Facilities District (CFD) No. 2003-2 (Services) for Merced Station

### REPORT IN BRIEF

Hold a public hearing and election for annexation into Community Facilities District No. 2003-2 (Services) for the Merced Station Apartments (formerly University Village Merced - Lake) located on the south side of Yosemite Avenue at Lake Road.

### RECOMMENDATION

**City Council** - Complete the following items in order:

- A. Holding a Public Hearing on the annexation of certain property into the CFD and the levy of special taxes; and,
- B. Adopting **Resolution 2018-27**, a Resolution of the City Council of the City of Merced, acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced determining the validity of prior proceedings, calling a special election related to Annexation No. 12; and,
- C. Holding an election; and,
- D. Adopting **Resolution 2018-28**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced canvassing the results of the election held within Annexation No. 12 of said District; and,
- E. Adopting **Resolution 2018-29**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced annexing Annexation No. 12 to said district and authorizing the levy of a special tax within said Annexation No. 12.

## J. REPORTS

- J.1. [18-271](#)      **SUBJECT:** Update on Goals and Priorities (3rd Quarter)

### REPORT IN BRIEF

Update on the City Council's goals and priorities for FY 2017-2018 3rd Quarter.

### RECOMMENDATION

For information only.

- J.2. [18-262](#)      **SUBJECT:** Direction on Establishing an Arts and Culture Advisory Commission with the City of Merced

### REPORT IN BRIEF

Provides the City Council with an update on the progress that has been made to establish a Public Arts and Culture Advisory Commission in the City of Merced.

### RECOMMENDATION

Provide staff with further direction as necessary on the creation and implementation of a City Arts Commission.

- J.3. [18-237](#)      **SUBJECT:** City of Merced Fiscal Year 2018-19 Budget

### REPORT IN BRIEF

Review of the City Manager's proposed FY 2018-19 Budget.

### RECOMMENDATION

For information and discussion only.

## K. BUSINESS

- K.1. [18-272](#)      **SUBJECT:** Council Member Belluomini's Request to Form a Subcommittee to Review Informational Mailings for a November Ballot Measure

### REPORT IN BRIEF

This item is in response to Council Member Belluomini's request to discuss the informational mailings prepared by the City's elections consultant to educate the community regarding the need for a November ballot measure in support of the construction of a Police Station, Fire

Stations, Public Works Facilities and the upgrade of park restrooms. It was requested that an ad hoc committee be formed of the Council to provide input on the mailings to the City's elections consultant.

**RECOMMENDATION**

It is requested Council give staff direction on this item and select an ad hoc committee to review the mailers if it so desires.

K.2. Request to Add Item to Future Agenda

K.3. City Council Comments

**L. ADJOURNMENT**



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item B.1.**

Meeting Date: 5/21/2018

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**SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative:  
City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section  
54957.6



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item B.2.**

Meeting Date: 5/21/2018

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**SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative:  
City Manager Steve Carrigan; Employee Organizations: Merced Police Officers' Association  
(MPOA); Merced Association of Police Sergeants. AUTHORITY: Government Code Section  
54957.6





# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item H.1.**

Meeting Date: 5/21/2018

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**SUBJECT:** Reading by Title of All Ordinances and Resolutions

### REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

### RECOMMENDATION

**City Council** - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item H.2.**

Meeting Date: 5/21/2018

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*Report Prepared by: Stephani Davis, Secretary I, Planning Division*

**SUBJECT:** Information Only - Bicycle Advisory Commission Minutes of February 27, 2018

### RECOMMENDATION

For information only.

### ATTACHMENTS

1. BAC Minutes 02-27-2018

CITY OF MERCED  
BICYCLE ADVISORY COMMISSION

MINUTES

Council Chambers  
678 W 18<sup>TH</sup> STREET  
MERCED, CALIFORNIA

TUESDAY  
February 27, 2018

Acting Chairperson HOTHEM called the meeting of the Bicycle Advisory Commission to order at 3:01 p.m.

(B) ROLL CALL

Present: Tom Hothem (Chairperson)  
Jules Comeyne  
Greg Friedman  
Justin Hicks  
Steven Lerer (Vice-Chairperson)  
Isai Palma  
Ann Thurston

Absent: (Two vacancies, two Ex-Officio)

Staff Present: Michael Hren, Principal Planner

(C) APPROVE MINUTES OF DECEMBER 12, 2017

ON MOTION BY COMMISSIONER COMEYNE, SECONDED BY COMMISSIONER HICKS, DULY CARRIED BY UNANIMOUS VOICE VOTE, TO APPROVE THE DECEMBER 12, 2017, MINUTES AS SUBMITTED.

(D) ORAL COMMUNICATIONS

LISA KAYSER-GRANT noted that Bike Month is in May, and the Merced Bicycle Coalition (MBC) welcomes participation and input, seeks volunteers on events, and notes that the Mayor's Bike Ride will be Saturday, May 19, 2018. She suggested that BAC discuss Bike to Work Day, and suggested the 2<sup>nd</sup> week in May. She also discussed the potential for a North/South Bikeway corridor on M Street. She invited all interested parties to a meeting of the MBC to discuss this corridor on Saturday, March 3 at noon at J&R Tacos. She provided a scope of work related to the ATP/SRTS plan with potential for a

permanent informal committee. She also suggested attendance at the City's Town Hall meeting at 6PM.

Commissioner HICKS noted that the All Merced Road Ride will be Sunday, May 6.

Principal Planner HREN noted that the packet provided electronically to the Commissioners contained an outdated version of Appendix A as regards Item E on the Agenda. A memorandum containing the correct version of Appendix A was provided to the Commissioners.

### BICYCLE ADVISORY COMMISSION REQUESTS, INFORMATION ITEMS, AND SUBCOMMITTEE REPORTS

#### (E) SUBCOMMITTEE REPORT ON BICYCLE REGISTRATION PROCESS RECOMMENDATION

Commissioner LERER described the subcommittee's meeting with the Merced Police Department representative, Lt. STRUBEL. The subcommittee and Lt. STRUBEL found agreement that a national bike registry with proof whether electronic or paper would be an acceptable update for all involved. This removes the fee to register, which the BAC has been advocating, while allowing the Police Department to retain an enforcement tool. There has also been an update to language related to impeding pedestrian traffic with parked bicycles. The Commissioners discussed the proposed changes to the Merced Municipal Code. Mr. HREN stated that Staff would bring this language back to the BAC for formal vote after vetting it.

#### (F) REPORT FROM COMMISSIONER HICKS ON STRATEGY MEETING WITH CITY PLANNING, ENGINEERING AND PUBLIC WORKS DEPARTMENTS

Commissioner HICKS discussed the meeting and its focus on Complete Streets. He indicated that the meeting clarified for him that the General Plan needs to include some of the best practices for signage and infrastructure and other aspects of cycling before they will be a priority in the City. Mr. HREN discussed the potential for a Pilot Project for cycling infrastructure that came out of this meeting and asked the Commissioners to come to the next meeting with recommendations on where a Pilot Project should be located and what that project would include. Chairperson HOTHEM suggested seeking letters of support for a Pilot Project from community organizations and local advocacy organizations. At the request of the BAC, Mr. HREN will include an item on the next agenda to discuss policy recommendations on updates to the General Plan.

Chairperson HOTHEM opened this item for public comment at 3:49 PM.

Ms. KAYSER-GRANT commented that previous efforts were unable to get language more firm than “recommend” or “support” regarding complete streets. She proposed that design standards are revisited and improved such that they will support complete streets. She added that M Street from W 13<sup>th</sup> or W 15<sup>th</sup> up to W 18<sup>th</sup> or W 19<sup>th</sup> may serve as a valuable Pilot Project.

Chairperson HOTHEM closed public comment for this item at 3:56 PM.

The BAC discussed design standards and best practices in relationship to a potential Pilot Project. Mr. HREN noted that W Main Street has high visibility due to its location downtown, which may be a valuable component of a successful Pilot Project.

### **POLICY/BIKE PROMOTION/DEVELOPMENT RELATED ITEMS (Planning Department)**

#### **(G) UPDATE ON ACTIVE TRANSPORTATION SAFE ROUTES TO SCHOOL PLAN**

Mr. HREN introduced KENDRA BRIDGES of Alta Planning and Design. Ms. BRIDGES discussed the process to this point and the documents provided to the BAC. The BAC discussed the information provided and the prioritization aspects of the plan.

Chairperson HOTHEM opened this item for public comment at 4:19 PM.

Ms. KAYSER-GRANT recommended adding a W Main Street project from O St. to G St. She also noted a correction to the limits of item B16 and asked for clarification on other projects.

Chairperson HOTHEM temporarily closed public comment on this item at 4:24 PM due to a proposed recess.

Chairperson HOTHEM called a ten minute recess for the BAC to review the project list.

After the recess, the BAC provided Ms. BRIDGES with corrections, revisions, and suggestions to update the project list details.

Chairperson HOTHEM reopened public comment on this item at 4:52 PM.

Ms. KAYSER-GRANT suggested that W Main Street improvements be seen as a new improvement. She also recommended separating Class II bike paths from sidewalks.

Chairperson HOTHEM closed public comment for this item at 4:52 PM.

(H) DISCUSSION OF BIKE SHARE

Commissioner LERER noted that the bike share company, Spin, has partnered with the University of California already and is moving forward with an April launch of services for the Merced campus. With this arrangement, the University does not need to invest in services up front, making this a more approachable project financially.

OTHER

(I) OTHER BUSINESS

The BAC discussed dates for Bike Month. The National Bike to Work Day is Friday, May 18. The BAC determined it would be best to support a regular bicycle month proclamation for May, with May 18<sup>th</sup> as the Bike to Work and School Day, and the Mayor's Ride on May 19<sup>th</sup>.

Commissioner PALMA suggested using funding to promote education through social media rather than radio. The BAC discussed education priorities.

(J) ADJOURN TO THE NEXT REGULARLY SCHEDULED MEETING OF  
TUESDAY, APRIL 24, 2018, AT 3:00 P.M. IN THE COUNCIL CHAMBERS

ON MOTION BY COMMISSIONER HICKS, AND SECONDED BY COMMISSIONER THURSTON, DULY CARRIED BY UNANIMOUS VOICE VOTE, CHAIRPERSON HOTHEM ADJOURNED THE MEETING AT 4:50 P.M. TO THE REGULARLY SCHEDULED BICYCLE ADVISORY COMMISSION MEETING ON TUESDAY, APRIL 24, 2018, AT 3:00 P.M. IN THE CITY COUNCIL CHAMBERS, 678 W. 18<sup>TH</sup> STREET, MERCED, CALIFORNIA.

BY:



MICHAEL HREN, AICP  
PRINCIPAL PLANNER/  
COMMISSION SECRETARY

APPROVED:



TOM HOTHEM, CHAIRPERSON  
BICYCLE ADVISORY COMMISSION



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item H.3.**

Meeting Date: 5/21/2018

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*Report Prepared by: Stephani Davis, Secretary I, Planning Division*

**SUBJECT:** Information Only - Planning Commission Minutes of April 4, 2018

### RECOMMENDATION

For information only.

### ATTACHMENTS

1. PC Minutes 04-04-2018

**CITY OF MERCED**  
**Planning Commission**

**MINUTES**

Merced City Council Chambers  
Wednesday, April 4, 2018

Chairperson Dylina called the meeting to order at 7:01 p.m., followed by a moment of silence and the Pledge of Allegiance.

**ROLL CALL**

Commissioners Present: Sonia Alshami, Travis Colby, Jeremy Martinez, and Chairperson Robert Dylina

Commissioners Absent: Mary Camper (unexcused), Peter Padilla (excused), (one vacancy)

Staff Present: Director of Development Services McBride, Planning Manager Espinosa, Principal Planner Hren, Chief Deputy City Attorney Fincher, and Recording Secretary Lane

**1. APPROVAL OF AGENDA**

M/S COLBY-ALSHAMI, and carried by unanimous voice vote (two absent, one vacancy), to approve the Agenda as submitted.

**2. MINUTES**

M/S ALSHAMI-COLBY, and carried by unanimous voice vote (two absent, one vacancy), to approve the Minutes of March 21, 2018, as submitted.

**3. COMMUNICATIONS**

None.



4. **ITEMS**

- 4.1 Vesting Tentative Subdivision Map #1306 (“Stoneridge South”), initiated by Golden Valley Engineering, applicant for Biltmore Financial, Inc., property owner. This application involves the subdivision of approximately 29.75 acres of an approximately 39.7-acre parcel into 160 single-family lots. This property is generally located approximately 620 feet east of G Street between Winder Avenue and Mission Avenue, within Planned Development (P-D) #58 and has a General Plan Designation of Village Residential (VR).

Planning Manager ESPINOSA noted a memo from staff advising that the applicant requested this item be continued to the Planning Commission meeting of April 18, 2018. This item was provided to the Commission prior to the meeting. For further information, refer to Staff Report #18-08.

Public testimony was opened at 7:05 p.m.

Speaker from the Audience (Neutral):

STEVEN A. SMITH, Merced

Speaker from the Audience in Opposition:

TAMMY FAULKNER, Merced

M/S COLBY-ALSHAMI, and carried by the following vote, to continue the public hearing to the Planning Commission meeting of April 18, 2018, at 7:00 p.m. in the City Council Chambers.

AYES: Commissioners Alshami, Colby, Martinez, and Chairperson Dylina

NOES: None

ABSENT: Commissioners Camper and Padilla, (one vacancy)

ABSTAIN: None

- 4.2 Zone Change #425, initiated by Merced Gateway LLC. This application involves amending the Zoning of two parcels from Agricultural (A-1-20) to Business Park (B-P), consistent with the parcels' existing General Plan designations. The parcels total 71.135 acres and are located approximately 1,300 feet east of Coffee Drive along the north and south sides of Campus Parkway to approximately 264 feet west of the intersection of Gerard Avenue and Campus Parkway, between Gerard Avenue and Mission Drive.

Principal Planner HREN reviewed the report on this item. For further information, refer to Staff Report #18-07.

[Secretary's note: Due to the recusal of Planning Commissioner ALSHAMI, who lives close to the project site, this resulted in the lack of a quorum. This item was automatically continued and will be heard at the Planning Commission Meeting of April 18, 2018. ]

4.3 2017-2018 Annual Planning Commission Attendance Report

Planning Manager ESPINOSA noted that the City Clerk will notice the current Planning Commission vacancy of former Commissioner Smith and the upcoming vacancy of Commissioner Colby at their April 16, 2018, City Council meeting. Interviews and appointments will soon follow.

M/S COLBY-ALSHAMI, and carried by the following vote, to approve the Annual Planning Commission Attendance Report as submitted, correcting Chairperson's DYLINEA's entry on the roster to indicate that his was a replacement appointment.

AYES: Commissioners Alshami, Colby, Martinez, and Chairperson Dylina

NOES: None

ABSENT: Commissioners Camper and Padilla, (one vacancy)

ABSTAIN: None

April 4, 2018

5. **INFORMATION ITEMS**


5.1 **Calendar of Meetings/Events**

Planning Manager ESPINOSA briefed the Planning Commission on items for the next few Planning Commission meetings.


6. **ADJOURNMENT**

There being no further business, Chairperson DYLINEA adjourned the meeting at 7:21 p.m.

Respectfully submitted,

  
KIM ESPINOSA, Secretary  
Merced City Planning Commission

APPROVED:

  
for ROBERT DYLINEA, Chairperson  
Merced City Planning Commission



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item H.4.**

Meeting Date: 5/21/2018

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*Report Prepared by: Stephani Davis, Secretary I, Planning Division*

**SUBJECT:** Information Only - Site Plan Review Committee Minutes of March 15, 2018

### RECOMMENDATION

For information only.

### ATTACHMENTS

1. SP Minutes 03-15-2018

**CITY OF MERCED**  
**Site Plan Review Committee**

**MINUTES**

Planning Conference Room  
2<sup>nd</sup> Floor Civic Center  
Thursday, March 15, 2018

Chairperson McBRIDE called the meeting to order at 1:35 p.m.

**ROLL CALL**

Committee Members Present: Development Services Director McBride, Acting City Engineer Son, and Engineering Technician IV England (for Acting Assistant Chief Building Official Frazier)

Committee Members Absent: None

Staff Present: Associate Planner/Recording Secretary Nelson, Planning Manager Espinosa, City Surveyor Cardoso, Interim City Attorney Houston (by phone)

1. **MINUTES**

M/S SON-ENGLAND, and carried by unanimous voice vote, to approve the Minutes of February 8, 2018, as submitted.

3. **COMMUNICATIONS**

None.

4. **ITEMS**

4.1 Extension of Vesting Tentative Subdivision Map (VTSM) #1291 ("Bright Development") for 168 single-family lots on 39.8 acres, located at the northeast corner of G Street and Merrill Place.

Associate Planner NELSON reviewed the request for the extension of VTSM #1291. She recapped the history of the approvals and previous extensions granted by the State of California. She stated that a letter from Miller Starr Regalia,

attorneys for Bright Development, had submitted a letter to the Site Plan Review Committee on March 14, 2018, which stated that the Findings for denial (recommended by staff) were unwarranted and requested the Site Plan Committee approve the request for an extension. She also stated that a letter from Rick Telegan had been submitted on October 30, 2017, in opposition to the extension. For further information, refer to the memo to the Site Plan Review Committee dated March 15, 2018.

Chairperson McBRIDE opened the public hearing at 1:42 p.m.

Mark BEISSWANGER, representative for Bright Development, spoke in favor of the extension request. He read into the record the three bullet points from page 16 of the letter from Miller Starr Regalia to the City of Merced.

Rick TELEGAN, spoke in opposition to the extension. He stated that his map for the Palisades Subdivision (located north of the Bright Development Subdivision) was never valid because a portion of the property shown on the Palisades map was never annexed into the City.

The public hearing was closed at 1:47 p.m.

Interim City Attorney HOUSTON acknowledged receipt of the letter from Miller Starr Regalia and recommended to the Committee that this request be forwarded to the Planning Commission for final review and decision per Merced Municipal Code Section 20.68.050 C(2). She explained that the Committee may also deny the extension request or approve the request. Both of these actions would be subject to appeal to the Planning Commission and City Council.

Interim City Attorney HOUSTON further explained that by referring the decision to the Planning Commission, the Vesting Tentative Map would not expire on March 16, 2018. The map would remain active until all actions have been taken and appeals have been heard.

M/S SON-ENGLAND, and carried by the following vote, to refer the request for an extension of VTSM #1291 to the Planning Commission for review and action:

Site Plan Review Committee Minutes

Page 3

March 15, 2018

AYES: Committee Members Son, England, and Chairperson  
McBride

NOES: None

ABSENT: None

5. **INFORMATION ITEMS**

5.1 **Calendar of Meetings/Events**

There was no discussion regarding the calendar of meetings/events.

6. **ADJOURNMENT**

There being no further business, Chairperson McBRIDE adjourned the meeting at 1:59 p.m.

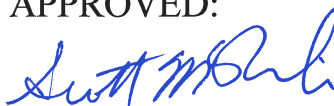
Respectfully submitted,



Julie Nelson, Secretary

Merced City Site Plan Review Committee

APPROVED:



Scott McBride, Chairperson/Development  
Services Director  
Merced City Site Plan Review Committee



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item H.5.**

Meeting Date: 5/21/2018

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*Report Prepared by: Nancy Lee, Secretary II, Engineering Division*

**SUBJECT:** Information Only - Traffic Committee Meeting Minutes of March 13, 2018

### RECOMMENDATION

For information only.

### ATTACHMENTS

1. Minutes



## TRAFFIC COMMITTEE

### MINUTES

March 13, 2018

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#### A. CALL TO ORDER

The meeting was called to order at 2:01 p.m.

#### B. ROLL CALL

Present: Chairperson: Steven Son, City Engineer

Committee Members: Michael Hren, Planning Manager Designee  
Juan Olmos, Director of Public Works Designee  
Jacob Struble, Police Chief Designee  
Michael Wilkinson, Fire Chief

Absent: None.

#### C. ORAL COMMUNICATIONS

None.

#### D. CONSENT CALENDAR

##### 1. Traffic Committee Minutes of January 9, 2018

##### RECOMMENDATION:

Approve and file.

Michael Hren Moved, Michael Wilkinson Seconded

**Vote:** 5-0

**Voting Aye:** Steven Son, Juan Olmos, Michael Hren, Jacob Struble,  
Michael Wilkinson

Clerk's Note: Staff recommendation approved.

## E. REPORTS

### 1. Committee Member Reports

*(At this time, it is appropriate for any Committee Member to give an informational report of any work completed, training, or other item to share with other members. Please be brief, and no action may be taken on these items.)*

## F. BUSINESS

### 1. Request #18-003 – Request for Speed Limit Signs on El Portal Drive between Parsons Avenue and McKee Road (Joe Brucia)

*(Citizen is requesting a speed limit sign installed on El Portal Drive between Parsons Avenue and McKee Road. There are resident kids in the area and signage is required for their safety.)*

Chairperson SON informed that the Merced City Council has previously directed to decrease the speed limit in the area to 30 MPH which encompasses the citizen's request.

**MOTION:** To deny request.

**COUNCIL ACTION REQUIRED:** None at this time.

Michael Wilkinson Moved, Jacob Struble Seconded

**Vote:** 5-0

**Voting Aye:** Steven Son, Juan Olmos, Michael Hren, Jacob Struble, Michael Wilkinson

### 2. Request #18-004 – Request for On-Street Disabled Persons Parking at 1156 Crescent Avenue (Patricia Morgan for Leroy Morgan)

*(Citizen is requesting the addition of on-street disabled persons parking at 1156 Crescent Avenue.)*

Chairperson SON stated that the applicant's request for on-street disabled persons parking did not meet construction of an Americans with Disabilities Act (ADA) compliant space.

Committee Member STRUBLE agreed and mentioned that the last few years he has had to deny such requests.

**MOTION:** To deny request.

COUNCIL ACTION REQUIRED: None at this time.

Jacob Struble Moved, Michael Hren Seconded

**Vote:** 5-0

**Voting Aye:** Steven Son, Juan Olmos, Michael Hren, Jacob Struble, Michael Wilkinson

3. Request #18-005 – Request to Repaint Existing Student Loading/Unloading Red Curbs in Front of School to White Curbs to Allow Parking Outside of Regular School Hours (Merced Police Officer Ben Dalia)

*(Officer Dalia is requesting that the existing red paint marked for student loading/unloading be repainted white to allow residents/citizens to park their vehicles outside of regular school hours.)*

Committee Member WILKINSON declared that buses should not be allowed to park in red zone and they should be ticketed. WILKINSON suggested that the City follow State Vehicle Code pertaining to fire lane and cleanup our Municipal Code.

Committee Member OLMOS expressed that the Vehicles and Traffic Ordinance is currently under review.

Chairperson SON added that the ordinance especially pertaining to the red curb requires updating.

Committee Member WILKINSON concluded that he will direct the Fire Marshal to inspect the curb area in front of the school and remove any “No Parking” signs if necessary as well as note corrections to bring the Municipal Code up-to-date.

**MOTION:** To deny request.

COUNCIL ACTION REQUIRED: None at this time.

Michael Wilkinson Moved, Juan Olmos Seconded

**Vote:** 5-0

**Voting Aye:** Steven Son, Juan Olmos, Michael Hren, Jacob Struble,  
Michael Wilkinson

G. ADJOURNMENT

The meeting was adjourned at 2:34 p.m.

By:



Nancy Lee  
Recording Secretary

Approved:



Steven Son  
City Engineer/Chairperson



## ADMINISTRATIVE REPORT

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**Agenda Item H.6.**

Meeting Date: 5/21/2018

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**SUBJECT:** City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of April 16, 2018 and April 30, 2018

### REPORT IN BRIEF

Official adoption of previously held meeting minutes.

### RECOMMENDATION

**City Council/Public Financing and Economic Development/Parking Authority** - Adopt a motion approving the meeting minutes of April 16, 2018 and April 30, 2018.

### ALTERNATIVES

1. Approve as recommended; or,
2. Approve, subject to amendments.

### ATTACHMENTS

1. Minutes of April 16, 2018
2. Minutes of April 30, 2018



# CITY OF MERCED

City Council Chamber  
Merced Civic Center  
2nd Floor  
678 W. 18th Street  
Merced, CA 95340

## Minutes

### City Council/Public Finance and Economic Development Authority/Parking Authority

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Monday, April 16, 2018

6:00 PM

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#### A. CLOSED SESSION ROLL CALL

**Present:** 7 - Council Member Michael Belluomini, Council Member Anthony Martinez, Mayor Pro Tempore Jill McLeod, Council Member Joshua Pedrozo, Council Member Matthew Serratto, Mayor Mike Murphy, and Council Member Kevin Blake

**Absent:** 0

#### B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:08 PM.

**B.1.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6

**B.2.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6

**Clerk's Note:** Council adjourned from Closed Session at 5:48 PM.

#### C. CALL TO ORDER

Mayor MURPHY called the Regular Meeting to order at 6:01 PM.

C.1. Invocation - Monika Grasley, Lifeline Community Development Corp.

The invocation was delivered by Monika GRASLEY from Lifeline Community Development Corp.

C.2. Pledge Allegiance to the Flag

Council Member SERRATTO led the Pledge of Allegiance to the Flag.

#### D. ROLL CALL

**Present:** 7 - Council Member Michael Belluomini, Council Member Anthony Martinez, Mayor Pro Tempore Jill McLeod, Council Member Joshua Pedrozo, Council Member Matthew Serratto, Mayor Mike Murphy, and Council Member Kevin Blake

**Absent:** 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

## **E. REPORT OUT OF CLOSED SESSION**

There was no report.

## **F. CEREMONIAL MATTERS**

**F.1.** **SUBJECT:** Proclamation - Arbor Day

### **REPORT IN BRIEF**

Received by Ken Elwin

Mayor MURPHY presented Director of Public Works Ken ELWIN a proclamation for Arbor Day.

## **G. WRITTEN PETITIONS AND COMMUNICATIONS**

There were none.

## **H. ORAL COMMUNICATIONS**

There were no speakers.

## **I. CONSENT CALENDAR**

Items I.5. Lease Renewal, Second Amendment, Between the City of Merced and Kaljian Family Revocable Trust for Evidence Storage Facility at 450/460 Grogan Avenue, I.6. Approval of Legal Service Agreement with the Law Firm Silver & Wright, LLP, for \$75,000 for Special Legal Services Related to Receivership Actions; Waiver of the Competitive Bidding Requirement (Professional Services), I.9. Street Closure Request #18-07 (Tsunami Collaboration, with Merced Main Street Association, for Use of City Streets for the Lao New Year Celebration Event), I.10. Award Bid to Tim Paxin's Pacific Excavation for the Traffic Signal Loop Detection Installation, Project 113005, I.11. Award Bid to Avison Construction, Inc. for the ATP045 Multi-Use Pathway Crossing Hwy 59 and BNSF RR Project No. 115047, and I.12. Agreement for Landscape Vegetation Replacement

and Irrigation Repair with Yard Masters, Inc., for the Las Brisas, Fahrens Park II, Tuscany, University Park, University Park II, and Mercy Hospital Special Districts and Supplemental Budget Appropriation; were pulled for separate consideration.

### Approval of the Consent Agenda

A motion was made by Council Member Blake, seconded by Council Member Serratto, to approve the Consent Agenda. The motion carried by the following vote:

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

#### I.1. **SUBJECT:** Reading by Title of All Ordinances and Resolutions

##### REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

##### RECOMMENDATION

**City Council** - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

**This Consent Item was approved.**

#### I.2. **SUBJECT:** Information Only-Planning Commission Minutes of March 7, 2018

##### RECOMMENDATION

For information only.

**This Consent Item was approved.**

#### I.3. **SUBJECT:** City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of March 19, 2018

##### REPORT IN BRIEF

Official adoption of previously held meeting minutes.

##### RECOMMENDATION



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**City Council/Public Financing and Economic**

**Development/Parking Authority** - Adopt a motion approving the meeting minutes of March 19, 2018.

**This Consent Item was approved.**

**I.4.**

**SUBJECT:** Notice of Vacancies (2) - Planning Commission

**REPORT IN BRIEF**

Requests direction for filling two vacancies on the Planning Commission.

**RECOMMENDATION**

**City Council** - Adopt a motion directing staff to notice vacancies (2) on the Planning Commission, one due to the resignation of Kevin Smith and one due to the upcoming term completion of Travis Colby (July 1, 2018), and to seek applicants for the positions, with an application deadline of May 15, 2018.

**This Consent Item was approved.**

**I.7.**

**SUBJECT:** Approval of Agreement with Merced Area Sports Officials

**REPORT IN BRIEF**

Annual agreement with Merced Area Sports Officials for officiating and score keepers.

**RECOMMENDATION**

**City Council** - Adopt a motion approving an agreement with Merced Area Sports Officials (MASO) in the amount of \$31,342 and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

**This Consent Item was approved.**

**I.8.**

**SUBJECT:** Annexation into Community Facilities District (CFD) No. 2003-2 (Services) for Merced Station (Formerly University Village Merced - Lake) and Setting a Public Hearing for May 21, 2018, to Hold the Election for Annexation into the CFD

**REPORT IN BRIEF**

This report requests the City Council to accept the petition to annex into CFD No. 2003-2 (Services) from Merced Station, LLC; approve a

deposit and reimbursement agreement with Merced Station, LLC; adopt a Resolution of Intent to annex the Merced Station Apartment Project into Community Facilities District (CFD) No. 2003-2; and set a Public Hearing for May 21, 2018, to hold the election for annexation into the CFD.

#### RECOMMENDATION

**City Council** - Adopt a motion:

A. Accepting the petition for the initiation of proceedings for establishment of a Community Facilities District from Merced Station LLC; and,

B. Adopting **Resolution 2018-25**, A Resolution of Intention of the City Council of the City of Merced, acting as the Legislative Body of the City of Merced Community Facilities District No. 2003-2 (Services), declaring its intention to annex area to said district and authorize the levy of a special tax within said annexation, and approving a certain agreement related thereto; and,

C. Authorizing the appropriation of funds from the deposit to Fund 150 to reimburse the City for Community Facilities District formation related expenditures; and,

D. Setting the Public Hearing for May 21, 2018.

**This Consent Item was approved.**

I.13.

**SUBJECT:** Maintenance Districts Engineer's Reports and Budgets - Fiscal Year 2018/2019 and Setting a Public Hearing

#### REPORT IN BRIEF

Consider setting a public meeting for Monday, June 4, 2018, to address the proposed Engineer's Reports and Budgets. The Council must then conduct a formal public hearing set for Monday, June 18, 2018, before a determination is made on the level of assessment to approve.

#### RECOMMENDATION

**City Council** - Adopt a motion adopting **Resolution 2018-23**, a Resolution of the City Council of the City of Merced, California, approving the Engineer's Reports on Maintenance Districts and setting a public meeting and a public hearing thereon.

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This Consent Item was approved.

I.14.

**SUBJECT:** Purchase of a Replacement Police Vehicle and Requests for a Budget Appropriation for the Purchase and a Waiver of the Competitive Bidding Requirement

**REPORT IN BRIEF**

Fleet Services is requesting approval from Council to appropriate \$34,196 from the Fleet Capital Replacement fund, accept Insurance reimbursements for one wrecked police vehicle, and waiving the City's bid requirements to purchase a new 2017 Chevrolet Caprice Police Vehicle from a local dealership.

**RECOMMENDATION**

**City Council** - Adopt a motion:

- A. Requesting an appropriation of \$34,196 from the Fleet Capital Replacement Fund to replace one wrecked Police Patrol Vehicle;
- B. Accepting insurance reimbursement revenue from McLaren's Insurance, crediting those funds back to the Fleet Capital Replacement Fund;
- C. Waiving the City's bid requirement, allowing a direct purchase from a local dealership for the purchase of one new 2017 Chevrolet Caprice Police Vehicle; and
- D. Authorizing the Finance Officer to make the appropriate budget adjustments and City Buyer to issue the Purchase Orders.

This Consent Item was approved.

I.5.

**SUBJECT:** Lease Renewal, Second Amendment, Between the City of Merced and Kaljian Family Revocable Trust for the Evidence Storage Facility at 450/460 Grogan Avenue

**REPORT IN BRIEF**

Second amendment to the lease agreement exercising an option to extend the lease 5-years with a new lease rate for a ±10,410 square foot warehouse and ±1.12-acre yard for use by the Merced Police Department with the Kaljian Family Revocable Trust.

**RECOMMENDATION**

**City Council** - Adopt a motion approving the second amendment to the lease agreement with the Kaljian Family Revocable Trust for the facility and yard at 460 Grogan Avenue extending the lease for five years and lease rates; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Council Member BELLUOMINI pulled this item to ask about the lease renewal for the evidence storage facility.

Council Member BELLUOMINI and Director of Economic Development Frank QUINTERO discussed the length of the lease renewal.

**A motion was made by Council Member Belluomini, seconded by Council Member Pedrozo, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

**I.6.**

**SUBJECT:** Approval of Legal Service Agreement with the Law Firm Silver & Wright, LLP, for \$75,000 for Special Legal Services Related to Receivership Actions; Waiver of the Competitive Bidding Requirement (Professional Services)

**REPORT IN BRIEF**

Considers approving a legal services agreement with the law firm Silver and Wright in the not to exceed amount of \$75,000 annually for receivership actions filed under the Health and Safety Code on substandard properties within the City; waives the competitive bidding requirement (Professional Services).

**RECOMMENDATION**

**City Council** - Adopt a motion approving a legal service agreement with the law firm Silver & Wright, LLP, for \$75,000 annually for code enforcement receivership actions and waive the competitive bidding requirement (Professional Services); and, authorizing the City Manager or Assistant City Manager to execute the legal services agreement.

Council Member SERRATTO pulled this item to ask about details of the contract with Silver & Wright, LLP.

Council Member SERRATTO and Chief Deputy City Attorney Kelly FINCHER discussed reimbursement, lien enforcement, and receiverships.

**A motion was made by Council Member Serratto, seconded by Council Member Blake, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

**I.9.**

**SUBJECT:** Street Closure Request #18-07 (Tsunami Collaboration, with Merced Main Street Association, for Use of City Streets for the Lao New Year Celebration event)

**REPORT IN BRIEF**

The Tsunami Collaboration, with co-sponsor Merced Main Street Association, request the use of City streets for a celebration of the Lao culture, to include a parade, on Saturday, April 28, 2018, from 9:00 a.m. to 6:00 p.m.

**RECOMMENDATION**

**City Council** - Adopt a motion approving the street closures of W. Main Street between H and M Streets and Canal Street between W. Main and W. 18th Street, and the use of a portion of City Parking Lot #6 on Saturday, April 28, 2018, from 9:00 a.m. to 6:00 p.m., subject to the details and conditions outlined in the administrative staff report.

Council Member MARTINEZ pulled this item to have the representative discuss the event.

Sue Bangon EMANIVONG, Tsunami Collaboration, discussed the details of the event that includes a parade and performances.

**A motion was made by Council Member Martinez, seconded by Council Member Pedrozo, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

I.10.

**SUBJECT:** Award Bid to Tim Paxin's Pacific Excavation for the Traffic Signal Loop Detection Installation, Project 113005

**REPORT IN BRIEF**

Consider awarding a construction contract to Tim Paxin's Pacific Excavation in the amount of \$206,247.00 for the Traffic Signal Loop Detection Installation at four locations within the city limits of Merced.

**RECOMMENDATION**

**City Council** - Adopt a motion:

A. Awarding the Traffic Signal Loop Detection Installation, Project 113005 to Tim Paxin's Pacific Excavation of Elk Grove, California, in the amount of \$206,247.00; and,

B. Authorizing the City Manager or Assistant City Manager to execute the necessary documents and to approve change orders not to exceed 10% of the total contract; and,

C. Authorizing the Finance Officer to make necessary budget adjustments.

Council Member BELLUOMINI pulled this item to ask about the need for an updated system.

Council Member BELLUOMINI and Deputy Director of Public Works Steven SON discussed the difference between the loop system and camera system and updating the system.

**A motion was made by Council Member Belluomini, seconded by Council Member Blake, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

I.11.

**SUBJECT:** Award Bid to Avison Construction, Inc. for the ATP045 Multi-Use Pathway Crossing Hwy 59 and BNSF RR Project No. 115047

**REPORT IN BRIEF**

Consider awarding a construction contract in the amount of \$346,548.00 for the multi-use pathway crossing along Hwy 59 at BNSF RR.

**RECOMMENDATION**

**City Council** - Adopt a motion awarding the ATP045 Multi-Use Pathway Crossing Hwy 59 and BNSF RR Project No. 115047 to Avison Construction, Inc., in the amount of \$346,548.00; and authorizing the City Manager, or Assistant City Manager, to execute the necessary documents and to approve change orders not to exceed 10% of the total contract.

Council Member BELLUOMINI pulled this item to ask about the bid results.

Council Member BELLUOMINI and Deputy Director of Public Works Steven SON discussed the difference in dollar amount between the bids received and the bid results analysis.

Mr. SON stated that he had verified with Avison to ensure the bid amount was valid.

**A motion was made by Council Member Belluomini, seconded by Council Member Pedrozo, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

**I.12.**

**SUBJECT:** Agreement for Landscape Vegetation Replacement and Irrigation Repair with Yard Masters, Inc., for the Las Brisas, Fahrens Park II, Tuscany, University Park, University Park II, and Mercy Hospital Special Districts and Supplemental Budget Appropriations

**REPORT IN BRIEF**

Consider awarding an agreement to Yard Masters, Inc., for Phase 2 of the landscape vegetation replacement and irrigation repair project in drought-impacted Special Assessment Districts; and approving supplemental budget appropriations to cover the work.

**RECOMMENDATION**

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**City Council - Adopt a motion:**

- A. Approving an agreement for professional services with Yard Masters, Inc., in the amount of \$39,664, for landscape vegetation replacement and irrigation repair at identified Special Districts; and,
- B. Authorizing the City Manager or Assistant City Manager to approve future contract amendments not to exceed 10% of the contract value; and,
- C. Approving a supplemental appropriation of funds from the unappropriated reserves in the amount of \$39,664, in the following Special Assessment Districts: Las Brisas, (\$5,385), Fahrens Park II (\$12,390), Tuscany (\$3,135), University Park (\$10,530), University Park II (\$3,024), and Mercy Hospital (\$5,200); and approving future supplemental budget appropriations to cover the cost of the amendments; and,
- D. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Council Member PEDROZO pulled this item to state his concern on the bid analysis.

**A motion was made by Council Member Pedrozo, seconded by Council Member Blake, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

## **J. PUBLIC HEARINGS**

**J.1.****SUBJECT: Applications for the Department of Housing and Urban Development (HUD) 2018 Annual Action Plan**

### **REPORT IN BRIEF**

Public hearing to review applications received for inclusion into the Department of Housing and Urban Development (HUD) 2018 Annual Action Plan.



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**RECOMMENDATION**

**City Council** - Adopt a motion accepting the prioritized applications and directing staff to fund them in order as funding becomes available from the U.S. Department of Housing and Urban Development.

Housing Supervisor Mark HAMILTON gave a slide show presentation on the Housing and Urban Development (HUD) 2018 Annual Action Plan.

Council and Mr. HAMILTON discussed the discrepancies in the amount spent versus the amount funded, permanent housing, and tiny homes.

Mayor MURPHY opened the Public Hearing at 6:52 PM.

Daniel Jovan PULIDO, Merced - asked about the application process and the date to turn in the application.

Candice Adam - MEDEFIND, Healthy House, Merced - gave a brief report on the Healthy House projects.

Mayor MURPHY closed the Public Hearing at 7:02 PM.

Council discussed dispersing the money so that all the applicants will get some funding.

**A motion was made by Council Member Belluomini, seconded by Council Member Blake, to continue this item for the July 2nd Council Meeting. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

**K. REPORTS**

**K.1.**

**SUBJECT:** Report - 2017 Crime Statistics

**REPORT IN BRIEF**

Provides an update to Council on certain crime statistics for the 2017 calendar year.

**RECOMMENDATION**

For information only.

Interim Police Chief Chris GOODWIN gave a slide show presentation on

the 2017 Crime Statistics.

Council and Mr. GOODWIN discussed the crime statistics, recruitment/staffing, a new Police Station, and homeless issues.

**Clerk's Note:** Council recessed at 8:19 pm and returned at 8:34 PM.

**K.2.**

**SUBJECT:** Selection of Projects for the Road Repair and Accountability Act (SB1) FY18/19 Apportionment and Prioritization of Regional Measure V Projects

**REPORT IN BRIEF**

Approves the list of projects proposed to be funded with Road Maintenance and Rehabilitation Account (RMRA) funds pursuant to SB1 for FY 18/19, as well as prioritizes proposed regional projects to be funded by Measure V.

**RECOMMENDATION**

**City Council** - Adopt a motion:

A. Approving **Resolution 2018-24**, A Resolution of the City Council of the City of Merced, California, Approving the "FY 2018-2019 Project List" for the Road Repair and Accountability Act (SB1), Local Streets and Roads Funding for Fiscal Year 2018-2019"; and,

B. Prioritizing the list of proposed Regional Projects to be submitted to the Merced County Association of Governments (MCAG).

Director of Public Works Ken ELWIN gave a slide show presentation on the selection of projects for the Road Repair and Accountability Act (SB1) fiscal year 18/19 apportionment and prioritizing of Regional Measure V projects.

Council and Staff discussed the pavement management system, Campus Parkway Phase 3, the Childs Avenue project, Highway 59 and 16th Street project, and the Black Rascal Bridge widening. They also discussed the Parsons Avenue project estimated cost and the widening projects for Mission Avenue and Bellevue Road.

Council gave staff their top three Measure V projects; Black Rascal Bridges widening, Highway 59; Olive to 16th Street, and Highway 59; Olive to Yosemite.

A motion was made by Council Member Pedrozo, seconded by Mayor Pro Tempore McLeod, to approve the SB1 project list with the addition of Campus Parkway, the top three Measure V projects Council recommended, and adopting Resolution 2018-24. The motion carried by the following vote:

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

**K.3.**

**SUBJECT:** Accept the Standards of Coverage Assessment Report, Volumes 1 (Technical Report) and 2 (Map Atlas) for the Fire Department

**REPORT IN BRIEF**

On April 17, 2017 the City Council approved the funding and contract with CityGate Associates, LLC to complete a Fire Department Standards of Coverage Assessment. The Standards of Coverage Assessment has been completed and is presented in two volumes.

**RECOMMENDATION**

**City Council** - Adopt a motion accepting the comprehensive Standards of Cover (SOC) report, Volumes 1 (Technical Report) and 2 (Map Atlas) pending future policy direction.

CityGate Associates Consultant Sam MAZZA gave a slide show presentation on the Standards of Coverage Assessment.

Council, Mr. MAZZA, and Staff discussed the number of trucks and engines recommended, and potential fire station by Merced College, UC Merced, and Campus Parkway. They also discussed response times, defibulators to reduce negative outcomes, and additional resources to Station 51.

Fire Chief Michale WILKINSON stated that future action items would come before Council based on the Standards of Coverage report.

A motion was made by Council Member Belluomini, seconded by Council Member Blake, to accept the Standards of Coverage Assessment Report. The motion carried by the following vote:

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 0

## L. BUSINESS

### L.1. SUBJECT: City Council Downtown Subcommittee

#### REPORT IN BRIEF

This item is in response to Mayor Pro-Tempore McLeod's request to discuss the formation of a Council subcommittee to meet with other local municipalities with successful downtown areas.

#### RECOMMENDATION

Select Council subcommittee and direct staff as needed.

Council Member MCLEOD briefly discussed forming a downtown subcommittee.

Council and Staff discussed developing a subcommittee to improve the downtown area.

Mayor Pro Tempore MCLEOD, Council Member SERRATTO, and Council Member BLAKE volunteered to be apart of the Downtown Subcommittee.

**A motion was made by Mayor Murphy, seconded by Council Member Pedrozo, to appoint Mayor Pro Tempore McLeod, Council Member Serratto, and Council Member Blake to the Downtown Subcommittee. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0

### L.2. Request to Add Item to Future Agenda

Council Member BELLUOMINI requested to add Council goals and priorities third quarter review to the May 21st meeting.

### L.3. City Council Comments

Council Member PEDROZO reported on attending the UC Merced Town Hall Meeting.

Council Member BELLUOMINI reported on attending the Fire Fighters Award Dinner, a luncheon by the Sherriff's Department, and the 60th Anniversary of the Friends of the Library.

Council Member MCLEOD praised community member John CARLISE for his work with the CASA Organization.

Council Member MARTINEZ reported on attending the Youth Sports Parade, the Playhouse Merced Theater Event, and also talked about a food drive.

Mayor MURPHY reported on attending the Neighbors for a Better South Merced Meeting. He also spoke on his trip to the City's Sister City in Nicaragua and the destruction of the El Capitan Hotel.

## M. ADJOURNMENT

**Clerk's Note:** The Regular Meeting adjourned at 10:40 PM.

**A motion was made by Council Member Pedrozo, seconded by Council Member Blake, to adjourn the Regular Meeting. The motion carried by the following vote:**

**Aye:** 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 0



# CITY OF MERCED

City Council Chamber  
Merced Civic Center  
2nd Floor  
678 W. 18th Street  
Merced, CA 95340

## Minutes

### City Council/Public Finance and Economic Development Authority/Parking Authority

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Monday, April 30, 2018

5:00 PM

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#### A. CALL TO ORDER

Mayor MURPHY called the Special Meeting to order at 5:08 PM.

#### B. ROLL CALL

**Present:** 5 - Council Member Michael Belluomini, Mayor Pro Tempore Jill McLeod, Council Member Joshua Pedrozo, Mayor Mike Murphy, and Council Member Kevin Blake  
**Absent:** 2 - Council Member Anthony Martinez, and Council Member Matthew Serratto

B.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

#### C. REPORTS

C.1. **SUBJECT:** City-Owned Real Property Use Request #18-06 for Bob Hart Square (The Regents of the University of California/Class of 2018 Graduation Reception)

##### REPORT IN BRIEF

Consider allowing the exclusive use of Bob Hart Square Park on Friday, May 4, 2018, from 12:00 p.m. to 11:00 p.m. (event time 7:00 p.m. to 10:30 p.m.), for the Regents of the University of California/Merced's annual graduation reception, which includes the serving of wine.

##### RECOMMENDATION

**City Council** - Adopt a motion approving the exclusive use of Bob Hart Square Park on Friday, May 4, 2018, from 12:00 p.m. to 11:00 p.m., for a graduation reception (including the serving of wine); subject to the conditions outlined in the administrative report.

Development Services Director Scott MCBRIDE gave a report on the event to be held by UC Merced in Bob Hart Square downtown.

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**A motion was made by Council Member Blake, seconded by Council Member Belluomini, that this agenda item be approved. The motion carried by the following vote:**

**Aye:** 5 - Council Member Belluomini, Mayor Pro Tempore McLeod, Council Member Pedrozo, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 2 - Council Member Martinez, and Council Member Serratto

**C.2.**

**SUBJECT:** Comment Letter on the California High Speed Rail Authority 2018 Business Plan

**REPORT IN BRIEF**

Provide direction to staff on submitting a comment letter on the California High Speed Rail Authority 2018 Business Plan.

**RECOMMENDATION**

**City Council** - Adopt a motion providing direction to staff to draft a comment letter on the California High Speed Rail Authority's 2018 Business Plan to include points that emphasize the importance of moving Merced into the Initial Operating Segment.

Mayor MURPHY briefed the Council on the current High Speed Rail Business Plan and the need for a letter to the Authority.

**A motion was made by Mayor Murphy, seconded by Council Member Pedrozo, to direct staff to draft a comment letter on the California High Speed Rail Authority's 2018 Business Plan to include points that emphasize the importance of moving Merced into the initial operating segment. The motion carried by the following vote:**

**Aye:** 5 - Council Member Belluomini, Mayor Pro Tempore McLeod, Council Member Pedrozo, Mayor Murphy, and Council Member Blake

**No:** 0

**Absent:** 2 - Council Member Martinez, and Council Member Serratto

**D. CLOSED SESSION**

**Clerk's Note:** Council adjourned to Closed Session at 5:19 PM.

**D.1.**

**SUBJECT:** PUBLIC EMPLOYMENT - Title: City Attorney; Authority: Government Code Section 54957

**Clerk's Note:** Council Member SERRATTO attended the Closed session at 5:22 PM via telephone.

**E. REPORT OUT OF CLOSED SESSION**

There was no report.

**F. ADJOURNMENT**

Mayor MURPHY adjourned the meeting at 5:58 PM.





# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item H.7.**

Meeting Date: 5/21/2018

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*Report Prepared by: John Tresidder, Assistant City Clerk, City Clerk's Office*

**SUBJECT:** Boards and Commissions Annual Vacancies

### REPORT IN BRIEF

Authorizes staff to seek applicants for vacancies for terms expiring July 1, 2018 and for current vacant seats on all Boards and Commissions.

### RECOMMENDATION

**City Council** - Adopt a motion directing the Clerk's Office to notice all current vacant seats and upcoming vacancies for all Boards and Commissions.

### ALTERNATIVES

1. Direct staff to notice the vacancies and to seek applicants for the positions; or
2. Give staff specific instructions regarding how to advertise for the vacancies.

### AUTHORITY

City of Merced Charter Sections 700, 702, and 702.1.

### CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

### DISCUSSION

The Clerk's Office has conducted the annual review of appointments to the City Boards and Commissions to determine the terms of office expiring on July 1, 2018. Those board members and commissioners who have served two consecutive terms of office are not eligible to serve another term per the City of Merced Charter.

Unless other directions are necessary, the vacancies will be posted in accordance with Government Code Section 54970, et seq., and the matter of appointment placed on a future City Council agenda. If Council Members have any direction regarding how to advertise for the vacancies other than the usual notice to the newspaper, website, and Civic Center posting boards, and if Council feels certain areas of expertise and/or experience are necessary for these appointees, please advise. Attached is the vacancy list maintained by the Clerk's Office.

### ATTACHMENTS

1. Vacancy List



# City of Merced

## Local Appointments List

NOTICE OF BOARD, COMMISSION, AND COMMITTEE APPOINTEE  
TERMS, PURSUANT TO GOVERNMENT CODE SECTION 54972

2018

City of Merced residents interested in openings must submit an Application, which may be completed online through the City’s website (at [www.cityofmerced.org](http://www.cityofmerced.org); see bottom of this page for instructions).

<b>BICYCLE ADVISORY COMMISSION</b> Four-Year Term	<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. Persons who demonstrate a strong concern for bicycle-related issues within the City are encouraged to apply. The Commission consists of seven City of Merced voting members, and two non-voting, ex-officio members, who may be non-City residents.		
<b>Meets on the 4th Tuesday (of even-numbered months) at 3:00 p.m. in the City Council Chamber</b> <b>PURPOSE:</b> The BAC serves as an advisory body to the City Council on matters relating to improving safety conditions for bicyclists, while promoting bicycling as a means of transportation to improve air quality. The Commission also helps to implement policy, programs, and bike routes. (Established 2/17/2009 by Ord. No. 2323.)			
<b>MEMBER(S)</b>	<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
<b>TWO (2) VACANCIES (Ex-Officios [non-voting positions])</b>			
<b>BUILDING AND HOUSING BOARD OF APPEALS</b> Four-Year Term	<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. The Board consists of five members. Preference is given to applicants who demonstrate a working-knowledge and understanding of the City’s Building, Housing, Administrative, Electrical, Mechanical, Plumbing, Fire-Prevention, and Abatement of Dangerous Buildings Codes.		
<b>Meets as needed or at least once yearly.</b> <b>PURPOSE:</b> The Board hears and decides appeals of orders, decisions, or determinations made by the Chief Building Official relative to the application and interpretation of the Merced Municipal Code. The Board consists of five voting members, three of whom are registered or licensed professionals in the trades of design, engineering, construction, or inspection of buildings. In addition, the Chief Building Official serves as a non-voting, ex-officio member and acts as Secretary to the Board. (Established 4/5/2004 by Ord. No. 2151.)			
<b>MEMBER(S)</b>	<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
<b>Alvarez, Alfred</b> <b>FOUR (4) VACANCIES</b>	At-Large	08/04/2014	07/01/2018
<b>MEASURE C – CITIZENS’ OVERSIGHT COMMITTEE</b> Four-Year Term	<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. The Committee consists of nine voting members, three from each of the three Policing Districts of the City. There are also ex-officio members representing various recognized municipal employee bargaining units. (Established 11/8/2005 by Ord. No. 2222.)		
<b>Meets the 2nd Tuesday two months after the end of each quarter at 6:00 p.m. in the City Council Chamber</b> <b>PURPOSE:</b> Reviews projected revenues generated by the voter-approved Measure C, a one-half cent sales tax, and recommends proposed expenditures to the City Council. (Authority: Chapter 3.38.050 of the Merced Municipal Code.)			
<b>MEMBER(S)</b>	<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
<b>SIX (6) VACANCIES (3 Northern; 3 Southern);</b> <b>ONE (1) VACANCY (Ex-Officio [non-voting position])</b>			

To apply, go to [www.cityofmerced.org](http://www.cityofmerced.org) and select City Clerk, then Boards & Commissions. Next, on the webpage which appears, click on this link:



<b>PERSONNEL BOARD</b> Four-Year Term		<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. The Board consists of five members—two nominated by election by employees in the classified service, one nominated by the Board for appointment by the City Council, and two appointed directly by the City Council. (Created by City Charter, Section 709.)		
<b>Meets on the 2nd Monday of each month at 4:00 p.m. in the City Council Chamber</b> <b>PURPOSE:</b> Recommends to the City Council the adoption, amendment, or repeal of civil service rules and regulations; hears appeals of any person in the classified service relative to any suspension, demotion, or dismissal; and makes any investigation which it may consider desirable concerning the administration of City personnel.				
<b>MEMBER(S)</b>		<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
Flores, Helen		At-Large	10/20/2014	07/01/2018
<b>PLANNING COMMISSION</b> Four-Year Term		<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. The Commission consists of seven members, none of whom hold any paid office or employment in the City government. (Created in 1955 by City Charter, Section 707.)		
<b>Meets on the 1st and 3rd Wednesdays of each month at 7:00 p.m. in the City Council Chamber (following the City Council meetings on the first and third Mondays of each month)</b> <b>PURPOSE:</b> The Commission holds public hearings to periodically update the City’s General Plan and to review applications for discretionary development within the City, including recommendations for projects requiring final City Council action. In doing so, it studies land subdivisions, planning, and zoning matters, and recommends to the City Council the adoption, amendment, or repeal of the City’s General Plan for the physical development of the City. The Commission also serves as the Design Review/Historic Preservation Commission and as the Board of Zoning Adjustment.				
<b>MEMBER(S)</b>		<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
Colby, Travis <b>ONE (1) VACANCY</b>		At-Large	08/04/2014	07/01/2018
<b>RECREATION AND PARKS COMMISSION</b> Four-Year Term		<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. The Commission consists of seven members, none of whom hold any paid office or employment in the City government. (Created by City Charter, Section 711.)		
<b>Meets on the 4th Monday of each month at 5:30 p.m. in the City Council Chamber</b> <b>PURPOSE:</b> Serves in an advisory capacity to the City Council in all matters pertaining to recreation and parks; considers the annual budget for recreation and parks during the process of its preparation, and makes recommendations with respect thereto to the City Manager and to the City Council; and assists in the planning of a recreation program for the citizens of Merced.				
<b>MEMBER(S)</b>		<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
Jenkins, Jeremy ( <i>Vice-Chair</i> )		At-Large	05/05/2014	07/01/2018
Curiel, Yesenia		At-Large	07/17/2017	07/01/2018
Pierick, Michael D.		At-Large	07/17/2017	07/01/2018
<b>REGIONAL AIRPORT AUTHORITY</b> Four-Year Term		<b>Necessary qualifications:</b> Current City of Merced residents who are registered to vote in City elections are eligible. The Authority consists of seven members. (Established 7/1/2013 by Ord. No. 2410.)		
<b>Meets on the 3rd Tuesday of each month at 7:00 p.m. in the City Council Chamber</b> <b>PURPOSE:</b> Created for the provision and maintenance of public airports and landing places for the use of the public. (Authority: Chapter 2.31 of the Merced Municipal Code.)				
<b>MEMBER(S)</b>		<b>Nomination By:</b>	<b>Date of Last Appointment</b>	<b>Date Current Term Expires</b>
<b>TWO (2) VACANCIES</b>				



## ADMINISTRATIVE REPORT

Agenda Item H.8.

Meeting Date: 5/21/2018

*Report Prepared by: Kimberly Nutt, Planning Technician II, Development Services*

**SUBJECT:** City Owned Real Property Request #18-02 for Bob Hart Square (Mercy Medical Center Merced Foundation for a Dinner Fundraiser)

### REPORT IN BRIEF

Consider allowing the exclusive use of Bob Hart Square by the Mercy Medical Center Merced Foundation for the bi-annual "Taste of Merced" fundraiser, to include the serving of alcohol, on Friday, September 28, 2018, from 2:00 p.m. to 10:00 p.m.

### RECOMMENDATION

**City Council** - Adopt a motion approving the exclusive use of Bob Hart Square Park on Friday, September 28, 2018, from 2:00 p.m. to 10:00 p.m., as requested by the Mercy Medical Center Merced Foundation, for the "Taste of Merced" fundraiser (includes the serving of alcohol); subject to the conditions outlined in the administrative staff report.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, with modifications; or,
3. Deny the request completely; or,
4. Refer to staff for reconsideration of specific items as requested by Council; or,
5. Continue to a future City Council meeting (date and time to be specified in the motion).

### AUTHORITY

Merced Municipal Code, Section 9.12.020 - Serving or drinking liquors on street:

*"It is unlawful, and a misdemeanor, subject to punishment in accordance with Chapter 1.12 of the code, for any person to serve, drink, consume, or have in his/her possession an open container containing any spirituous, vinous, malt, or any other intoxicating liquors in or upon any of the streets, sidewalks, alley, parks, parking lots, or any public place in the City, unless otherwise permitted by the Merced Municipal Code or authorized by the city council."*

### CITY COUNCIL PRIORITIES

Not applicable.

### DISCUSSION

The Mercy Medical Center Merced Foundation is requesting approval to use Bob Hart Square for

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their bi-annual dinner fundraiser on Friday, September 28, 2018, from 2:00 p.m. to 10:00 p.m. (includes set-up and clean-up times).

This event includes live music, entertainment, food provided by local restaurants, and alcohol provided by a local service club. Funds raised from the event will benefit Mercy Medical Center's Surgical Services, which helps to provide charitable care and services to the people of Merced County.

The event will begin set-up for the event at 2:00 p.m., with the event itself scheduled to run from 6:00 p.m. to 9:00 p.m. Use of the park includes a 24-foot-wide stage for the live music, approximately 38 tables with chairs for restaurant vendors and guest seating, cocktail tables with no chairs, portable restrooms, and check-in stations at the gated entry points.

A temporary six-foot-tall chain link fence will be installed around the entire perimeter of the park, leaving room on the sidewalk for passing pedestrians along W. Main Street and walking through from Canal Street to W. Main Street, and vice versa. There will be four five-foot-wide emergency exit points in the fencing, with one of those exit points being the main entrance for the event.

The event expects an attendance of 500 guests. Security is required for the event at a minimum of one guard per fifty guests, per Merced Police Department requirements. Security staff will be stationed at each of the four entry points in the fencing and within the event itself.

Following the event, all structures will be taken down, and the park will be cleaned up, in order to be completely finished with use of the park by the requested end time of 10:00 p.m.

Conditions of Approval:

1. Prior to engaging in the event, Event Sponsor shall provide the City with a Certificate of Liability Insurance evidencing coverage in an amount of no less than \$500,000 for property damage and \$500,000 for personal injury or a minimum combined single limit coverage of \$500,000. Said policy shall stipulate that this insurance will operate as primary insurance and that no other insurance will be called on to cover a loss covered thereunder. Additional insured endorsements evidencing this coverage, naming the City of Merced, its Officers, Employees, and Agents as additional insureds, must be submitted to the City prior to the event. This certificate shall provide that thirty (30) days written notice of cancellation shall be given to the City. If the Event Sponsor has any employee(s), full workers' compensation insurance shall be provided with a limit of at least \$100,000 for any one person as required by law.
2. Event sponsor shall be responsible for making arrangements with the City's Public Works' staff to turn on and off the power supply in the park before and after the event.
3. Event staff and attendees shall use the large parking lots along W. 16th Street between W. Main and W. 16th Streets. Attendees shall be instructed not to use parking along W. Main Street for the evening, in order to avoid adverse impact to businesses and other downtown patrons.
4. Event sponsor shall remove all structures, debris, and any other event-generated items from the

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park and surrounding gutters and sidewalks prior to 10:00 p.m. on the night of the event.

5. Event sponsor shall be responsible for making arrangements with the City's Public Works Refuse Department's staff to deliver and remove refuse containers for use during the event and for any necessary clean-up afterwards.

6. Event sponsor shall comply with all applicable statutes, ordinances, rules, regulations, etc., including all regulations of the City of Merced Fire Department, including obtaining permit(s) for any tents or canopies used for the event.

7. All provisions of the Fire Code shall apply. This includes, but is not limited to, posting no-smoking signs in any tented areas as required, no parking within 20 feet of any tent, all requirements for any cooking in a tent, and including any temporary and portable electrical power supplies that may be used.

8. Event sponsor shall provide adequate supervision and security throughout the area to ensure the safety of the participants and the public, as required by the Merced Police Department. At minimum, security guards shall be provided at one officer per 50 attendees.

9. Event sponsor and its caterers shall comply with all requirements of the Merced County Health Department with regards to the serving of food.

10. Event sponsor shall ensure that any independent vendors, such as portable toilet rental companies, photo booth vendors, bartenders, and caterers, obtain or hold current business licenses with the City of Merced.

11. Any temporary modifications of the City's electrical system in the park shall be approved by City staff. Only a State-licensed electrician shall be permitted to make any such modifications. All modifications shall be completely removed and reverted back to the original system after the event.

12. The event sponsor shall provide access to disabled-accessible restrooms, as required by the California Building Code.

13. Alcoholic beverages may be served during this event, subject to the strict rules, regulations, and restrictions of the California Alcohol Beverage Control.

14. Noise from music or other activities shall be kept to a minimum, so as not to disturb the nearby residential loft units. No music shall be played later than 10:00 p.m.

### **IMPACT ON CITY RESOURCES**

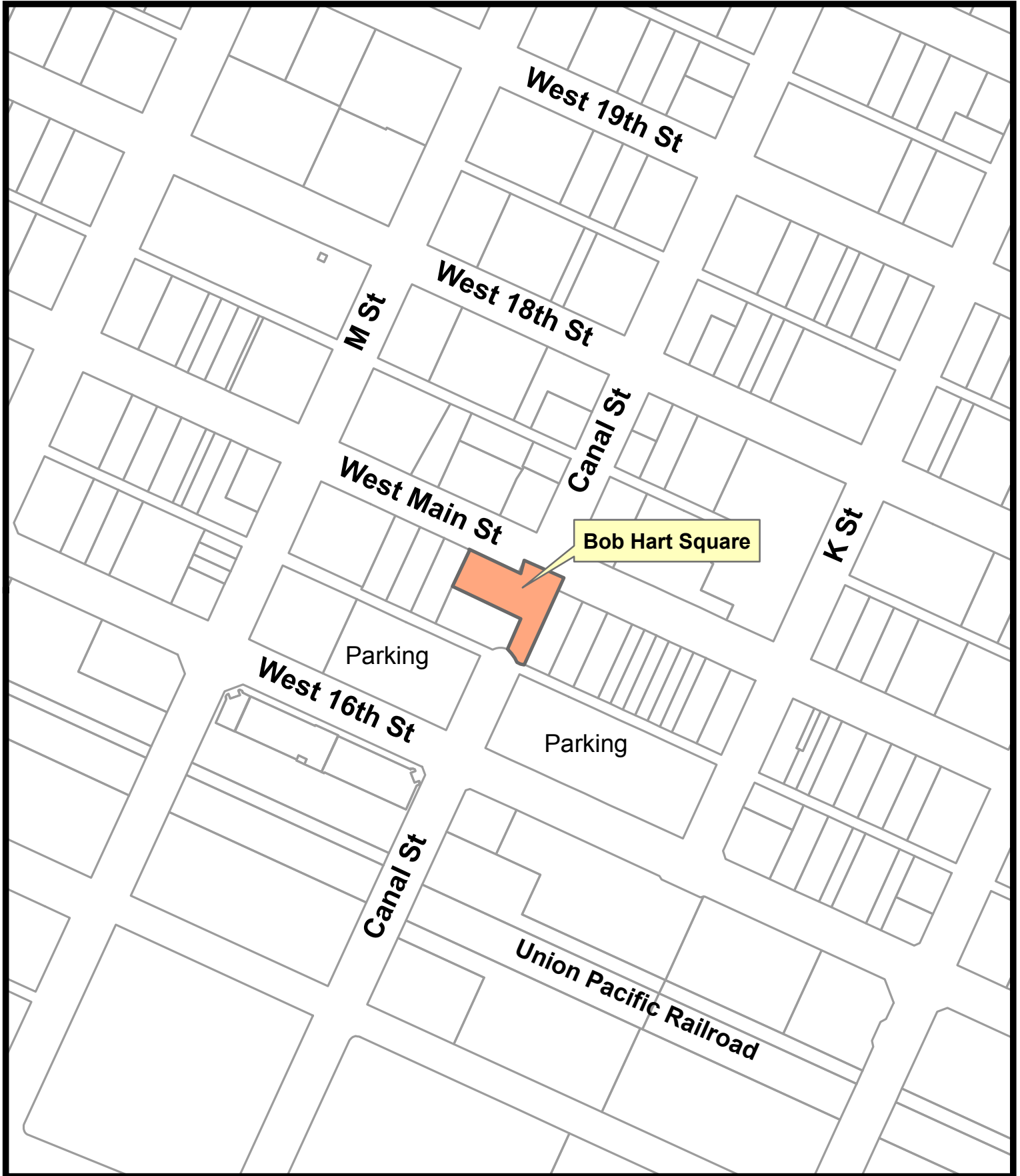
The event will require the use of electricity outlets in Bob Hart Square, and will also require the use of special event refuse containers. The event sponsor will contact Public Works to arrange for those needed items.

Event attendees and event staff will be using the City-owned public parking lots along W. 16<sup>th</sup> Street on either side of Canal Street on the evening of the event.

Traffic is not expected to be affected; therefore, no traffic control services are necessary.

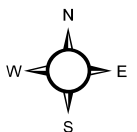
**ATTACHMENTS**

1. Location Map
2. Site Plan



Disclaimer: This document was prepared for general inquiries only. The City of Merced makes no warranty, representation, or guarantee regarding the accuracy of this map. The City of Merced is not responsible for errors or omissions that might occur. Official information regarding specific parcels should be obtained from official recorded or adopted City documents.

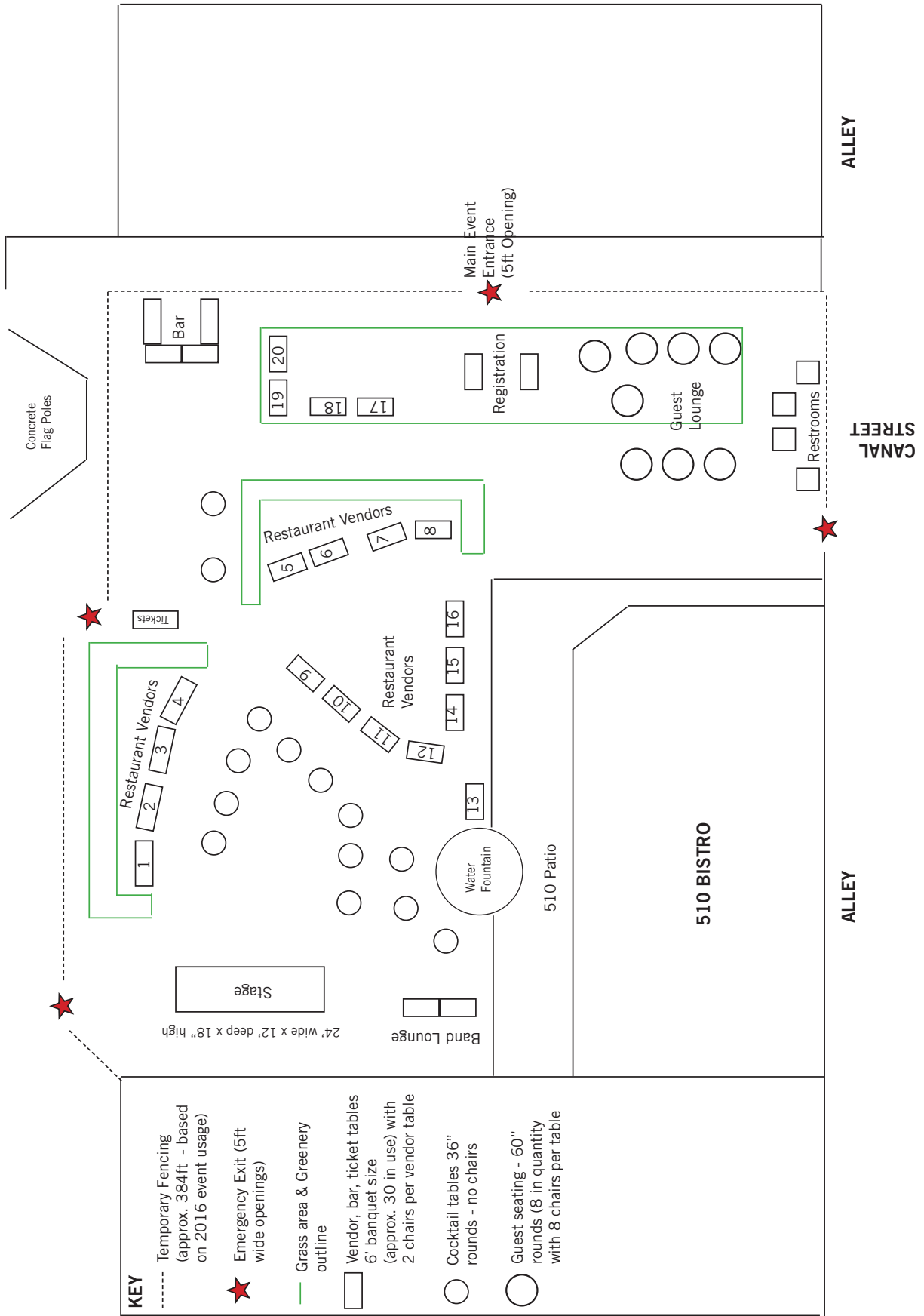
**LOCATION MAP:**  
**City-Owned Real Property Use Permit #18-02**  
**Mercy Medical Center Merced Foundation**  
**For Use of Bob Hart Square**  
**Friday, September 28, 2018 (2pm-10pm)**







MAIN STREET





## ADMINISTRATIVE REPORT

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**Agenda Item H.9.**

Meeting Date: 5/21/2018

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*Report Prepared by: Rosa M. Kindred-Winzer, Insurance Coordinator, Support Services Department*

**SUBJECT:** Supplemental Appropriation for Payment of Workers' Compensation Medical Claims

### REPORT IN BRIEF

Supplemental appropriation for payment of Workers' Compensation medical claims

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Approving a supplemental appropriation in Fund 061 - Measure C in the amount of \$50,000 and transferring to Fund 666 Workers Compensation Fund; and,
- B. Approving a supplemental appropriation in the General Fund in the amount of \$225,000 and transferring to Fund 666 Workers Compensation Fund; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments.

### ALTERNATIVES

None.

### AUTHORITY

Article XI - Fiscal Administration

### CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

### DISCUSSION

The City of Merced's Workers' Compensation program is a self-funded plan. During the annual budget process, the Support Services department works with the City Attorney's office to estimate the needs of existing claims and pending settlements to recommend funding for this program. During this fiscal year, the City has experienced higher than anticipated workers' compensation medical procedures and permanent disability settlement payouts to injured employees.

Support Services is requesting a supplemental appropriation of Measure C funds and General Fund to cover the claims and payments needed for the remainder of FY 2017/18. Prior to making this request, the department had depleted all prior year funding and contingency reserves in Fund 666 for

payment of workers' compensation medical claims.

**IMPACT ON CITY RESOURCES**

Supplemental appropriation is necessary to fund the workers' compensation medical claims for the remainder of the fiscal year. Appropriation request is from Measure C Fund and the General Fund as the majority of the claims activity is for public safety medical claims.

**ATTACHMENTS**

None.



## ADMINISTRATIVE REPORT

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**Agenda Item H.10.**

Meeting Date: 5/21/2018

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*Report Prepared by: Karen Baker, Development Associate, Merced Visitor Services*

**SUBJECT:** Lease Agreement Between the City of Merced and Greyhound Lines, Inc., Located at the Merced Transportation Building

### REPORT IN BRIEF

Lease Agreement between the City of Merced and Greyhound Lines, Inc., located at the Merced Transportation Building.

### RECOMMENDATION

**City Council** - Adopt a motion approving the lease agreement between the City of Merced and Greyhound Lines, Inc.; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request completely; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a future Council meeting (date to be specified in City Council motion).

### AUTHORITY

Section 200 of the City of Merced Charter.

### CITY COUNCIL PRIORITIES

As provided for in the 2017-2018 Adopted Budget.

### DISCUSSION

#### Background

Greyhound Lines, Inc. has been a tenant at the Merced Transportation Building since August of 2000, leasing both office space and bus parking space. The City and Greyhound enjoy a positive working relationship, and Greyhound desires to continue leasing space in the Transportation Center. Greyhound is a valued tenant and provides an important service to the community.

The Transpo Building serves as the central station for bus transportation in Merced, and therefore, an ideal location for Greyhound operations. In addition to Greyhound, several bus systems are currently

leasing space including Yosemite Area Regional Transportation System (YARTS), Merced County's "The Bus", Viajes California, and Storer Transportation.

### Proposed Lease

The City of Merced and Greyhound Lines, Inc. negotiated a lease subject to the following key terms (Attachment 1):

Location: Merced Transportation Center, 710 W. 16<sup>th</sup> Street, Merced, CA

Leased Area: 440 square feet (open counter and storage space)

Term: 5 years and one (1) five (5) year option to extend

Common Area: Waiting area, restrooms, and entryways

Bus

Concourse Area: Exclusive use for three (3) boarding bays

Rent: Year 1-\$ 1304.00 per month  
Year 2-\$ 1304.00 per month  
Year 3-\$ 1326.00 per month  
Year 4-\$ 1326.00 per month  
Year 5-\$ 1348.00 per month

Greyhound will also pay its pro-rata share of utilities and janitorial expenses for use of common areas at the Transpo Building. They will pay eleven percent (11%) of the incurred costs for maintenance, repairs, janitorial services and supplies of the Building. Greyhound will also pay eight (8%) for refuse service, water, sewer, gas, electricity, alarm services, and other public utility services for the Transpo Building.

### **IMPACT ON CITY RESOURCES**

No appropriation of funds is needed.

### **ATTACHMENTS**

1. Proposed Greyhound Lines, Inc. Lease

LEASE AGREEMENT

THIS LEASE made this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the City of Merced, a municipal corporation ("Lessor"), and Greyhound Lines, Inc., a Delaware Corporation ("Lessee").

WHEREAS, the Lessor is the owner of the Merced Transportation Center building located on a tract of land in Merced, California, at 710 West 16th Street; and

WHEREAS, Lessee operates a transit system and desires to lease certain bus concourses at the Merced Transportation Center.

WHEREAS, the prior written Lease between Lessor and Lessee expired on or about August 6, 2010, and Lessee has occupied the premises as a month-to-month tenant since that time.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the Lessor and Lessee do hereby agree as follows:

1. DEFINITIONS.

a. Building. "Building" is defined as that certain building known as the Merced Transportation Center buildings consisting of one story and a total of approximately 5,300 square feet of floor space, located at 710 West 16th Street, Merced, California, and labeled Transpo Center on Exhibit B.

b. Facility. "Facility" shall be defined as the area within the Building reserved for the exclusive use of Lessee, and labeled Facility on the attached Exhibit B.

c. Common Area. "Common Area" shall be defined as the waiting area, restroom facilities and entryways of the Building located inside the building and labeled Common Area on the attached Exhibit B.

d. Bus Concourse Area. "Bus Concourse Area" shall be defined as the bus driveways and bus boarding areas as outlined and labeled on the attached Exhibit A. Lessee shall have exclusive use of three (3) bus boarding bays as illustrated on Exhibit A.

2. FACILITY. The Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all the conditions set forth herein that certain part of the Building, labeled Facility in Exhibit B, which is attached hereto and made a part hereof, situated in the City of Merced, County of Merced, State of California, containing approximately 440 square feet of Building area, together with all improvements thereon and appurtenances thereto, excepting therefrom the land upon which the Building and Facility are located; and subject to the conditions set forth herein, the continuous and uninterrupted right of Lessee and its officers, employees, business invitees, customers and patrons, of access to and from Facility over and across any part of Lessor's adjacent property which is not part of the Facility, for any purpose contemplated herein, including the Common Area and Bus Concourse Area.

3. TERM. The term of this Lease shall be five (5) years beginning on May 1, 2018, and one (1) five (5) year option to extend.

4. RENT. Lessee shall pay to Lessor as rent for use of the Facility and appurtenant rights equal monthly installments as indicated below payable in advance on or before the first day of each calendar month of the term. Rent for any period less than one month shall be a pro rata portion of the monthly installment. Rent shall be payable to Lessor at the address stated herein or to such other person or at such other place as Lessor shall designate as provided herein.

Rent shall be payable as follows:

Year 1 – \$1,304.00 per month

Year 2 – \$1,304.00 per month

Year 3 – \$1,326.00 per month

Year 4 – \$1,326.00 per month

Year 5 – \$1,348.00 per month

5. USE. The Lessee shall have the right of reasonable access to the Common Area and Bus Concourse Area, during normal business hours, for the life of this Lease.

Lessee shall not commit or permit any act or acts in or on the Facility or use the Facility or suffer it to be used in any manner which will cause a cancellation of any fire, liability, or other insurance policy covering the Building or any part thereof.

6. LESSOR'S WARRANTY OF TITLE. Lessor represents and warrants that:

a. Lessor is the sole owner in fee simple of the Building and has full right and power to grant the estate demised and to execute and perform this Lease;

b. The Building is and will remain free and clear of all encumbrances that could adversely affect Lessee's leasehold estate;

c. The intended use of the Building for purposes stated herein is permitted by all applicable zoning laws and regulations; and

d. The Building does and will comply with all applicable ordinances, regulations, and zoning and other laws.

7. QUIET ENJOYMENT. Lessor covenants and agrees that so long as Lessee observes and performs all the agreements and covenants required of it hereunder, Lessee shall peaceably and quietly have, hold and enjoy the Facility for the Lease term without any encumbrance or hindrance by Lessor. If Lessee's use of the Facility is significantly limited, or denied, through rezoning, environmental impact edict, or other action of any public or quasi-public agency, this Lease, at the sole option of Lessee, shall terminate as of the effective date of such action and the rent applying to the unexpired portion of the Lease term will abate.

8. REPAIRS, MAINTENANCE AND UTILITIES.

a. Exterior of Building. Lessor shall provide and pay for day-to-day maintenance and repair of the exterior area of the Building, including but not limited to the exterior landscaping, bus concourse area, driveways, exterior roof, and exterior side walls.

The Lessor shall pay the total cost of the water and electricity services for the exterior area of the Building.

b. Facility. The Lessee shall provide, perform and pay for day-to-day maintenance, repair, and janitorial services for the Facility, as defined in Subsection 1.b. above. The Lessee shall pay the total cost of its telephone and communication services used at the Facility.



c. Interior of Building. Except as provided in Subsections a. and b. above, the Lessor shall provide, perform, and pay all costs for maintenance, repairs, janitorial services, garbage and rubbish services, water, gas, electricity, telephone services, maintenance and janitorial supplies, security costs, and all other public utility services for the Building during the term of this Lease, or any renewals thereof as provided herein; and, Lessee shall, upon receipt of a proper accounting from Lessor, reimburse Lessor for said costs, on a monthly basis, its pro rata share of said costs as determined by reference to subsection d. below.

d. Pro Rata Share Computation. Lessee shall pay a monthly pro-rata share of eleven percent (11%) of the incurred costs for maintenance, repairs, janitorial services and supplies of the Building.

Lessee shall pay a monthly pro-rata share of eight percent (8%) for garbage and rubbish services, water, sewer, gas, electricity, telephone services, security costs, and other public utility services for the Building, during the term of this Lease, or any renewals thereof as provided herein.

For the purposes of this Lease:

The "Interior Area" shall mean the total square footage of leasable floor space in the interior of the Building. Such square footage to be determined prior to occupancy and to be approved by both Lessee and Lessor.

The "Facility Area" shall mean the square footage of the Facility, equaling 440 square feet.

The "Pro Rata Share," hereby defined, shall be the ratio of the Facility Area to the Interior Area.

9. **ALTERATIONS AND IMPROVEMENTS.** Lessee shall have the right to make alterations and improvements to the Facility subject to the following terms and conditions:

a. No alterations or improvements made by Lessee shall in any way impair the structural stability of the Building or diminish the value of the property;

b. All alterations or improvements shall be first approved in writing by the Lessor, but said approval shall not be unreasonably withheld by Lessor;

c. Lessee shall keep the Facility and every part of the Building free and clear of any mechanics' liens or materialmen's liens arising out of the construction of any such alterations or improvements.

d. All alterations and improvements made to the Facility shall become the property of the Lessor and shall remain on and be surrendered with the Facility at the expiration or sooner termination of this Lease or any renewal of this Lease.

e. Lessee's personal property and its trade fixtures, including machinery, equipment, and furnishings, shall remain the property of Lessee and may be removed by Lessee. Any personal property, trade fixtures, or equipment not removed by Lessee within thirty (30) days after the termination of this Lease or any extension thereof, shall automatically become the property of the Lessor. Lessee shall repair any damage to the Facility or Building caused by Lessee's removal of its personal property, trade fixtures, or equipment, but Lessee shall have no obligation to remove such items from the Facility or Building at any time.

10. MECHANICS LIENS. The Lessor and Lessee agree to keep the Building free from any and all claims of persons or firms or corporations who, at the request of Lessor or Lessee or their employees or contractor, furnish labor or materials to or for the benefit of the Building and Lessor and Lessee further agree to hold each other harmless from any and all claims.

11. DAMAGE/DESTRUCTION. If the Facility or Building is damaged or destroyed in whole or in part by fire or other casualty, Lessor shall repair and restore the Facility or Building to a good tenantable condition. All rent shall wholly abate in case the entire Facility or Building is untenable, or shall abate pro rata for the portion rendered untenable, or shall abate pro rata for the portion rendered untenable in case a part only is untenable, until the Facility and Building is restored to a tenantable condition. Lessor shall commence and complete all work required to be done under this paragraph with reasonable promptness and diligence, but Lessor shall not be in default in any required performance if delay in performance results from fire, flood, storm, labor disputes, shortage of materials or transportation facilities, governmental regulations, war, act of God or other causes beyond Lessor's reasonable control. If Lessor shall not commence such repair or restoration within thirty (30) days after such damage or destruction shall occur or if repair or restoration will require more than one hundred twenty (120) days to complete, Lessee may thereafter, at its option, terminate this Lease by giving the Lessor written notice of its election to do so at

any time prior to the commencement of such repair or restoration. In that event, this Lease shall terminate as of the date such notice is received by Lessor.

Notwithstanding any other provisions of this section, Lessee shall be responsible for repair and restoration of Lessee's trade fixtures and personal property located in or on the Building or Facility in the event of damage or destruction of said property.

12. FIRE INSURANCE. Lessor shall maintain during the period of construction of the Building and Facility, during the term of this Lease and any renewal hereof, coverage against loss or damage to the Building (excluding personal property or trade fixtures of Lessee) in the amount of not less than 90 percent of its full insurable value, against perils included within the classifications of fire, extended coverage, vandalism, malicious mischief and special extended perils; and, Lessee shall reimburse Lessor its pro rata share, as defined in Section 8.d. above, of the costs thereof, upon receipt of a proper accounting.

13. INSURANCE.

a. Lessee at its sole cost shall maintain public liability and property damage insurance during the entire term of this Lease, which shall include coverage of contractual liability as respects this Lease, in amounts not less than:

- (1) \$1 million for injury to or death, including accidental death, of one or more persons as a result of any one accident or incident; and
- (2) \$500,000.00 for damage to or destruction of any property of others

b. The insurance shall:

- (1) Insure against all liability of Lessee and its authorized representative arising out of or in connection with Lessee's use or occupancy of the Building or Facility, including the Common Area and Bus Concourse Area.
- (2) Insure performance by Lessee of the indemnity provisions of Section 29.

- (3) Provide that Lessor be named as an additional insured and contain cross liability endorsements.
- (4) Be considered by the parties hereto as primary insurance.
- (5) Contain an endorsement requiring thirty (30) days written notice from the insurance company to Lessor before cancellation or change in the coverage, scope, or amount of any policy.

c. Lessee represents to Lessor and Lessor acknowledges that Lessee self-insures in the ordinary course of its business. Notwithstanding any other provision contained herein to the contrary, the insurance obligations of Lessee set forth in this Paragraph may be satisfied by endorsements to existing excess/umbrella blanket policies written by companies of recognized standing showing a self-insurance retention of not more than \$1.5 million per occurrence for automobile liability and general liability insurance coverage; workers' compensation insurance coverage is subject to a \$1.0 million deductible per occurrence with a deductible of \$100,000 per occurrence for property damage insurance coverage, to the extent required under this Lease.

d. The Lessee shall furnish a certificate of insurance evidencing the aforesaid coverage.

Notwithstanding the above, it is further agreed to between the parties hereto that the limits of insurance coverage specified above are the minimum amounts required and shall be subject to revision by the Lessor from time to time if a need is indicated. The Lessor hereby agrees to act reasonably at all times with respect to the provisions of this paragraph.

14. **WAIVER OF SUBROGATION.** Lessor and Lessee and all parties claiming under or through them hereby mutually release and discharge each other, any other tenants or occupants of the Building in which the Facility is located, and the officers, employees, agents, representatives, customers and business visitors of Lessor or Lessee or such other tenants or occupants, from all claims, losses and liabilities arising from or caused by any hazard covered by insurance on or in connection with the Facility or said Building, even if caused by the fault or negligence of a released party. This release shall apply only to the extent that such claim, loss or liability is covered by insurance.

15. **SIGNS.** Any and all signs or advertisements of any nature extending into, on, or located over the Building, Facility, or Bus Concourse Area, shall conform to all City of Merced, California, zoning and building codes, shall be consistent with already existing signage at the Facility and shall be approved by Lessor in writing prior to construction, use, or erection thereof. Approval by Lessor shall not be unreasonably withheld, as to location, graphics type, content, dimensions, architectural or engineering standards.

16. **TAXES.** The terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in a private party to this Lease, the private party may be subjected to payment of personal property taxes levied on such interest. Lessee shall be responsible for the payment of, and shall pay before they become delinquent, all taxes, assessments and fees assessed or levied upon Lessee or the Facility, or any interest therein, including, but not limited to, buildings, structures, fixtures, equipment or other property installed, or constructed thereon. Lessee further agrees not to allow such taxes, assessments or fees to become delinquent and as such to become a lien against the Building or Facility or any improvement thereto. Nothing herein contained shall be deemed to prevent or prohibit Lessee from contesting the validity or amount of any such tax, assessment or fee in the manner authorized by law.

The obligation to make any payments pursuant to this Section shall survive the expiration of the term of this Lease, provided Lessee's obligation arose out of or is equitably allocable to the period covered by this Lease.

Unless otherwise provided by this Section, the Lessee shall pay the Lessor its pro rata share, as defined in Section 8.d. above, of any other taxes, assessments, or fees, which the Lessor may become obligated to pay in connection with the ownership or maintenance of the Building.

17. **ASSIGNMENT AND SUBLETTING.** Lessee shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the Facility, without the prior written consent of Lessor. Neither shall Lessee sublet the Facility or any part thereof, or allow any persons, other than Lessee's customary commissioned sales contractor, agents or servants, to occupy or use the Facility or any part thereof without the prior written consent of Lessor. A consent of Lessor to one assignment, subletting, or occupation and use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, or occupation and use by another person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Lessor,



whether it be voluntary or involuntary, by operation of law, or otherwise, is void and shall, at the option of Lessor, terminate this Lease.

The consent of Lessor to any assignment of Lessee's interest in this Lease or the subletting by Lessee of the Facility, shall not be unreasonably withheld or delayed.

Notwithstanding anything to the contrary as set forth above, Lessee may, without Lessor's consent, assign or sublease all or a portion of the Facility to a subsidiary, affiliate or parent company of Lessee or any subsequent purchaser of Lessee. Any permitted assignment or sublease shall not relieve the Lessee from any obligations set forth herein.

18. PUBLIC ACCESS. The public shall have access at all times to the Facility by way of the Common Area identified on Exhibit B.

19. TERMINATION OF LEASE.

a. In the event the Lessee determines in good faith that it no longer practicably, economically, or operationally can do business from the Facility, upon making a reasonable showing of same to Lessor, Lessee shall have the right to terminate this Lease on ninety (90) days' prior written notice.

b. It is understood and agreed by the parties hereto that Lessor and its successors in interest shall and hereby do reserve the right to cancel or terminate this Lease prior to expiration of the term or renewed or extended term hereof as follows:

- (1) If the Lessee is in default or breach of this Lease, as specified in Section 21 of this Lease or as otherwise provided by law; or
- (2) If the Lessee assigns or sublets the Facility without the prior written consent of Lessor, as specified in Section 17 of this Lease.

20. COMPLIANCE WITH LAWS. During the term of this Lease and any renewals hereof, Lessee shall promptly execute and comply with all federal, State, County, and City statutes, ordinances, regulations, laws, or other requirements applicable to the occupancy of the Facility, and the operation of the Building as a Multipurpose Transportation Facility.

## 21. DEFAULT/REMEDIES.

Lessee:

The occurrence of any one or more of the following events constitutes a material default and breach of this Lease by Lessee:

- a. The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, where the failure continues for a period of twenty (20) days after written notice thereof from Lessor to Lessee.
- b. The failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Lessee, other than those described in Subsection a. above, where the failure continues for a period of thirty (30) days after notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed in default if Lessee commences such cure within the thirty (30) day period and thereafter diligently completes the cure.
- c. The making by Lessee of any general assignment, or general arrangement for the benefit of creditors.
- d. The filing by Lessee of a petition to have Lessee adjudged a bankrupt.
- e. The judicial declaration of Lessee as bankrupt.
- f. The appointment of a trustee or receiver to take possession of substantially all Lessee's assets located at the Facility or of Lessee's interest in this Lease, if possession is not restored within thirty (30) days.
- g. The attachment, execution or other judicial seizure of substantially all Lessee's assets located at the Facility or of Lessee's interest in this Lease, if the seizure is not discharged within thirty (30) days.

In the event of any such default or breach with the exception of bankruptcy or receivership, by Lessee, Lessor may, after giving written notice as provided above, pursue those remedies available to Lessor under the law or judicial decisions of the State of California. In the event of bankruptcy or receivership, this Lease shall immediately terminate.

If Lessee breaches this Lease or is in default, as provided above, the Lessor may terminate this Lease upon written notice as provided herein. On such termination, the Lessor may recover from Lessee:

- (i) The worth at the time of award of the unpaid rent which has been earned at the time of termination;
- (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been unreasonably avoided;
- (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Lessee proves could be reasonably avoided; and
- (iv) Any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform his obligations under this Lease, or which in the ordinary course of things would likely result therefrom.

The "worth at the time of award" of the amounts referred to in Subsections (i) and (ii) hereinabove is computed by allowing interest at the legal rate. The worth at the time of award of the amount referred to in paragraph (iii) of this subsection is computed by discounting such amount at the legal rate of interest.

Even though Lessee breaches this Lease or is in default, as provided above, this Lease continues in effect for so long as the Lessor does not terminate Lessee's right of possession; and the Lessor may enforce all its rights and remedies under this Lease, including the right to recover the rent as it becomes due under this Lease, unless the breach by Lessee constitutes a breach and abandonment of the Lease, in which case the Lessor may enforce all its rights and remedies except its right to recover rent as it becomes due.



For the purposes of this Lease, acts of maintenance or preservation or efforts to relet the Facility do not constitute a termination of Lessee's right to possession.

The rights of the Lessor under this Lease shall be cumulative to all other rights or remedies now or hereafter given to Lessor by law. Nothing in this Lease affects the right of the Lessor to equitable relief where such relief is appropriate.

Nothing in this Lease affects the rights of the parties under statutory provisions relating to actions for unlawful detainer, forcible entry, and forcible detainer. If Lessor brings an action in unlawful detainer, and possession of the property is no longer an issue because possession of the property is delivered to Lessor before trial or, if there is no trial, before judgment is entered, unless Lessor amends the complaint to state a claim for damages not recoverable in the unlawful detainer proceeding, the bringing of an unlawful detainer, forcible entry, or forcible detainer action as described hereinabove does not affect Lessor's right to bring a separate action for relief on termination, or in equity; but no relief shall be requested and no damages shall be recovered in the subsequent action for any detriment for which claim for damages was made and determined on the merits in the previous action.

Efforts by the Lessor to mitigate the damages caused by Lessee's breach of this Lease do not waive the Lessor's right to recover damages under this section.

Nothing in this section affects the right of the Lessor to indemnification for liability arising prior to the termination of this Lease for personal injuries or property damage as provided in Section 28 of this Lease.

## 22. DEFAULT/REMEDIES.

Lessor:

Lessor shall not be in default unless Lessor fails to perform obligations required of it within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor; provided that if the nature of Lessor's obligation is such that more than thirty (30) days are reasonably required for performance, then Lessor shall not be in default if Lessor commences performance within the thirty (30) day period and thereafter diligently completes performance.

If Lessor defaults in the performance of any of the obligations or conditions required to be performed by Lessor under this Lease, Lessee may, after giving

notice as provided above, either cure the default and deduct the cost thereof from rent subsequently becoming due hereunder, or elect to terminate this Lease upon giving thirty (30) days' written notice to Lessor of its intention to do so. In that event, this Lease shall terminate upon the date specified in the notice, unless Lessor has meanwhile cured the default. Lessee may also pursue those remedies available to it under the law or judicial decisions of the State of California.

23. CONDEMNATION. If all of the Building or a substantial portion thereof is taken under the power of eminent domain, sold under the threat of the exercise of said power, or disposed of to satisfy federal requirements (all of which are herein called "condemnation"), this Lease shall automatically terminate as of the date the condemning authority takes title or possession, whichever occurs first.

If any other taking adversely substantially affects Lessee's use of the Facility, then Lessee may elect to terminate this Lease as of the date the condemning authority takes possession. Lessee's election to terminate shall be made in writing thirty (30) days after Lessor has given Lessee written notice of the taking (or in the absence of such notice, within thirty (30) days after the condemning authority has taken possession). If Lessee does not terminate this Lease in accordance with this paragraph, this Lease shall remain in full force and effect as to the portion of the Facility remaining, except that rent shall be reduced in the proportion that the area taken diminishes the value and use of the Facility to Lessee. In addition, Lessor, at its expense, shall promptly repair any damage to the Facility caused by condemnation and restore the remainder of the Facility to the reasonable satisfaction of Lessee.

Any award or payment made upon condemnation of all or any part of the Facility shall be the property of Lessor, whether such award or payment is made as compensation for the taking of the fee or as severance damages; provided Lessee shall be entitled to the portion of any such award or payment for loss of or damage to Lessee's trade fixtures, removable personal property, and additions, alterations and improvements made to the Facility by Lessee, or for its loss of the leasehold interest herein created.

Lessor shall give notice to Lessee within five (5) days after receipt of notification from any condemning authority of its intention to take all or a portion of the Facility.

Notwithstanding anything, expressed or implied, to the contrary contained in this Lease, Lessee at its own expense, may in good faith contest any such award for

loss of or damage to Lessee's trade fixtures, removable personal property, and additions, alterations and improvements made to the Facility by Lessee, and for its loss of the leasehold interest herein created.

24. SEVERABILITY; CHOICE OF LAW. No waiver of any breach of any covenant, condition or stipulation hereunder shall be taken to be a waiver of any succeeding breach of the same covenant, condition or stipulation. In the event of default, either party may also pursue those remedies available to it under the laws or judicial decisions of the State of California.

25. BINDING EFFECT. This Lease shall be binding upon the parties hereto, their heirs, personal representatives, administrators, successor and assigns.

26. ASSUMPTION BY NEW OWNER. If the City of Merced transfers any interest in the Facility to any other party or entity, this Lease shall remain in full force and effect, with the new owner assuming the role of Lessor with all the rights and duties specified in this Lease.

27. SURRENDER. Lessee agrees to take good care of the Facility and to commit no waste, and suffer no injury to be done to the same, and to return the possession of the same to Lessor at the expiration of the term, in as good condition as at the commencement of this Lease, normal wear and tear, unavoidable accidents and damage by casualty excepted.

If Lessee fails to surrender the Facility upon the expiration or termination of this Lease, Lessee shall indemnify and hold the Lessor harmless from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Lessee's failure to surrender.

28. INDEMNITY. Lessee shall indemnify, defend and hold harmless Lessor and its officers, employees and agents from any and all claims or demands, actions, damages, costs and expenses for injuries to persons or property arising out of the negligence or improper acts or omissions of Lessee, its agents, officers or employees which are connected with or incident to Lessee's operations, use or occupancy at or of the Merced Transportation Facility.

Lessor shall indemnify, defend and hold harmless, Lessee and its officers, employees and agents from any and all claims or demands, actions, damages, costs and expenses for injuries to persons or property arising out of the sole negligence of Lessor, its officers, employees or agents; provided, however, that the foregoing

hold harmless provision of Lessor shall have no force or effect on actions or claims which are the result of Lessor's non-negligent fulfilling of its obligations under this agreement or which are the result of Lessor being named in a lawsuit, action or claim merely by virtue of the business relationship which exists between the parties hereto.

29. COVENANTS AGAINST DISCRIMINATION. The Lessee agrees for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, that any deed or deeds shall contain the following covenants:

"There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, national origin, religion, sex, marital status, physical disability or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Facility herein leased, on or shall the Lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, occupancy of tenants, lessees, sublessees, subtenants or vendees in the Facility herein leased."

30. NOTICES. All notices and other communications contemplated shall be in writing and shall be deemed given when personally delivered or received by mail, and shall be personally delivered or mailed by certified mail, return receipt requested, with postage and fees paid, as follows:

LESSOR: City of Merced  
c/o City Manager  
678 West 18th Street  
Merced, CA 95340

LESSEE: Greyhound Lines, Inc.  
Real Estate Department  
P.O. Box 660362  
Dallas, TX 75266-0362

COPY TO: Greyhound Lines, Inc.  
Legal Department  
P.O. Box 660362  
Dallas, TX 75266-0362

31. RENEWAL OPTIONS. Lessee shall have the option to extend the term of this Lease for one (1) additional period of five (5) years on the same terms and conditions as contained herein. Lessee may exercise said renewal options by notifying Lessor in writing of its election on or before one hundred twenty (120) days prior to the expiration of the term. Rent for the renewal term shall be \$1,414.00 per month unless a lesser amount is agreed upon within ninety (90) days prior to the expiration of the term.

32. ENTIRE AGREEMENT. All preliminary and contemporaneous agreements and understandings are merged and incorporated into this Lease which contains the entire agreement between the parties. This Lease may not be modified or amended in any manner except by an instrument in writing executed by the parties hereto.

33. TAXES, UTILITIES AND MECHANICS' LIENS. Notwithstanding anything expressed or implied to the contrary contained in this Lease, Lessee, at its own expense, may in good faith contest charges for taxes or utilities or mechanics' lien claims and, in the event of such contest, may permit the items contested to remain unpaid during the period of the contest any appeal therefrom; provided that such nonpayment shall not be permitted to cause a loss or forfeiture of any part of the Building. Lessor shall render to Lessee all assistance reasonably possible in contesting such charges including joining in and signing any protest or pleadings which Lessee deems advisable to file. Should any refund be made of any charges paid by Lessee, the amount of such refund shall belong to and be paid to Lessee.

34. MISCELLANEOUS.

34.1 Attachments, Headings, Terms. All attachments referred to herein are hereby incorporated by reference into this Lease. The headings and underscorings contained herein are for convenience purposes only and shall not be used to interpret nor be deemed to extend or limit the specific sections. The word or words enclosed in quotation marks shall be construed as defined terms for purposes of this Agreement. The terms "Lessor" and "Lessee" shall be construed to mean, when required by the context, the directors, officers, employees, invitees, contractors, materialmen, servants and agents of Lessor and Lessee.

34.2 Attorney's Fees. If either party named herein brings an action to enforce the terms of this Lease or to declare rights hereunder, the prevailing party



in any such action, on trial or appeal, shall be entitled to its reasonable attorney's fees to be paid by losing party as fixed by the court.

34.3 Execution and Delivery. This Lease shall not be binding nor confer any rights upon either party unless and until executed and mutually delivered by and between both parties.

34.4 Relationship of Parties. This Lease does not create the relationship of principal and agent or a partnership or joint venture, or of any association other than that of Lessor and Lessee.

34.5 Time of the Essence. Time and specific performance are each of the essence of this Lease.

34.6 Books and Records. Lessee shall have the right at all reasonable times to review the Lessor's books, accounting, and other records with respect to the operation, maintenance, repair, and utility costs, to determine and verify such costs and Lessee's pro rata share thereof, including insurance and taxes set forth in Sections 12 and 15 herein. Lessor must maintain said books and records for a period of at least two (2) years following the calendar month in which said costs were incurred.

35. SUBORDINATION. Lessor shall have the right, at any time or times during the term of this Lease, to mortgage Lessor's interest in the Facility for any purposes, and Lessee will, if requested by the lender, subordinate its interest in the Facility to the lien of lender's mortgage or trust deed, provided the lender agrees in writing, in recordable form, not to disturb Lessee's possession of the Facility under this Lease, so long as Lessee is not in default of any of the terms, conditions, and covenants of this Lease, and to accept the performance by Lessee of its covenants and obligations hereunder if such mortgage shall be foreclosed (hereinafter referred to as "non-disturbance agreement").

Any mortgage or lien created against the Facility or any portion thereof shall contain, and the mortgagee or lienholders shall execute, a nondisturbance agreement in favor of Lessee and its successor and assigns.

36. CONTINGENCY. This lease is subject to approval by Caltrans, State of California. If this contingency is not satisfied, neither the Lessor or Lessee shall have any claim against the other and both parties shall be relieved of all obligations of this Lease.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date and year first above written.


CITY OF MERCED  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
City Manager

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY:  3-21-2018  
City Attorney Date

ACCOUNT DATA:

BY: \_\_\_\_\_  
Verified by Finance Officer

Approved as to form  
By     *nm*      
Attorney

GREYHOUND LINES, INC.  
A Delaware Corporation

BY:     *Chandrika McCormack*      
Chandrika McCormack

Title:     *CEO*    

Taxpayer I.D. No.     *86-0572343*    

Address: P.O. Box 660362  
Dallas, TX 75266-0362

Telephone: (214) 849-8389



AMTIT-AMODAL TRANSPORTATION CENTER

Arrows					
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EXHIBIT A

Transpo Center

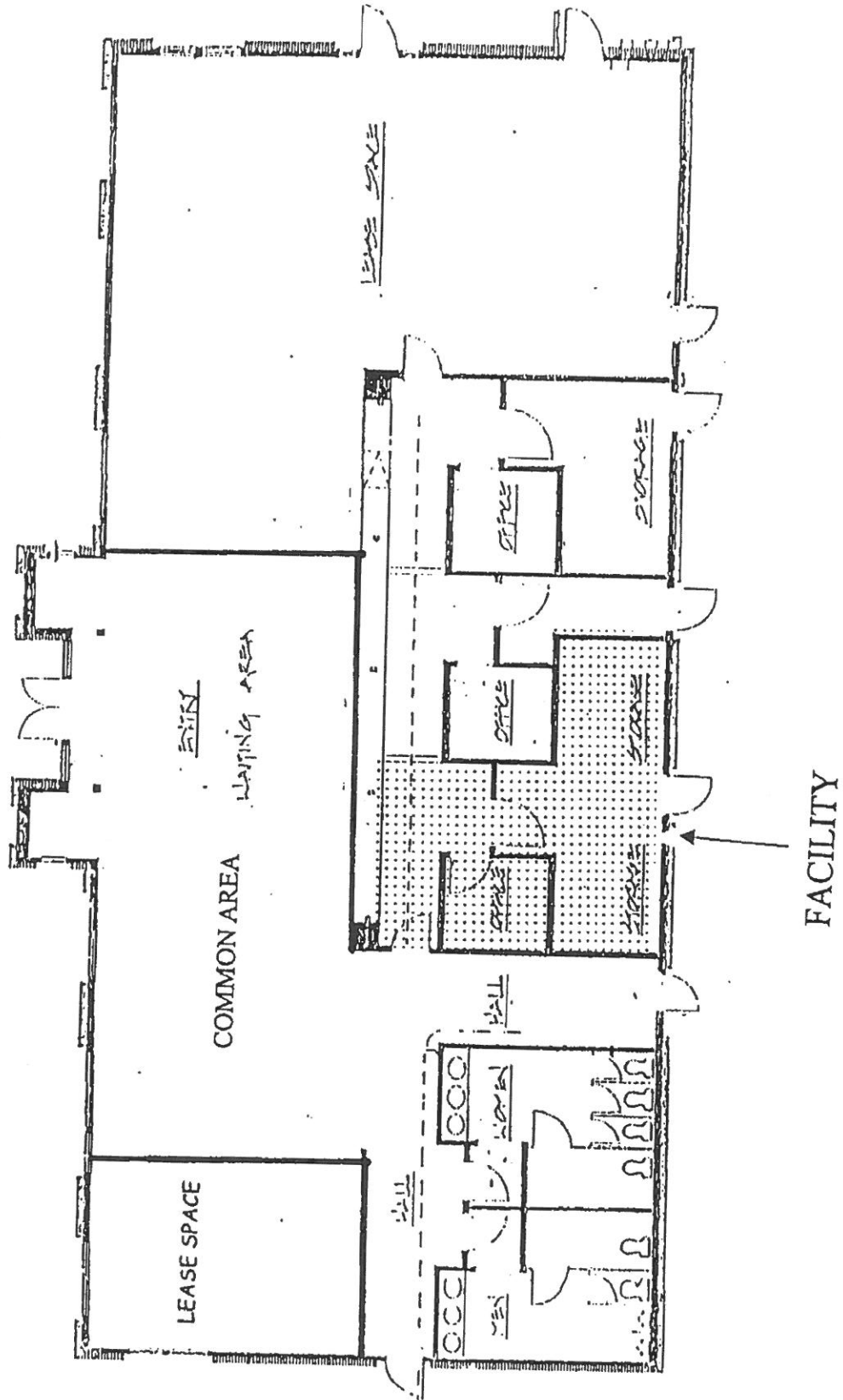


EXHIBIT B



## ADMINISTRATIVE REPORT

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**Agenda Item H.11.**

Meeting Date: 5/21/2018

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*Report Prepared by:* Steven C. Son, Deputy Public Works Director/Interim City Engineer, Engineering Department

**SUBJECT:** Increase Contingency Percentage for the Traffic Synchronization Project 113066 (5085-035)

### REPORT IN BRIEF

Authorizes approval to increase the contingency from 10% to 11% of the original construction contract amount, or an increase in the total additional work from \$22,617.75 to \$24,902.30.

### RECOMMENDATION

**City Council** - Adopt a motion increasing the contingency from 10% to 11% for the Traffic Synchronization Project 113066; and, authorizing the City Manager or Assistant City Manager to sign the necessary documents.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to modifications as conditioned by City Council; or,
3. Refer to staff for reconsideration of specific items; or,
4. Deny.

### AUTHORITY

Charter of the City of Merced, Article XI, Section 1109

### CITY COUNCIL PRIORITIES

As provided for the 2017-2018 Adopted Budget.

### DISCUSSION

The project is located on G Street, boundary extending from 16<sup>th</sup> Street to Yosemite Avenue, and on 16<sup>th</sup> Street, boundary extending from R to G Street, and includes the installation of a Traffic Signal Central System, a new wireless communications system, traffic controller system, fiber optic cable, CCTV cameras, and the replacement of traffic signal equipment and pull boxes.

During the course of construction, the project ran into several issues that needed to be addressed to ensure proper delivery of the project. It was determined in the field that there was not enough slack in the existing fiber optic line to allow for connection to the newly installed fiber; Change Order #1 was issued in the amount of \$16,800 for the purchase of additional fiber optic line and associated

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materials necessary for connection. A second change order was issued to the contractor in the amount of \$4,122.30 to address an existing pull box that was not shown on the original plans. This pull box was critical for the fiber cable splice needed to complete the project. Upon discovery of the unknown box, it was determined that the pull box was undersized and unable to accommodate the fiber optic splice and coiled fiber optic line. A third change order in the amount of \$290 was issued to purchase additional fiber optic line necessary for connectivity.

During the initial startup of the traffic synchronization system, it was brought to the City's attention that the antenna at the northwest corner of G Street and Alexander does not have the necessary line of sight to the next antenna array. Numerous trees on private property are obstructing the line of sight for the antenna causing it to not function properly. To resolve this issue, the antenna must be relocated to the northeast corner of G Street and Alexander at a cost of \$3,690.00.

At the September 21, 2015, meeting, Council authorized the City Manager to approve change orders for up to 10% of the total contract, or \$ 22,671.75. A final change order of \$3,690 is necessary to complete the project. The proposed change order request will exceed the 10% contingency previously authorized by City Council by \$2,230.55 or 0.98%. Staff is requesting City Council approve the contingency increase to 11% to allow for completion of the grant-funded project.

#### History and Past Actions

In connection with preliminary engineering for the project, on June 17, 2013, City Council adopted a resolution approving State Program Supplement 018-N, accepted and appropriated the \$138,992 CMAQ Grant, and approved the transfer of \$18,008 in matching funds.

On September 2, 2014, City Council accepted and appropriated \$301,710 in CMAQ funds, and approved the transfer of \$39,090 in matching funds for the construction of the project.

On September 8, 2015, City Council accepted and appropriated \$49,594 in additional CMAQ grant funds, and approved the transfer of \$16,806 in matching funds for construction of the project.

On September 21, 2015, Council awarded a construction contract to St. Francis Electric, LLC in the amount of \$226,717.50.

#### **IMPACT ON CITY RESOURCES**

This project was established as a Capital Improvement Project and account 450-1104-637.65-00-113066. Sufficient funding is available to complete the project, including the requested contingency increase from 10% to 11%.

#### **ATTACHMENTS**

1. Change Order #4



Contractors License No. 1003811  
A-General Engineering  
C-10 Electrical  
Union Contractor

PO Box 2057, San Leandro, CA 94577  
Office: (510) 639-0639  
Fax (510) 639-4655

## QUOTE

DATE:	4/5/2018	TO:	John Ainworth
FROM:	Monica Kint	FROM:	City of Merced
PHONE:	(510) 725-5185	PHONE:	209-385-6934
FAX:	(510) 639-9116	EMAIL:	ainsworthj@cityofmerced.org
EMAIL:	<a href="mailto:mkint@sfe-inc.com">mkint@sfe-inc.com</a>		

**BID/PROJECT: G & Alexander**

We are pleased to offer our proposal for the above referenced project as follows:

**Set up temporary traffic control. Relocate AP/Antenna from the NW corner to the NE Corner. Install new gel filled outdoor rated shielded Cat6 cable in existing 2" conduit. Remove existing cable and seal holes in pole.**

**Total: \$3,690.00**

Thank you for this opportunity! Quoted during normal busniess hours M-F 7-3:30

Accepted by: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

The confidential data and information contained in SFE's proposals/offers, any and all oral discussion or comment relating to the confidential data and information and any information derived therefrom shall be maintained in the strictest confidence and shall not be released, sold, disseminated, transferred or otherwise disclosed by any means to any person, firm, corporation, or third party without the prior written approval of SFE.

Please feel free to contact Monica Kint regarding any questions



## ADMINISTRATIVE REPORT

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**Agenda Item H.12.**

Meeting Date: 5/21/2018

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*Report Prepared by: Deneen Proctor, Director of Support Services*

**SUBJECT:** Memorandum of Understanding with Merced Association of City Employees (MACE)

### REPORT IN BRIEF

Consider approving Memorandum of Understanding with Merced Association of City Employees (MACE).

### RECOMMENDATION

**City Council** - Adopt a motion approving **Resolution 2018-31**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with Merced Association of City Employees; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Deny; or
3. Refer back to staff with instructions.

### AUTHORITY

Resolution No. 80-106 - Resolution of the City Council of the City of Merced establishing an Employer-Employee Organizations Relations Policy.

Meyers Milias Brown Act

### CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

### DISCUSSION

The City's negotiations team and the MACE unit have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits in accordance with the anticipated revenue forecast along with updating the MOU language to align with new state and federal laws. Therefore, staff recommends adoption of the Resolution approving the Memorandum of Understanding.

A summary of the items agreed upon in this Memorandum of Understanding are as follows:

- Term: Two years - the term of the agreement shall be effective January 1, 2018 and shall remain in effect through December 31, 2019.
- Wages: Base wage increases will be effective the first pay period of the fiscal year as follows: year one (2018) 2.50% and year two (2019) 2.50%.
- Wage reopener: Contingent upon the City having a final, completed compensation study, wither the City or the Association may reopen negotiations for consideration of base wage increases.
- Overtime: For purposes of computing overtime hours worked and hours worked and time during which an employee is excused from work because of vacation, holiday, sick or authorized compensatory time off (CTO) shall be considered as time worked by the employee.
- Call Back: A minimum of two hours shall be paid to an employee who is called back to work.
- Standby: For those employees placed on standby on a holiday shall receive 4 hours pay.
- Vacation: Additional hours of vacation will be granted to employees completing 15 years of service.
- Vacation Payout: Allow employees the option to annually cash out a maximum of 20 accrued vacation hours.
- Protective Clothing: The annual amount provided to employees to purchase work boots increased by \$150.00 for a total of \$200.00 annually.
- Basic Hand Tool: Employees who are require to supply a basic set of hand tools as a requirement of their job shall be reimbursed up to \$300.00 per year.

## **IMPACT ON CITY RESOURCES**

The total impact of the MOU on General Fund and other operating funds is approximately \$775,000. Funding has been included in the City Manager's Recommended FY 2018/19 budget. No additional budget appropriation is necessary.

## **ATTACHMENTS**

1. Resolution 2018-31
2. Memorandum of Understanding (Appendix A)

**RESOLUTION NO. 2018 \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF MERCED, CALIFORNIA,  
APPROVING MEMORANDUM OF  
UNDERSTANDING WITH THE MERCED  
ASSOCIATION OF CITY EMPLOYEES**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY  
RESOLVE AS FOLLOWS:**

**SECTION 1.** That certain document entitled, "MEMORANDUM OF UNDERSTANDING BETWEEN AND FOR THE CITY OF MERCED AND MERCED ASSOCIATION OF CITY EMPLOYEES," effective January 1, 2018, a copy of which is attached hereto and marked Appendix "A," is hereby approved and shall be effective from January 1, 2018 through December 31, 2019.

**SECTION 2.** All other resolutions or parts thereof inconsistent with Section 1 hereof are superseded.

**PASSED AND ADOPTED** by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:



APPROVED:


\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

 \_\_\_\_\_  
City Attorney      Date

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN AND FOR**  
**THE CITY OF MERCED**  
**AND**  
**MERCED ASSOCIATION OF CITY EMPLOYEES**  
**M.A.C.E**

\*\*\*\*\*

**JANUARY 1, 2018**  
**THROUGH**  
**DECEMBER 31, 2019**

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## **PREAMBLE**

This Memorandum of Understanding ("MOU"), entered into between the City of Merced, hereinafter referred to as the "City," and Merced Association of City Employees (MACE), hereinafter referred to as the Association, has as its purpose: the establishment of wages, hours, and other terms and conditions of employment, and the rendering of more efficient and progressive service to the public.

## **ARTICLE I** **RECOGNITION**

**SECTION 1.01. RECOGNITION.** City acknowledges the Association as the recognized employee organization representing all full-time and part-time regular employees in classified positions within the non-supervisory maintenance and service unit. For purposes of clarity, the classifications represented in this agreement are as follows:

Airport Maintenance Worker	Refuse Equipment Operator Trainee
Airport Operations Technician	Refuse Equipment Operator
Apprentice Electrician	Street Sweeper Operator Trainee
Building Maintenance Worker I/II	Street Sweeper Operator
Collections System Worker I/II/III	Traffic Signal/Lighting Technician
Container Maintenance Worker	Tree Trimmer
Custodian I/II	Instrumentation and Electrical Electrician
Environmental Control Officer I/II	Wastewater Treatment Plant Mechanic I/II
Equipment Service Worker	Wastewater Treatment Plant Operator
Fleet Maintenance Lead Worker	Trainee
Lead – Public Works Water	Wastewater Treatment Plant Operator I/II/II
Lead Tree Trimmer	Water Conservation Specialist
Lead Worker Utilities	Water Meter/Backflow Technician
Lead Worker Refuse	Water System Irrigation Maintenance
Maintenance Electrician	Worker
Maintenance Worker I/II/III	Water Systems Technician I/II/III
Mechanic I/II/III	Water Treatment Plant Operator I/II/III
Park Worker I/II/III	Welder I/II
Park Worker-Pesticides I/II	Zookeeper
Public Utilities Inspector	
Pump Operator	

**SECTION 1.02. PART-TIME REGULAR EMPLOYEE DEFINITION.** As used in this Memorandum of Understanding, "part-time regular employee" means an employee working in a position at least 25 hours but less than 40 hours per week on a regularly scheduled basis.

## **ARTICLE II**

### **NON-DISCRIMINATION**

**SECTION 2.01. NON-DISCRIMINATION.** In accordance with Federal and State law, the City prohibits discrimination and harassment against race, religion, color, age (40 and over), sex (including gender, gender identity, gender expression), national origin, ancestry, physical or mental disability, medical condition, genetic characteristics or information, marital status, sexual orientation (including homosexuality, bisexuality, or heterosexuality), military and veteran status, or any other basis protected by law.

**SECTION 2.02. ASSOCIATION AFFILIATION.** The City and the Association recognize the right of employees to form, join, and participate in lawful activities of employee organization and the equal right of employees to refuse to join and participate in employee organizations.

## **ARTICLE III**

### **DUES DEDUCTION - MAINTENANCE OF MEMBERSHIP**

#### **SECTION 3.01. DUES DEDUCTION.**

When a member voluntarily signs a release furnished by the City authorizing the City to deduct Association dues or fees from the employee's regular biweekly paycheck, the City will make said deduction provided the employee is on regular pay status and the employee's paycheck is sufficient to cover the amount of the dues. The employee's earnings must be sufficient to cover the amount of dues or fees authorized after other legal and required deductions are first made. When an employee is in non-pay status for an entire pay period, no withholding will be made to cover that pay period. If an employee is in non-pay status during only a part of the pay period and his or her salary is not sufficient to cover the full withholding, no deduction shall be made. For payroll purposes, all other legal and required deductions (e.g., health care and insurance deductions, etc.) shall have priority over Union dues or fees. The City agrees to make its best effort to notify the Association of all new hires doing bargaining unit work within 30 days of hire.

**SECTION 3.02. CERTIFICATION OF DUES.** Each year during the month of December, the Association will certify to the Finance Officer the amount of the Association monthly dues. If the Association changes the amount of dues, each such change must be certified to the City at least four (4) weeks prior to the change becoming effective.

**SECTION 3.03. LIABILITY.** If during the term of this agreement any claims, charges, or lawsuits are brought against the City by any party over the matter of Association dues or Association dues deduction from members' paychecks, the Association agrees to indemnify, protect, defend, and hold harmless City and to pay any and all costs of such claims, charges, lawsuits, damages or settlements, including reasonable attorney's fees to be determined by a court of competent

jurisdiction. In addition, the Association shall refund to the City any amount paid to it in error upon presentation of support evidence.

#### **SECTION 3.04. MAINTENANCE OF MEMBERSHIP.**

- A. Association members on payroll deduction for the payment of Association dues as of 5:00 p.m. on the day following ratification by the membership of this Memorandum of Understanding must remain on payroll deduction for the life of this Memorandum of Understanding or so long as they remain members of the representative unit.
- B. Association members who establish dues payroll deduction during the term of this Memorandum of Understanding must remain on payroll deduction for the life of this Memorandum of Understanding or so long as they remain members of the representation unit.
- C. Notwithstanding the provisions of Subsections A and B of this section, Association members on dues payroll deduction may declare their intention to terminate such payroll deduction following expiration of this Memorandum of Understanding. Termination of such payroll deduction shall be in writing addressed to the City's Municipal Employee Relations Officer with a copy to the Association, and shall be submitted during the thirty- (30) day period between November 1 and November 30 of each year.
- D. Association agrees to hold City harmless and indemnify the City from any judgments and costs of defending lawsuits for implementing this provision of the Memorandum of Understanding.
- E. Association further agrees to notify all current and new members of the Association of this section in the Memorandum of Understanding.

#### **SECTION 3.05. AGENCY SHOP.**

- A. For the duration of this Memorandum of Understanding, all employees in the unit shall either join the Association or pay to the Association a service fee in an amount not to exceed the periodic dues and general assessments of the Association. Such contribution shall be made through voluntary payroll deduction.
- B. Any new member of the bargaining unit shall have thirty-one (31) days from the date of employment to make application for membership in the Association or to become an agency fee payer.
- C. Any employee who pays the service fee shall have the right to demand and receive from the Association, under procedures established by the Association, a return of any part of the service fee which represents expenditures in aid of partisan political or ideological nature only incidentally

related to the terms and conditions of employment, or applied to benefits for only Association members.

- D. The Association, and not the City, shall be responsible for requiring employees to fulfill their obligations under Paragraphs A and B above.
- E. Any bargaining unit member whose claim for a religious exemption has been found bona fide, and whose claim has been granted, and shall as an alternative to payment of dues or agency fee to the Association, pay an equivalent amount to:

United Way, Red Cross, or Kidney Foundation

#### **ARTICLE IV**

#### **REPRESENTATIVES AND STEWARDS**

**SECTION 4.01. AUTHORIZED REPRESENTATIVES.** For purposes of administering the terms and provisions of various ordinances, resolutions, rules and regulations adopted with this Memorandum of Understanding, the City's principle authorized agent shall be the Director of Support Services or his/her duly authorized agent, except where a particular management representative is otherwise designated; the Associations' principal authorized representatives the MACE President and representative designated in writing by MACE president.

**SECTION 4.02. STEWARDS.** Association agrees to notify City of the names of stewards. Stewards shall be employees of the City. The number of stewards shall be limited to a total of seven. A written list of the names of the stewards will be presented to the Director of Support Services within ten (10) days following the signing of this Memorandum of Understanding. Association agrees to notify City promptly of any change in stewards. No person will be recognized by the City as a steward until written notification from the Association is received by the Director of Support Services.

**SECTION 4.03. TIME OFF FOR REPRESENTATIVES.** When mutually agreed to by City and Association, employees elected to Association office shall be granted time off without loss of pay to attend labor relations seminars that are of benefit to City and Association and to meet and confer with representatives of City on matters within the scope of representation.

**4.04 REPRESENTATION RELEASE TIME.** City and Association agree that, as long as there is no disruption of work, any one of the officers of Association may be allowed reasonable release time with supervisor approval, not to exceed two (2) hours per week, away from his/her work duties, without loss of pay, to assist any unit employee or employees in investigation of facts and in presentation of a grievance.

**4.05 BULLETIN BOARDS.** Association Executive Board Members and Association stewards will be allowed to use the approved Bulletin Boards for communication and

dissemination of information to unit members. All communications must be in accordance with public record laws.

The designated locations for Bulletin Boards permitted for Association information shall be the worksites of the represented employees. Every effort will be made to locate the bulletin boards in general break areas of the represented group. The City shall determine actual placement of the boards in respective break rooms. Association shall purchase said Bulletin Boards with prior design approval by the City. Such enclosure shall be a locking cabinet with limited key access. Material posted to Bulletin Boards shall not be obscene, misleading, contain threatening or harassing statements, contain any deliberate misstatements, compromise the integrity of the City and its business operations in any way, or violate Federal, State, or Municipal laws, or the Personnel Rules and Regulations and Administrative Policies and Procedures.

## **ARTICLE V**

### **HOURS AND WORKING CONDITIONS**

#### **SECTION 5.01. WORKDAY, WORKWEEK, WORK PERIOD.**

- A. **Workday** – The normal workday shall consist of eight (8) hours, exclusive of any meal period. This 8-hour workday will also be known as a shift.
1. Certain departments or divisions, with approval of the department head and authorization of the City Manager, may operate at other times when needed to serve the public or to continue the efficient operations of City service.
  2. Employees for whom necessity requires a different schedule than that generally applied shall work a basic workweek according to the schedule prepared by the department head and approved by the City Manager and posted on the department bulletin board.
- B. **Workweek** – The normal workweek shall consist of five (5) days of eight (8) hours each for a total of forty (40) hours. On occasion, when efficiency of operation and public service will not be affected, and at the sole discretion of the City, the department head, with authorization of the City Manager, may experiment with a workweek of four (4) days of ten (10) hours each for a total of forty (40) hours. The workweek schedule shall be established by the City in compliance with the Fair Labor Standards Act.
- C. **Work Period** – The normal work period shall be eighty (80) hours during each fourteen (14) calendar days.

#### **SECTION 5.02. MEAL PERIOD.**



- A. Except as provided in Subsection B of this section, each employee shall be entitled to an unpaid thirty (30) minute meal period during each shift. The period will be scheduled by the supervisor as close to the middle of the shift as the work allows. The unpaid 30-minute meal period may be used by the employee as the employee sees fit; however, City vehicles shall not be left unattended if parked in a public right-of-way (portion of the road traveled by the public). The vehicle must be parked in an area that is safe off the public right-of-way and properly secured. Employees shall not leave the worksite before the beginning of the meal period and must be back to work at the end of the 30-minute meal period. In the event the vehicle cannot be left unattended, then staggered lunch hours will be permitted.
- B. Notwithstanding the provisions of Subsection A of this section, employees in the class of Refuse Equipment Operator/Trainee shall be entitled to unpaid 45-minute meal period during each shift. During such 45-minute meal period, the employees in the Refuse Division may drive the city vehicles to the nearest approved site for wash up and eating. Several sites will be approved by the supervisor for use by the employees. Employees shall not leave the worksite before the beginning of the meal period and must be back to work at the end of the 45-minute meal period.

**SECTION 5.03. REST PERIODS.** All employees shall be granted one (1) rest period not to exceed fifteen (15) minutes during each half shift of four (4) hours. The department head may specify the location or locations where rest periods may be taken. Rest periods shall be considered time worked for pay purposes and employees may be required to perform duties if necessary during emergency conditions.

**SECTION 5.04. CLEAN-UP TIME.** All employees whose work causes their person or clothing to become soiled shall be provided with reasonable time for wash up purposes at shift end.

**SECTION 5.05. EMERGENCY CONDITIONS.** Emergency conditions are conditions involving real or potential loss of service or property or personal danger as determined by the management of the City.

**SECTION 5.06. SCHEDULING.** Within these basic categories of workday, workweek, work period, meal period, rest period, clean-up time and emergency conditions, the department head, with the approval of the City Manager, shall have the discretion to modify work schedules to meet the needs of the City. When changes in schedules are anticipated, a minimum of fourteen (14) days notification will be given to employees of new schedule; or when such changes are deemed immediately necessitated by emergency conditions, the department head shall give employees as much advance notice as is reasonably possible.

**SECTION 5.07. OVERTIME.**

- A. Overtime is defined paid and calculated pursuant to the Fair Labor Standards Act (FLSA) as actual hours worked beyond the established forty (40) hours in a seven (7) day workweek.
- B. For the purpose of computing the number of hours worked, time during which an employee is excused from work because of holiday, vacation, sick leave of authorized compensatory time-off (CTO), shall be considered as time worked by the employee.
- C. Except as otherwise provided in this MOU, compensation for assigned and authorized overtime work in excess of 40 hours in a work week, as outlined above, shall be at a rate equivalent to one and one-half times the regular hourly rate pursuant to Fair Labor Standards Act regulations.

**SECTION 5.08. CALL-BACK.** Employees called back to work by the department head or his/her representative during this period shall be paid a minimum of two (2) hours' pay at the rate of time and one-half.

**SECTION 5.09. STANDBY/CALL BACK.**

- A. **Standby.** Employees who are required to be available on a standby basis for possible call-back work during their off shift hours receive a standby allowance or may accrue standby as CTO at straight time as follows:
  - 1. Employees on overnight standby (i.e., a 16-consecutive hour period commencing with the end of the regularly scheduled workshift) shall receive a standby allowance of two (2) hours pay at the employee's straight time hourly rate for each night of standby required.
  - 2. Employees on standby on regularly scheduled days off (i.e., a 24-consecutive hour period commencing at 8:00 a.m.) shall receive a standby allowance of three (3) hours pay at the employee's straight time hourly rate for each of said days of standby required.
  - 3. Employees on standby on holidays shall receive a standby allowance of four (4) hours pay at the employee's straight time hourly rate for each of said eligible holidays of standby required.

When the City, in its sole discretion, determines that it is reasonably feasible and will not interfere with City operations, the City will make efforts to distribute standby time on an equitable basis.

- B. **Standby/Call-Back.** An employee on standby who is called out to work shall receive, in addition to the standby allowance provided above, payment in accordance with Section 5.07.

**SECTION 5.10. SPLIT SHIFT.** As used in this section, split shift means a shift where an employee has at least three (3) hours, including lunch, off work between shifts on the same day.

**SECTION 5.11. COMPENSATORY TIME OFF (CTO).**

- A. **CTO Rate.** Members of the unit who work over forty (40) hours in a seven (7) day work week shall normally be paid in cash for all overtime hours worked at the rate of one and one-half times the regular hourly rate. As an exception to such payment, at the request of the employee, an employee may be given compensatory time off (CTO) for regular overtime, call-back time, and standby time. The time at which allowed compensatory time off (CTO) may be taken will be determined by the department head based on the needs of the City service but after considering the preference of the employee.
- B. **CTO Maximum Accrual.** The maximum accrual of CTO hours is eighty (80) hours. Above the maximum accrual, all regular overtime, call-back time and standby time worked shall be paid in cash at the rate at which it was accrued. The City shall be in compliance with the Fair Labor Standards Act.
- C. **CTO Payment.** All employees will have the option to cash out a maximum of forty (40) hours of CTO that has been accumulated, payable once per quarter. Payment shall be made by separate check, unless and until adverse changes in State and Federal regulations.

**SECTION 5.12. AUTHORIZATION.** The amount of overtime work, call-back work, standby shall be determined through general policy of the City Manager except as specifically abridged in this Memorandum of Understanding.

No employee shall perform overtime work, call-back work, or standby unless such work is authorized and directed by the department head or his/her representative nor shall such employee be paid for such overtime, call-back, or standby unless the same shall be approved by the department head on the payroll sheet submitted at the end of the pay period in which the work was performed.

**SECTION 5.13. HOLIDAYS.**

- A. **Holidays.** During the term of this agreement, the following holidays are recognized as City holidays for pay purposes:

New Year's Day .....	The 1 <sup>st</sup> day of January
Martin Luther King, Jr. Birthday .....	The 3 <sup>rd</sup> Monday of January
Presidents' Day .....	The 3 <sup>rd</sup> Monday of February
Memorial Day .....	The last Monday in May
Independence Day .....	The 4 <sup>th</sup> day of July
Labor Day .....	The first Monday in September
Veteran's Day .....	The 11 <sup>th</sup> day of November

Thanksgiving Day .....	The 4 <sup>th</sup> Thursday in November
Day After Thanksgiving Day .....	The day after the 4 <sup>th</sup> Thursday in November
Christmas Day .....	The 25 <sup>th</sup> day of December

Either Christmas Eve or New Year's Eve – Employee is guaranteed to be allowed to take within the calendar year. Payment authorized for working only when deemed to be an emergency. If staffing and scheduling makes it such that employee can get neither day off, an alternate day can be selected with approval of the City Manager if request is made no later than December 1.

One Floating Holiday – Floating holiday is available to be taken up to December 31 of each calendar year. Floating holiday will be paid at time of separation if not previously taken for that calendar year. To be taken when requested by the employee and with the approval of the department head. If supervisor/manager cannot schedule holiday after third request, employee shall be paid for such holiday on next pay period. Unit member hired after the second Monday in October would not be eligible for floating holiday in that calendar year.

When any day recognized as a holiday by the City falls on a Sunday, the following Monday shall be considered the holiday. When any day recognized as a holiday by the City falls on a Saturday, the preceding Friday shall be considered the holiday.

Subject to regulation and control of the City Manager, the department head may require any employee to work on any or all of said holidays.

- B. **Holiday Pay.** Full-time employees shall receive eight (8) hours' pay at their regular hourly rate for each recognized City holiday. Part-time regular employees shall receive holiday pay at their regular hourly rate on a pro rata basis.
- C. **Holidays – Leave Without Pay Status.** If a member is in a leave without pay (LWOP) status, holiday pay is not afforded that member.
- D. **Holiday Pay – Day Worked.** Employees of the unit eligible for holiday benefits who are required to work on a day designated as a holiday shall be paid or may accrue CTO at the straight time rate for each hour worked during the first eight (8) hours of work on such holiday and, in addition, shall receive pay equal to and in lieu of time off at straight time for said holiday. The compensation provided for in this subsection shall be inclusive of any overtime compensation or other benefits to which such employees may be entitled under the provisions of any ordinance or resolution of the City or other applicable law, and not in addition thereto.

- E. **Holiday Pay – Day Off.** When a day designated as a holiday falls on a normally assigned day off of an employee of the unit who is eligible for holiday benefits, said employee shall have the option to receive pay equal to and in lieu of time off at straight time, not to exceed eight (8) hours, for said holiday; or to take time off at straight time not to exceed eight (8) hours for said holiday at a future date within the following sixty (60) day period, with proper authorization by supervisory/management personnel.
- F. **Absences Before and After Holidays.** Any employee who is absent from work on the day before and/or the day after a holiday, as set forth in Subsection A above, shall forfeit the holiday pay unless the absence is taken as approved leave with prior notice. An absence taken as sick leave will be approved only by verification by the supervisor who may require a medical certificate verifying inability of the employee to work.
- G. **Holidays/Refuse Division.** The responsibilities of the refuse division necessitate the regular pick up of solid waste for the health and safety of the citizens of Merced. Notwithstanding this need, employees in the Refuse Division will not be required to work on date on which Independence, Thanksgiving, Christmas, or New Year's Day are celebrated, with the exception of those employees who are required to work as directed by the department head.

These four holidays will be considered as time worked for the purpose of computing wages. Those employees actually required to work Independence, Thanksgiving, Christmas, or New Year's will receive time and one-half pay for the hours worked.

- H. **Holidays/Wastewater Treatment Plant Division.** The responsibilities of the wastewater treatment plant division necessitate a seven-day per week schedule for the health and safety of the citizens of Merced. Notwithstanding this need, employees in the Wastewater Treatment Plant Division will not be required to work on the date on which Independence, Thanksgiving, Christmas, or New Year's Day are celebrated, with the exception of two operators for each shift.

These four holidays will be considered as time worked for the purpose of computing wages. Those employees actually required to work Independence, Thanksgiving, Christmas, or New Year's will receive time and one-half pay for the hours worked.

Wastewater Treatment Plant personnel who are on a 4/10 work schedule shall be paid for holidays worked during the pay period that said holiday occurs.

**SECTION 5.14. COMBINATION OF BREAK PERIOD AND LUNCH HOUR DURING AN EMERGENCY EVENT.** Unit members shall be allowed to combine

break period with meal period during an emergency event provided that immediate supervisor is notified and grants approval. Unit Member/Employee shall return to normal duties before the end of the shift.

## **ARTICLE VI**

### **VACATION AND SICK LEAVE**

**SECTION 6.01. CONTINUOUS SERVICE.** For the purpose of this section, continuous service means service without any authorized break or interruption during the period for which the employee has been employed by the City. A break or interruption in continuous service shall be construed as a deliberate severance of employment initiated by either the City or the employee for periods of more than fifteen (15) calendar days.

#### **SECTION 6.02. VACATION.**

- A. **Vacation Accrual.** All eligible employees earn vacation benefits in accordance with their length of continuous service as follows:
1. Full-time employees with less than 5 years of continuous service earn vacation benefits at the rate of 3.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 192.00 hours.
  2. After the completion of 5 years of continuous service, full-time employees earn vacation benefits at the rate of 4.616 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 240.00 hours.
  3. After the completion of 9 years of continuous service, full-time employees earn vacation benefits at the rate of 6.160 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 320.00 hours.
  4. After the completion of 15 years of continuous service, full-time employees earn vacation benefits at the rate of 6.928 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 360 hours. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than payperiod 14 in 2018
  5. After the completion of 20 years of continuous service, full-time employees earn vacation benefits at the rate of 7.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 400.00 hours.

6. After the completion of 25 years of continuous service, full-time regular employees earn vacation benefits at the rate of 9.232 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 480 hours.
- B. **Maximum Vacation Accrual.** When the maximum number of vacation hours is accumulated by an employee, vacation hours shall cease to accrue to that employee and hours that would otherwise accrue over the maximum are lost to the employee and will not be reimbursed.
- C. **Vacation Cash Out.** All employees of the unit will have the option to cash out up to a maximum of twenty (20) hours of accrued vacation time. Employees who elect to cash out vacation shall have a minimum balance of 100 accrued vacation hours prior to the cash out pay period and shall have completed their initial probationary period with the City of Merced. Vacation payment will take place once per year in the first pay period in December. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.
- D. **Payment Upon Separation.** Employees who leave City employment shall be compensated for vacation accrued but not taken up to the date of separation.
- E. **Holiday During Vacation.** When a holiday occurs during a scheduled vacation period, and such holiday would have excused the employee from work, and no other compensation is made for such holiday, then the employee shall be considered as taking the holiday and shall not be charged a day of vacation.
- F. **Vacation Use.** Vacation used by an employee shall be charged against the vacation accrued on an hour-for-hour basis.
- G. **Vacation Schedule/Sanitation Division.** For Refuse Equipment Operators and Refuse Equipment Operator Trainees, vacations shall be scheduled based on total time as a regular employee in the Refuse Division.

### **SECTION 6.03. SICK LEAVE.**

- A. **Sick Leave Accrual.** All eligible employees earn sick leave benefits in accordance with their length of continuous service.

Full-time regular employees earn sick leave benefits from the first date of employment at the rate of 3.696 hours each biweekly pay period of continuous service. Employees may accumulate sick leave benefits to a maximum of 1056.00 accrued sick leave hours.

Part-time employees earn sick leave benefits at a pro rata rate.

- B. **Maximum Sick Leave Accrual.** When the maximum number of sick leave hours is accumulated by an employee, sick leave hours shall cease to accrue to that employee until they fall below the accrual cap.
- C. **Sick Leave for Probationers.** Any unit member appointed to a position in the classified service serves a probationary period of twelve (12) months. Probationary employees may use sick leave accrued to them under the same rules and regulations as regular employees, except that any sick leave used in excess of 3 days or 24 hours, whichever is greater shall be repaid to the City if the employee does not pass probation. Repayment shall be accomplished by the City's withholding from the employee's final paycheck an amount equal to the number of sick leave hours used times the employee's regular hourly rate of pay during which sick was used. This section does not apply to unit employees who have successfully completed their initial 12-month probationary period.
- D. **Payment of Excess Accrued Sick Leave.** In Pay Period #1 of each year, employees who have unused sick leave hours in excess of 960 as of the last pay period in the preceding December shall be paid at their straight time rate for 50 percent of said hours in excess of 960 but the remaining 50 percent of hours in excess of 960 will be forfeited.
- E. **Sick Leave Upon Resignation or Dismissal.** To the extent permitted by law, an employee who resigns or is dismissed forfeits all further eligibility to any accrued but unused sick leave.
- F. **Sick Leave Upon Retirement.** An employee of the unit who retires from the City after ten (10) or more years of continuous service will be paid at the straight time hourly rate for 50 percent of the hours of accrued but unused sick leave. The remaining 50 percent of the hours of accrued but unused sick leave will be forfeited.
- G. **Bereavement Leave.** In the event of a death in the immediate family, an employee, upon request, shall be granted up to three (3) days and no more than twenty-four (24) hours bereavement leave with pay without charge to accumulated sick leave or vacation.

The City Manager may grant up to an additional three (3) days and no more than twenty-four (24) hours bereavement leave upon written request of the employee where extensive travel is required to attend the funeral, or where other extenuating circumstances require the attendance of the employee for additional time. Such additional bereavement leave shall be charged against the employee's accumulated sick leave.



For purposes of this subsection, the immediate family shall be considered as the employee's spouse, domestic partner, mother, father, children, brother, sister, mother-in-law, father-in-law, grandparents, or grandchildren.

- H. **Sick Leave for Immediate Family.** An employee with accumulated sick leave may use sick leave to attend to an illness of a child, domestic partner's child who is ill, parent, spouse, sibling, grandparent, grandchild, or domestic partner of the employee, as defined by statute. Leave for this purpose may not be taken until it has actually accrued. Granting of sick leave shall be at the discretion of the department head
- I. **Sick Leave Verification.** Sick leave is intended to be used only when actually required to recover from illness or injury, or as time off for medical and dental appointments to the extent that such appointments cannot be scheduled outside of the workday. Employees may request accrued vacation time off to cover other personal absences not covered by this sick leave policy. The City will not tolerate abuse or misuse of sick leave privileges. In order to assure compliance by employees of the sick leave privilege and to refrain from creating undue requirements on all employees for the actions of a few, the City will consider and require verification of potential sick leave abuse on a case-by-case basis in accordance with the law. In instances where abuse is suspected, or sick leave use begins to lead toward a pattern of abuse, the department head may require written verification by means of a physician's statement or personal affidavit (the choice of which shall be made by the department head, depending on the nature of the circumstances) in order for the employee to receive paid sick leave, otherwise such absence from work shall be charged to leave without pay. Abuse of sick leave shall be defined as any of the following:
1. Where an employee uses more than 2 days of sick leave in any calendar quarter in connection with the day before or after a holiday, or first or last day of the workweek.
  2. Where an employee uses sick leave more than six (6) incidents in the previous twelve- (12) month period.
  3. Where an employee uses any single occurrence of sick leave and it is reasonably believed that the employee used sick leave improperly. Where it is reasonably determined that the sick leave privilege has been abused, those employees responsible for such abuse shall be subject to disciplinary actions.
- J. **Holiday During Sick Leave.** When a holiday occurs during sick leave, and such holiday would have excused the employee from work, and no other compensation is made for such holiday, then the employee shall be considered as taking the holiday and shall not be charged a day of sick leave.

- K. **Sick Leave Use.** Sick leave used by an employee shall be charged against the sick leave accrued on an hour-for-hour basis.
- L. **Family Medical Leave Act.** In accordance with administrative policies and procedures, employees in the unit will be entitled to family and medical leave required by federal and state law.

## **ARTICLE VII**

### **HEALTH AND WELFARE**

**SECTION 7.01. BENEFITS PROVIDED AND REQUIRED.** City shall provide a “cafeteria” plan. Each employee shall be required to participate in the following five plans to a level that provides for the employee:

- Hospital/medical care plan,
- Dental care plan,
- Vision care plan,
- Disability insurance plan,
- Life insurance plan.

Employees may request a waiver for medical, dental, or vision coverage from the Support Services Department. Such waiver may be granted only if the employee shows proof of other coverage through the employee’s spouse or registered domestic partner as defined in City of Merced Administrative Policy P-27 effective December 1, 2006. Should an employee who has obtained a waiver to this provision lose such alternative coverage, the employee shall provide proof to the Support Services Department with five (5) business days and enroll in a City-provided insurance program. If waiver of coverage is granted the allowance as outlined in Section 7.03 will be adjusted accordingly.

Participation for the employee’s dependents, and participation in other coverages offered, is optional.

**SECTION 7.02. PLAN SELECTION AND EMPLOYEE BENEFIT COMMITTEE.**

The City shall provide a selection of employee health and welfare benefit coverages for eligible employees and retirees, including but not limited to at least two options each for hospital/medical care plan, dental care plan, vision care plan, life insurance plan, and disability insurance plan. The plans shall be selected solely by the City following review of proposals by the Employee Benefits Committee. For the purpose of this section, it is understood that the role of the Employee Benefits Committee is advisory to the City Council. The Committee shall be comprised of representatives of each of the City’s bargaining units and management.

**SECTION 7.03. SCHEDULE OF ALLOWANCES PER PAY PERIOD.** The City shall contribute an amount per bi weekly pay period (based on twenty-six pay periods annually) as the Cafeteria Allowance Per Pay Period.

Effective December 18, 2017 (PP1) the pay period allowances are as follows:

**Medical**

Employee Only	\$230.84
Employee plus one	\$472.71
Employee plus two or more	\$694.89

**Dental, Vision, Disability, and Life**

Employee only	\$33.28
Employee plus one	\$46.75
Employee plus two or more	\$66.54

Future health and welfare plan costs over the current cost (if any) will be shared by both the City and the employee. Any increase in the sum of core premiums necessary to purchase the above listed coverages will be shared (55/45) between the City and the employee with the City paying 55% of the increase and the employee paying 45% of the increase. The City's portion shall reflect an increase in the Cafeteria Per Pay Period.

"Core" is defined as the basic offerings in the Cafeteria Plan listed in 7.01.

The employee shall be responsible for the balance of the premiums, if any, beyond the Cafeteria Allowance Per Pay Period. This applies for all insurance coverages selected, whether those coverages are part of the five basic offerings in the cafeteria, or other selections.

Employee contributions may be made on a pretax basis if the employee elects to participate in a Section 125 plan.

In order to avoid issues of adverse selection and recognizing the mutual interest of the City and the Association in avoiding escalation of insurance premium expenses, no employee shall receive cash back for having waived required coverage under section 7.01, except that a unit member who is married and whose spouse or registered domestic partner is also a current City of Merced employee, accepted for waiver of medical coverage, shall receive cash back equal to twenty-five percent (25%) of the core medical premium for a single individual.

**SECTION 7.04. MEDICAL/HEALTH, DENTAL AND VISION CARE COVERAGE AFTER RETIREMENT.**

- A. In accordance with Administrative Policy and Procedure No. P-17, the City shall provide a hospital/medical care plan for eligible retirees. The hospital/medical care plan shall be selected solely by the City and shall provide essentially the same benefits to retirees as are provided to full-time employees. An employee shall be considered a retiree of the City if the employee retires in the California Public Employees' Retirement System and his/her last active place of full-time employment within the system was with

the City. All retirees are eligible except as provided in (F) below and shall receive hospital/medical care coverage under the following conditions.

1. The retiree is age 50 or over with at least ten (10) years of service with the City; or
2. Retiree is retired because of a service-connected disability; or
3. Retiree is retired because of a non-service connected disability with at least ten (10) years of service.

Spouse or registered domestic partner of eligible retiree may remain on the plan until the retiree is deceased. The spouse or registered domestic partner and retiree shall be responsible for payment of the premium for coverage of spouse or registered domestic partner.

- B. City Contribution. For those eligible retirees in retirement status prior to December 31, 2004, the City agrees to contribute the amount necessary to provide a comparable hospital/medical plan for each eligible retiree.

For those active unit members who retire after December 31, 2004, the City agrees to contribute the monthly premium for each eligible retiree capped at the following amounts: \$310.03 monthly for Retirees over 65, and \$522.01 monthly for Retirees under 65. The Retiree shall pay any amount over the capped premium.

- C. Supplemental Retirement Medical Allowance. An employee retiring on or after January 1, 1999, and eligible for retirement medical benefits as provided in this Section, said retired employee and spouse or registered domestic partner and/or other dependents shall continue to be covered under the City's medical plan until both persons reach age 65. The City shall pay the premium for the retired employee, and the dependent(s) premium, shall be the responsibility of the retired employee. At the age of 65, the City's medical plan shall be secondary to Medicare medical coverage or any other benefit coverage available to the retired employee and eligible spouse or registered domestic partner.
- D. An eligible employee who retires after August 1, 1998, and his/her spouse or registered domestic partner and/or dependents, shall be eligible to continue coverage under the City's dental and vision plans. The premiums shall be the responsibility of the retired employee. At the age of 65, or upon the dropping of coverage by the employee, or the death of the eligible employee, the City's dental and vision plans will no longer be available to the retired employee and his/her eligible spouse or registered domestic partner and/or dependents.
- E. New unit employees hired after December 31, 2004 will not be entitled to receive the City's health/medical plan coverage after retirement.

- F. Any Employee deemed to be terminated by the City as the result of the following disciplinary actions shall not be eligible for the City of Merced health/medical/dental/vision coverage after retirement.
1. Conviction of a felony or misdemeanor involving moral turpitude. A plea or a verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be a conviction.
  2. Fraud or the submission of false information related to the employment application, payroll, or any work related record or report in an amount equal to Grand Larceny under the California Penal Code.
  3. Discrimination, including harassment, against other employees or members of the public on the basis of race, color, national origin, religious creed, ancestry, sex, marital status, age or physical handicap.
  4. Intoxication, intemperance, or incapacity on duty due or addiction to the use of controlled substances or alcohol.

## **ARTICLE VIII**

### **UNIFORMS AND PROTECTIVE CLOTHING**

**SECTION 8.01. UNIFORMS.** City agrees to provide uniforms for employees who are required as a condition of employment to wear uniforms.

#### **SECTION 8.02. PROTECTIVE CLOTHING.**

- A. City agrees to furnish protective clothing to employees when they must wear such clothing due to chemicals or equipment used in their work.
- B. City agrees to provide each employee in the unit a boot allowance of \$200.00 per fiscal year. Employee may purchase approved boots from a vendor of their choice and submit a request for reimbursement or obtain boots from a City approved vendor at a scheduled onsite visit. On-site vendor shall visit no less than twice per year as directed by the Department Head. Upon reimbursement by City after purchase, or receipt of boots from onsite vendor, the employee shall be required to wear such boots when performing his/her duties with the City.
- C. City agrees to furnish safety prescription eyewear for unit members who are required to wear prescription glasses and safety goggles during the performance of their normal assigned tasks. Safety eyewear under this Section shall require prior approval by the department head or designee.

**SECTION 8.03. SAFETY JACKETS.** City agrees to provide safety jackets for all unit employees, which clothing is required by the nature of their work. City agrees to replace safety jackets on as needed basis based on safety requirements as determined by Safety Officer.

**SECTION 8.04. FLEET WORKER BASIC HAND TOOLS.** Employees in the unit hired as a mechanic or worker in the fleet division or as directed by the department head will be required to provide their own basic hand tools (as listed in exhibit B). Upon hire into the Fleet division, the employee will create a tool inventory to submit to the supervisor for verification and retention. Annually this tool inventory will be reviewed and verified by the supervisor and employee. It is the employee's responsibility to report any additional, new or replaced tools to the supervisor.

In consideration for providing tools under this section and to reimburse employees for replacement and usage of tools, the City shall provide an annual allowance of \$300, payable the pay period that incorporates July 1. This amount is payable retrospectively, not prospectively, and will be pro-rated based on the number of pay periods employee worked in a classification required to provide their own basic hand tools. If an employee has worked less than a full year in an eligible classification, the allowance will be pro-rated to account for any period of time during which the employee is not employed in the classification or is on a leave of absence without pay. Alternatively, if the employee's employment with the City ends prior to July 1, he or she shall not be eligible to receive a pro-rated allowance with his or her final paycheck.

## **ARTICLE IX**

### **SENIORITY; LAYOFF; AND RE-EMPLOYMENT**

**SECTION 9.01. SENIORITY DEFINED.** Seniority is measured from the date of hire to a full-time or part-time permanent position and is defined as an employee's length of continuous service in a classification with the City. Seniority shall apply only to layoff or re-employment.

**SECTION 9.02. PROBATION.** All original appointments shall be for a probationary period of twelve (12) months. All promotional appointments shall be for a probationary period of six (6) months with the option to extend up to six (6) months by department head. During the probationary period the employee may be rejected at any time without right of appeal or hearing before the Personnel Board. The Association may represent probationary employees for the purposes of meeting and conferring in respect to wages, hours, and other terms and conditions of employment which directly affect wages and hours. The Association shall not, however, represent probationary employees with respect to demotion, discipline, and/or discharge matters.

**SECTION 9.03. JUST CAUSE.** The City will not discipline, suspend, or terminate an employee, with the exception of temporary and probationary employees, except for just cause. Disciplinary action taken against any employee must comply with the

conditions set forth in Article XX of the City of Merced Personnel Rules and Regulations.

#### **SECTION 9.04. LAYOFF AND RE-EMPLOYMENT.**

- A. In lieu of being laid off, an employee may elect demotion ("bumping") to:
  - 1. Any class in the same class series with a lower maximum salary;
  - 2. A class in the same line of work (as determined by the City) as the class of layoff, but of lesser responsibility, and with substantially the same or a lower maximum salary.
- B. In order to bump to a new classification, the employee must have more seniority than the employee that will be displaced.
- C. The employee bumping to a new classification must have held that classification at some time in his/her career in the City of Merced.
- D. Seniority is determined by the total continuous service in the City. The following provisions apply in computing total continuous service:
  - 1. Time spent on military leave shall count as service in the event the leave was taken subsequent to employment;
  - 2. Time worked in regular and/or probationary status shall count as service;
  - 3. Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status, shall not count as service.
- E. To be considered for demotion in lieu of layoff, an employee must notify the Director of Support Services (Personnel Manager) within seven (7) calendar days of receipt of the notice of layoff.
- F. In cases where there are two or more employees in a class from which the layoff is to be made, such employees shall be laid off in inverse order of seniority.
- G. Employees bumping to a lower or similar class shall be placed at the salary step representing the least loss of pay, without exceeding the employee's current rate of pay.
- H. The names of persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list in the order of lay off. Such list shall be used by the City Manager and each department head when a vacancy arises in the same or lower class.

- I. Names of persons laid off shall be carried on a re-employment list for two (2) years, except that persons appointed to regular positions of the same or higher level shall be dropped from the list upon such appointment. Persons re-employed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for the two (2) years.
- J. Refusal of a person to accept the first offer of re-employment with the same classification or a classification at the same or higher range shall cause the name of the person to be dropped from the re-employment list. Failure of a person to respond within seven (7) work days to the offer of re-employment shall be considered a refusal.
- K. If the provisions of this policy are in conflict with the provisions of a Memorandum of Understanding, the MOU shall be controlling without further action.
- L. An employee may not demote to a frozen position or a position that is being eliminated as part of the layoff, and an employee electing demotion must meet the minimum qualifications for the new classification.

**SECTION 9.05. LOSS OF SENIORITY.** Employees and persons laid off from employment shall lose their seniority for any one of the following reasons: dismissal, resignation, failure to return to work if called from layoff, failure to return to work at the expiration of a formal leave of absence, retirement, or layoff for a continuous period of one (1) year or longer.

**SECTION 9.06. SENIORITY LIST.** The Director of Support Services (Personnel Manager) shall prepare a list of persons in each classification in the unit with his/her date of hire.

**SECTION 9.07. TRAINING PROGRAMS.** The Association recognizes the City's authority to provide training to participants in a federal, state, or locally-sponsored job training program so long as the participants will not displace any current unit employee or any laid-off unit employee and the training will not cause a reduction in non-overtime work.

## **ARTICLE X** **WAGES**

**SECTION 10.01. PAY PLAN.** Wages are listed in Attachment A which is hereby incorporated in and made a part of this Memorandum of Understanding. Effective the first pay period of the fiscal year in 2018, pay period 14, wage increase of 2.50%. Effective the first pay period of the fiscal year in 2019 wage increase of 2.50%

**SECTION 10.02. SHIFT DIFFERENTIAL PAY.** City agrees to pay a shift differential of one dollar (\$1.00) per hour for all employees required to work swing or graveyard shifts.



Shift differential pay shall only be earned if the employee starts and ends their shift during the shift differential period (5:00 p.m. to 8:00 a.m.). In those cases where an employee starts or ends in a period other than the shift differential period and the employee worked at least fifty percent (50%) of their regular hours during the shift differential period, they shall earn shift differential pay for only those hours actually worked in the shift differential period.

Employees earning overtime pay from a regular shift which overlaps into the shift differential period do not earn additional shift differential pay during that period.

Shift differential pay will apply to all regular hour pay types, including workers compensation, CTO, sick leave, and vacation leave used.

**SECTION 10.03 BILINGUAL PAY.** In accordance with administrative policies and procedures, employees in the unit required to speak or write in Spanish, or other eligible languages in addition to English, and including sign language, as part of the regular duties of his/her position shall be compensated at the following monthly rates in addition to the employee's rate of pay:

Verbal Skills Only	\$50.00
Written Skills Only	\$75.00
Verbal and Written Skills	\$100.00

The City Manager shall designate which languages shall be eligible for bilingual pay based on community needs and will determine the number of employees who will be eligible for bilingual assignments.

**SECTION 10.04. APPLICABLE PAY FOR WORKING IN A HIGHER CLASSIFICATION.** On occasion, an employee may be required to work in a higher classification. In such cases, the salary of the employee will be adjusted to compensate for the higher level of duties.

An employee who is assigned to and performs the duties of a higher classification as set forth in this section shall be entitled to receive the first step in the pay range for the assigned position. If the salary at such step is less than or equal to the employee's present salary, such employee may receive the salary at the next step in the pay range of the acting position which is immediately above his/her present salary.

In order to receive adjusted compensation for working in a higher classification, the employee must: (1) be certified by the Personnel Manager as to possessing the qualifications and requirements to perform the duties of the higher classification, (2) be able to perform all the duties and responsibilities of the position.

The City Manager or his designee must approve in writing an employee working in a higher classification.

**ARTICLE XI**  
**DRIVER'S LICENSE/PLANT OPERATOR CERTIFICATION/**  
**PHYSICAL EXAMINATION**

**SECTION 11.01. GENERAL.** In those instances where the City requires, as a condition of employment, an employee to have a particular driver's license or a special certificate, the Association agrees that it is the responsibility of the employee to pay all costs in obtaining the first license and/or certificate at each level.

**SECTION 11.02. CLASS A AND CLASS B DRIVER'S LICENSE.** In those instances where the City requires, as a condition of continuing employment, an employee to renew or maintain a driver's license for which the law requires a medical examination, City agrees to make such medical examination available to the employee without cost to the employee. The City agrees to pay for special certificates and endorsements that are required by the City.

**SECTION 11.03. PLANT OPERATOR CERTIFICATION.** In those instances where the City requires, as a condition of employment in the appointed class, an employee to renew State certification as a Water Treatment Operator, Water Distribution Operator, Collections System Maintenance Worker or a Wastewater Treatment Plant Operator, as required by the State of California. The City agrees to pay the amount of the fee for renewal of the certification if renewal is submitted no later than one month prior to due date. City agrees to reimburse employees for amount of fee for renewals submitted after deadline.

**SECTION 11.04. PHYSICAL EXAMINATION.** In those instances where the City requires, as a condition of continuing employment, an employee to successfully pass a medical examination, the City agrees to provide such examination without cost to the employee. The physician shall be selected by the City.

The employee may choose to obtain an additional medical examination from his/her personally selected physician or from any source other than that provided by the City. The cost of such medical examination shall be borne by the employee.

If the results of such medical examinations are in conflict, the City shall provide a medical examination without cost to the employee. The City shall select a physician of its choice, other than the prior selected physician or a physician in that same medical group practice, and shall act on the results of the medical examinations most in agreement.

**SECTION 11.05. CONTINUING EDUCATION UNITS AND CONTACT HOUR CLASSES.** City shall provide for or pay for continuing education units and contact hour classes required for maintenance of licenses and certificates necessary to the job as specified in the job description or as required by State and Federal law, with class time and location subject to approval of City.

**SECTION 11.06. PROFESSIONAL ORGANIZATION MEMBERSHIP DUES.** City shall provide pay for individual professional organization membership dues in an amount up to \$250.00 per membership per year in the areas of the Parks and Streets Divisions for organizations which are directly related to job duties and which provide only individual memberships in which the City cannot obtain an organizational membership.

## **ARTICLE XII RETIREMENT**

**SECTION 12.01. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS).** The City shall maintain the 2.5% at age 55 California Public Employees' Retirement System (CalPERS) Retirement Program for current Association members. The City will implement a two-tiered retirement system, and all new Association members hired on or after December 10, 2012 will be covered by the 2% at age 60 benefit formula, if they are eligible for reciprocity as defined by CalPERS. "New Members", as defined by CalPERS, shall be covered by the 2% at age 62 benefit formula.

Participation in the PERS Retirement Program requires both an employer and employee contribution. Association members shall pay the entire employee contribution required by PERS. The employees' payment of 1.95% of the employer contribution shall be eliminated effective December 22, 2014.

Employee cost sharing will be made by payroll deduction and will be considered pre-tax.

## **ARTICLE XIII GRIEVANCE PROCEDURE**

**SECTION 13.01. DEFINITIONS.** The following words used in this Article are defined as follows:

**Grievance:** A claimed violation, misapplication or misinterpretation of a specific provision of this Memorandum of Understanding which adversely affects the grievant.

**Grievant:** An employee or the Association who is filing a grievance. An alleged violation, misapplication or misinterpretation that affects more than one employee in a similar manner may be consolidated and thereafter represented by a single grievance.

**Day:** A day in which the City's main administrative office is open for business.

**SECTION 13.02. TIME LIMIT FOR FILING GRIEVANCE.** A grievance shall be barred and not considered if based upon a condition or event which occurred or

existed more than fifteen (15) workdays immediately prior to the date on which the grievance is first presented.

**SECTION 13.03. PROCEDURE.** The City and the Association agree to the following exclusive procedure of presenting and adjusting grievances that must be processed in accordance with the following steps, time limits and conditions.

**SECTION 13.04. STEP ONE.** The aggrieved employee shall discuss the matter with the employee's immediate supervisor.

**SECTION 13.05. STEP TWO.** If the answer from the immediate supervisor is not satisfactory within ten (10) workdays following this discussion, the grievance within such time shall be reduced to writing on the form provided by the Personnel Department and submitted to the grievant's immediate supervisor. Within ten (10) workdays after receipt of the written grievance, the immediate supervisor shall answer the grievance in writing.

**SECTION 13.06. STEP THREE.** The answer from the immediate supervisor shall be final unless the grievance is appealed in writing to the involved department head within ten (10) workdays from the date of the supervisor's written answer in Step One. Within ten (10) workdays after receipt of the written appeal, the department head shall investigate and provide a written answer to the grievant.

**SECTION 13.07. STEP FOUR.** The answer from the department head shall be final unless the grievance is appealed in writing to the Director of Support Services or his/her designee within ten (10) workdays from the date of the department head's written answer in Step Two. The Director of Support Services or designee shall discuss the grievance with the grievant or the Association representative at a time mutually agreeable to both parties. Within ten (10) workdays after the close of discussion, the Director of Support Services or designee shall give his/her written answer.

**SECTION 13.08. STEP FIVE.** The answer from the Director of Support Services or designee shall be final unless the grievance is appealed in writing to the Personnel Board Chairperson within five (5) workdays after receipt of the Director of Support Services' or designee's written answer in Step Four. The Personnel Board shall hold a hearing of the grievance within thirty (30) workdays after receipt of the written appeal. The Personnel Board, after conducting such hearing, shall forward its recommendation to the City Manager for final determination. The City Manager, after consideration of the Personnel Board's recommendation, shall provide his/her written final determination to the aggrieved employee within ten (10) workdays.

**SECTION 13.09. EFFECT OF TIME LIMITS.** The parties agree to follow each of the foregoing steps in the processing of a grievance and if, in any step, the City's representative fails to give his/her written answer within the time limit therein set forth, the grievance shall automatically be transferred to the next step at the expiration of such time limit. Any grievance not moved by the grievant or the

Association to the next step within the time limits provided following the City's answer will be considered settled on the basis of the City's last answer.

**SECTION 13.10. EXTENSION OF TIME LIMITS.** Extensions of days to answer or move a grievance may be extended by mutual written agreement.

**SECTION 13.11. REPRESENTATION.** Nothing contained in this Article shall be interpreted to preclude an employee from requesting a representative to be present at each step in the grievance procedure.

#### **ARTICLE XIV MANAGEMENT RIGHTS**

**SECTION 14.01. MANAGEMENT RIGHTS.** All City rights and functions, except those that are expressly abridged by this Memorandum of Understanding, shall remain vested with the City.

Except to the extent that the rights, powers and authority of the City are specifically limited by the provisions of this Memorandum of Understanding, the City retains all rights, powers and authority granted to it or which it has pursuant to any law or the City Charter and the City shall not be required to meet and confer with respect to the exercise of such rights, powers and authority reserved hereinincluding, but not limited to:

- a. Determine the level of, and manner in which, the City's activities and services are conducted, managed, and administered.
- b. Schedule work.
- c. Direct employees, including the right to hire, promote, discipline, or discharge employees as set forth in the Personnel Rules.
- d. Transfer employees.
- e. Establish and enforce employee performance standards.
- f. Determine the safety, health, and property protection measures for the City.

Reorganizations and reallocation of work of the City.

This agreement is not intended, nor may it be construed, to modify the provisions of the Charter relating to Civil Service or personnel administration. The rights, powers, and authorities are specifically outlined in the Merced City Charter in Article V, City Manager and Article VI, Officers and Employees and shall continue in effect unless expressly modified or restricted by a specific provision hereof. The City shall continue to exercise authority over classification of jobs and the procedures and standards of selection for employment and promotion.

#### **ARTICLE XV NO STRIKE**

**SECTION 15.01. NO STRIKE.** Association agrees that during the term of this Memorandum of Understanding, neither it nor its officers, employees, or members

will engage in, encourage, sanction, support, or suggest any strikes, work stoppages, boycotts, slow downs, mass absenteeism, picketing, sympathy strikes, sickouts or any other similar actions which would involve suspension of or interference with the normal work of the City. Any employee who violates this provision may be subject to disciplinary action, up to and including discharge.

In the event that any concerted action as described above occurs, Association will notify the members that such activity is in violation of this Memorandum of Understanding and Association will notify the members that such concerted action shall cease and the members shall return to work.

Association shall take whatever legal actions are necessary to see that its members return to work. Failure to do so may result in sanctions taken by the City against the Association.

## **ARTICLE XVI** **SCOPE OF UNDERSTANDING**

**SECTION 16.01. SCOPE OF UNDERSTANDING.** For the term of this agreement, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire understanding between the parties regarding the provisions contained in this MOU; provided, however, that nothing shall prohibit the parties from changing the terms of this Memorandum by mutual agreement.

## **ARTICLE XVII** **SEPARABILITY**

**SECTION 17.01. SEPARABILITY.** In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, such nullification shall not affect any other provisions of this Memorandum, all of which provisions shall remain in full force and effect and the parties agree to meet and confer in an attempt to agree upon a replacement of such provision.

## **ARTICLE XVIII** **TERM OF AGREEMENT**

**SECTION 18.01. TERM OF AGREEMENT.** Unless otherwise provided in this Memorandum of Understanding, upon the approval of the City Council of the City of Merced, the specific provisions of this Memorandum of Understanding shall become effective January 1, 2018, and shall remain in full force and effect through December 31, 2019 .

**ARTICLE XIX**  
**PERSONNEL RULES AND REGULATIONS**

**SECTION 19.01. PERSONNEL RULES AND REGULATIONS.** The City and the Association have met and conferred on the March 1989 Personnel Rules and Regulations and exceptions to those Rules and Regulations are contained in this Memorandum of Understanding, as well as the deletion of Paragraph "Y" of Section 20.02.

**SECTION 19.02. RECRUITMENT.** All job openings covered by this Memorandum of Understanding shall be posted in all departments and open for bid to qualified individuals, with the City being the sole judge of qualifications.

**ARTICLE XX**  
**AMERICANS WITH DISABILITIES ACT (ADA)**

**SECTION 20.01. REASONABLE ACCOMMODATIONS.** The City and the Association recognize that the City has an obligation under law to provide employment-related reasonable accommodations to qualified individuals with disabilities within the meaning of and in accordance with its obligations under the California Fair Employment and Housing Act and the Americans with Disabilities Act. If by reason of the aforesaid requirement, the City contemplates actions to provide reasonable accommodation to an individual employee which are in potential conflict with any provisions of this Labor Memorandum, the Association will be advised of any such proposed accommodation prior to implementation by the City, and will be allowed the opportunity to discuss options to disregarding the memorandum.

City and Association agree that the provisions of this Memorandum of Understanding may be disregarded in order for the City to avoid discrimination relative to hiring, promotion, granting permanency, transfer, layoff, reassignment, termination, rehire, rates of pay, job and duty classification, seniority, leaves, fringe benefits, training opportunities, hours of work, or other terms and privileges of employment. Any accommodation provided to an individual protected by the ADA shall not establish a past practice, nor shall it be cited or used as evidence of a past practice in the grievance procedure.

**ARTICLE XXI**  
**SMOKING AND TOBACCO PRODUCT USE**

**SECTION 21.01. TOBACCO PRODUCT USE.** The City of Merced declares a hiring policy which disqualifies habitual users of tobacco products from eligibility for employment. Employees hired for positions in the bargaining unit after January 1, 2006 (except reinstatements and re-hires after layoff after the effective date of this agreement) shall not be permitted to use any tobacco products, consistent with this policy. Failure to follow this policy will lead to disciplinary action, up to and including dismissal.

Employees hired into the bargaining unit prior to December 31, 2005 will be permitted to use tobacco products in a manner consistent with any restrictions established by State law and this agreement.

Under no circumstances shall any tobacco product be used at any time inside a City building or vehicle or on City owned property.



DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

FOR THE ASSOCIATION:

FOR THE CITY:

\_\_\_\_\_  
Debbie Macias  
AFSCME

\_\_\_\_\_  
Steve Carrigan  
City Manager

\_\_\_\_\_  
David Weaver  
MACE President

\_\_\_\_\_  
Stephanie Dietz  
Assistant City Manager

\_\_\_\_\_  
AJ Destasio

\_\_\_\_\_  
Deneen Proctor  
Director of Support Services

\_\_\_\_\_  
Corey Plagenza

\_\_\_\_\_  
Shelline K. Bennett  
City Negotiator

\_\_\_\_\_  
Cosmo Ordunez

\_\_\_\_\_  
Armando Garibay

\_\_\_\_\_  
Jay King

\_\_\_\_\_  
Matthew Beckman

Attachment A
MACE WAGE SUMMARY
Effective PP14 - 6/18/18

				Steps			
JOB TITLE	CLASS	GRADE	1	2	3	4	5
AIRPORT MAINTENANCE WORKER	01070	128	3,087	3,241	3,403	3,573	3,752
AIRPORT OPERATIONS TECHNICIAN	01075	177	3,921	4,117	4,322	4,538	4,765
BUILDING MAINTENANCE WORKER I	01617	132	3,326	3,493	3,667	3,851	4,043
BUILDING MAINTENANCE WORKER II	01618	152	3,668	3,851	4,044	4,246	4,459
COLLECTION SYSTEM WORKER II	01966	156	3,677	3,861	4,054	4,257	4,470
COLLECTION SYSTEM WORKER III	01967	176	3,901	4,096	4,301	4,516	4,741
CONTAINER MAINTENANCE WORKER	02100	170	4,058	4,260	4,473	4,697	4,932
CROSS CONNECTION CONTROL SPECIALIST	02011	192	4,526	4,753	4,990	5,240	5,502
CUSTODIAN I	02200	104	2,800	2,940	3,087	3,241	3,403
CUSTODIAN II	02201	128	3,087	3,241	3,403	3,573	3,752
ENVIRONMENTAL CONTROL OFFCR I	04365	171	3,994	4,193	4,403	4,623	4,854
ENVIRONMENTAL CONTROL OFFCR II	04366	201	4,623	4,854	5,097	5,351	5,619
EQUIPMENT SERVICE WORKER	04375	127	3,357	3,525	3,701	3,886	4,081
FABRICATION TECH/STOREKEEPER	04485	178	4,105	4,311	4,526	4,752	4,990
FINANCE LIASION	04499	178	4,105	4,311	4,526	4,752	4,990
FLEET MAINTENANCE LEAD WORKER	04660	182	4,956	5,204	5,464	5,737	6,024
INSTRUMENT ELECTRIC TECHNICIAN	07225	204	4,896	5,141	5,398	5,668	5,951
LAND APPLICATION PROGRAM LEAD	05378	192	4,526	4,753	4,990	5,240	5,502
LEAD - MAIN SEWERS/STORM DRAIN	05375	172	4,292	4,506	4,732	4,968	5,217
LEAD - PW WATER	05387	185	4,953	5,200	5,460	5,733	6,020
LEAD REFUSE EQUIPMENT OPERATOR	05390	157	4,258	4,471	4,694	4,929	5,176
LEAD ZOO KEEPER	05395	142	3,395	3,565	3,743	3,930	4,127
MAINTENANCE ELECTRICIAN	05480	174	4,368	4,586	4,815	5,056	5,309
MAINTENANCE WORKER I	05520	120	3,236	3,398	3,568	3,746	3,934
MAINTENANCE WORKER II	05521	140	3,567	3,745	3,933	4,129	4,336
MAINTENANCE WORKER III	05522	159	4,077	4,281	4,495	4,720	4,956
MECHANIC I	05640	141	3,589	3,768	3,957	4,154	4,362
MECHANIC II	05641	169	3,957	4,154	4,362	4,580	4,809
MECHANIC III	05642	175	4,506	4,731	4,967	5,216	5,477
PARK WORKER I	06120	112	3,048	3,200	3,360	3,528	3,705
PARK WORKER II	06121	133	3,362	3,530	3,706	3,891	4,086
PARK WORKER III	06130	153	3,784	3,974	4,172	4,381	4,600
PESTICIDE APPLICATOR I	06275	150	3,479	3,653	3,835	4,027	4,229
PESTICIDE APPLICATOR II	06276	151	4,027	4,228	4,440	4,662	4,895
PUBLIC UTILITIES INSPECTOR	06548	193	4,570	4,799	5,039	5,291	5,555
PUMP OPERATOR	06550	179	4,785	5,024	5,276	5,539	5,816
PW - SEWER COLL SYST WORKER	01965	136	3,335	3,501	3,676	3,860	4,053
RECYCLING COORDINATOR	06665	340	3,916	4,111	4,317	4,533	4,760
REFUSE EQUIPMENT OPERATOR	06691	122	3,344	3,512	3,687	3,872	4,065
REFUSE EQUIPMENT OPR TRAINEE	06690	146	3,871	4,064	4,268	4,481	4,705
STREET SWEEPER OPERATOR	06979	134	3,287	3,451	3,624	3,805	3,995
STREET SWEEPER OPER TRAINEE	06980	154	3,632	3,814	4,004	4,205	4,415
TRAFFIC SIGNAL/LIGHTING TECHNICIAN	07020	161	4,542	4,769	5,007	5,258	5,520
TREE TRIMMER	07140	148	4,162	4,370	4,589	4,818	5,059
WATER CONSERVATION SPECIALIST	02203	340	3,916	4,111	4,317	4,533	4,760
WATER METER/BACKFLOW TECHNICIAN	07300	178	4,105	4,311	4,526	4,752	4,990
WATER SYS IRRIGATION MAINT WKR	07325	129	3,208	3,369	3,537	3,714	3,900
WATER SYSTEMS TECHNICIAN I	07330	155	3,723	3,909	4,105	4,310	4,525
WATER SYSTEMS TECHNICIAN II	07331	178	4,105	4,311	4,526	4,752	4,990
WATER SYSTEMS TECHNICIAN III	07332	192	4,526	4,753	4,990	5,240	5,502
WWTP MAINT ELECT/MECHANIC	07240	162	4,765	5,003	5,254	5,516	5,792
WWTP MECHANIC I	07230	160	4,323	4,539	4,766	5,004	5,254
WWTP MECHANIC II	07231	162	4,765	5,003	5,254	5,516	5,792
WWTP OPERATOR I	07249	180	4,742	4,979	5,228	5,489	5,764
WWTP OPERATOR II	07250	190	4,980	5,229	5,490	5,765	6,053
WWTP OPERATOR III	07252	202	5,229	5,490	5,764	6,053	6,355
WWTP OPERATOR TRAINEE	07247	130	3,513	3,689	3,873	4,067	4,270
ZOO KEEPER	07700	128	3,087	3,241	3,403	3,573	3,752
		126					
All numbers have been rounded to the nearest \$1							

Attachment A							
MACE WAGE SUMMARY							
Effective PP14 - 6/17/19							
			Steps				
JOB TITLE	CLASS	GRADE	1	2	3	4	5
AIRPORT MAINTENANCE WORKER	01070	128	3,164	3,322	3,488	3,663	3,846
AIRPORT OPERATIONS TECHNICIAN	01075	177	4,019	4,219	4,430	4,652	4,885
BUILDING MAINTENANCE WORKER I	01617	132	3,410	3,580	3,759	3,947	4,144
BUILDING MAINTENANCE WORKER II	01618	152	3,760	3,948	4,145	4,352	4,570
COLLECTION SYSTEM WORKER II	01966	156	3,769	3,957	4,155	4,363	4,581
COLLECTION SYSTEM WORKER III	01967	176	3,998	4,198	4,408	4,628	4,860
CONTAINER MAINTENANCE WORKER	02100	170	4,159	4,367	4,585	4,815	5,055
CROSS CONNECTION CONTROL SPECIALIST	02011	192	4,639	4,871	5,115	5,371	5,639
CUSTODIAN I	02200	104	2,870	3,013	3,164	3,322	3,488
CUSTODIAN II	02201	128	3,164	3,322	3,488	3,663	3,846
ENVIRONMENTAL CONTROL OFFCR I	04365	171	4,093	4,298	4,513	4,739	4,976
ENVIRONMENTAL CONTROL OFFCR II	04366	201	4,738	4,975	5,224	5,485	5,759
EQUIPMENT SERVICE WORKER	04375	127	3,441	3,613	3,794	3,983	4,183
FABRICATION TECH/STOREKEEPER	04485	178	4,208	4,418	4,639	4,871	5,115
FINANCE LIASION	04499	178	4,208	4,418	4,639	4,871	5,115
FLEET MAINTENANCE LEAD WORKER	04660	182	5,080	5,334	5,601	5,881	6,175
INSTRUMENT ELECTRIC TECHNICIAN	07225	204	5,018	5,269	5,533	5,809	6,100
LAND APPLICATION PROGRAM LEAD	05378	192	4,639	4,871	5,115	5,371	5,639
LEAD - MAIN SEWERS/STORM DRAIN	05375	172	4,399	4,619	4,850	5,092	5,347
LEAD - PW WATER	05387	185	5,076	5,330	5,597	5,876	6,170
LEAD REFUSE EQUIPMENT OPERATOR	05390	157	4,364	4,583	4,812	5,052	5,305
LEAD ZOO KEEPER	05395	142	3,480	3,654	3,837	4,029	4,230
MAINTENANCE ELECTRICIAN	05480	174	4,477	4,701	4,936	5,182	5,442
MAINTENANCE WORKER I	05520	120	3,317	3,483	3,657	3,840	4,032
MAINTENANCE WORKER II	05521	140	3,656	3,839	4,031	4,233	4,444
MAINTENANCE WORKER III	05522	159	4,179	4,388	4,608	4,838	5,080
MECHANIC I	05640	141	3,678	3,862	4,056	4,258	4,471
MECHANIC II	05641	169	4,056	4,258	4,471	4,695	4,929
MECHANIC III	05642	175	4,618	4,849	5,092	5,346	5,613
PARK WORKER I	06120	112	3,124	3,280	3,444	3,617	3,797
PARK WORKER II	06121	133	3,446	3,618	3,799	3,989	4,188
PARK WORKER III	06130	153	3,879	4,073	4,277	4,490	4,715
PESTICIDE APPLICATOR I	06275	150	3,566	3,744	3,931	4,128	4,334
PESTICIDE APPLICATOR II	06276	151	4,128	4,334	4,551	4,778	5,017
PUBLIC UTILITIES INSPECTOR	06548	193	4,685	4,919	5,165	5,423	5,694
PUMP OPERATOR	06550	179	4,905	5,150	5,407	5,678	5,962
PW - SEWER COLL SYST WORKER	01965	136	3,418	3,589	3,768	3,957	4,154
RECYCLING COORDINATOR	06665	340	4,014	4,214	4,425	4,646	4,879
REFUSE EQUIPMENT OPERATOR	06691	122	3,428	3,599	3,779	3,968	4,167
REFUSE EQUIPMENT OPR TRAINEE	06690	146	3,968	4,166	4,374	4,593	4,823
STREET SWEEPER OPERATOR	06979	134	3,369	3,537	3,714	3,900	4,095
STREET SWEEPER OPER TRAINEE	06980	154	3,723	3,909	4,104	4,310	4,525
TRAFFIC SIGNAL/LIGHTING TECHNICIAN	07020	161	4,655	4,888	5,132	5,389	5,658
TREE TRIMMER	07140	148	4,266	4,479	4,703	4,939	5,186
WATER CONSERVATION SPECIALIST	02203	340	4,014	4,214	4,425	4,646	4,879
WATER METER/BACKFLOW TECHNICIAN	07300	178	4,208	4,418	4,639	4,871	5,115
WATER SYS IRRIGATION MAINT WKR	07325	129	3,289	3,453	3,626	3,807	

*All numbers have been rounded to the nearest \$1*

<b>APPENDIX B - BASIC HAND TOOLS LIST</b>			
<b>Qty</b>	<b>Class</b>	<b>Description</b>	<b>Dimension</b>
1	Storage	An appropriate size and securable tool box	
1	Standard 1/4	Ratchet	1/4
1	Standard 1/4	Extension	1/4 x 2
1	Standard 1/4	Extension	1/4 x 6
1	Standard 1/4	Socket set shallow	1/4 x 3/16-9/16
1	Standard 1/4	Socket set deep	1/4 x 3/16-9/16
1	Metric 1/4	Socket set shallow	1/4 x 4mm-15mm
1	Metric 1/4	Socket set deep	1/4 x 4mm-15mm
1	Standard 1/4	Socket set universal	1/4 x 3/16-9/16
1	Standard 3/8	Socket set shallow	3/8 x 1/4 x 7/8
1	Standard 3/8	Socket set deep	3/8 x 1/4 x 7/8
1	Standard 3/8	Socket spark plug	3/8 x 13/16
1	Standard 3/8	Socket spark plug	3/8 x 5/8
1	Metric 3/8	Socket set shallow	3/8 x 8mm-19mm
1	Metric 3/8	Socket set deep	3/8 x 8mm-19mm
1	Standard 3/8	Socket set universal	3/8 x 7/16-3/4
1	Standard 3/8	Ratchet	3/8
1	Standard 3/8	Extension	3/8 x 1 1/2
1	Standard 3/8	Extension	3/8 x 6
1	Standard 3/8	Extension	3/8 x 11
1	Standard 3/8	Joint universal	3/8
1	Standard 3/8	Socket torx	3/8 x E8-E16
1	Standard 3/8	Socket allen wrench	3/8 x 1/8-3/8
1	Metric 3/8	Socket allen driver	3/8 x 4mm-14-mm

1	Standard 3/8	Socket torx driver	3/8 x T27-T55
1	Standard 3/8	Socket set impact shallow	3/8 x 3/8-3/4
1	Standard 3/8	Socket set impact deep	3/8 x 3/8-3/4
1	Metric 3/8	Socket set impact shallow	3/8 x 8mm-24mm
1	Metric 3/8	Socket set impact deep	3/8 x 8mm-24mm
1	Standard 3/8	Joint impact universal	3/8
1	Standard 3/8	Adaptor	3/8 x 1/2
1	Standard 1/2	Adaptor	1/2 x 3/8
1	Standard 1/2	Adaptor	1/2 x 3/4
1	Standard 3/4	Adaptor	3/4 x 1/2
1	Standard 1/2	Breaker Bar	1/2
1	Standard 1/2	Extension	1/2 x 2
1	Standard 1/2	Extension	1/2 x 5
1	Standard 1/2	Extension	1/2 x 11
1	Standard 1/2	Joint universal	1/2
1	Standard 1/2	Socket set shallow	1/2 x 7/16 -1 1/4
1	Standard 1/2	Socket set deep	1/2 x 7/16 -1 1/4
1	Metric 1/2	Socket set shallow	1/2 x 12mm- 27mm
1	Metric 1/2	Socket set deep	1/2 x 12mm- 27mm
1	Standard 1/2	Socket set impact shallow	1/2 x 7/16-1 1/4
1	Standard 1/2	Socket set impact deep	1/2 x 7/16-1 1/4
1	Metric 1/2	Socket set impact shallow	1/2 x 12mm- 27mm
1	Metric 1/2	Socket set impact deep	1/2 x 12mm- 27mm
1	Standard	Wrench combination set	1/4 - 1 1/2
1	Metric	Wrench combination set	7mm - 27mm

1	Standard	Wrench flair nut	1/4 - 3/4
1	Metric	Wrench flair nut	9mm - 18mm
1	Standard	Wrench allen	1/8 - 1/2
1	Metric	Wrench allen	6mm - 12mm
1	Standard	Wrench adjustable	10 in
1	Standard	Wrench adjustable	6 in
1	Standard	Wrench pipe	2 in capacity
1	Standard	Screwdriver flat	1/8 x 6
1	Standard	Screwdriver flat	3/16 x 6
1	Standard	Screwdriver flat	3/16 x 10
1	Standard	Screwdriver flat	1/4 x 10
1	Standard	Screwdriver flat	1/4 x 12
1	Standard	Screwdriver phillips	#0
1	Standard	Screwdriver phillips	#1
1	Standard	Screwdriver phillips	#2
1	Standard	Screwdriver phillips	#3
1	Standard	Screwdriver phillips	#4
1	Standard	Screwdriver pozidrive	#1
1	Standard	Screwdriver pozidrive	#2
1	Standard	Screwdriver pozidrive	#3
1	Standard	Screwdriver torx set	T6 - T30
1	Standard	Driver nut	1/4 - 1/2
1	Metric	Driver nut	6mm -12 mm
1	Standard	Pliers slip joint 2 position	8 in
1	Standard	Pliers slip joint 5 position	12 in
1	Standard	Pliers needle nose	6 in
1	Standard	Cutters diagonal	6 in
1	Standard	Pliers locking	7 in
1	Standard	Pliers retaining ring	small
1	Standard	Pliers retaining ring	medium
1	Standard	Pliers retaining ring	large
1	Standard	Pliers wire stripper	
1	Standard	Pliers wire crimper	
1	Standard	Pry bar	small
1	Standard	Pry bar	large
1	Standard	Torque wrench	1/2 in
1	Standard	Hammer ball peen	24 oz
1	Standard	Hammer ball peen	48 oz
1	Standard	Hammer bronze	24 oz
1	Standard	Punch pin set	small
1	Standard	Punch pin set	medium
1	Standard	Punch pin set	large

1	Standard	Punch center set	small
1	Standard	Punch center set	large
1	Standard	Chisel flat set	small
1	Standard	Chisel flat set	large
1	Standard	Gasket scraper	
1	Standard	Utility knife	
1	Standard	Magnetic pick up tool	Telescoping
1	Standard	Tape measure	12 ft
1	Standard	Gauge feeler set	.002 - .035
1	Metric	Gauge feeler set	.05mm - 1mm
1	Standard	Spark plug gap tool	
1	Standard	Caliper vernier type	0 - 6 in
1	Standard	Volt ohm meter digital	
1	Standard	Circuit tester	12 volt
1	Standard	Spring coupling disconnect set	
1	Standard	Oil filter wrench	
1	Standard	Wrench ignition set	
1	Standard	Seal puller	
1	Standard	Tire pressure gauge	
1	Standard	Wrench brake bleeder	1/4
1	Standard	Wrench brake bleeder	1/3
1	Standard	Wrench brake bleeder	3/8
1	Standard	Hack saw	

SIDE LETTER TO THE JANUARY 1, 2018 MOU  
BETWEEN  
THE CITY OF MERCED  
AND  
MACE

This is a Side Letter to the January 1, 2018 Memorandum Of Understanding ("MOU") between the City and MACE.

This side letter is only effective for the term of the January 1, 2018 MOU and shall sunset on December 31, 2019 and have no force or effect following this date.

During the term of the January 1, 2018 MOU and contingent upon the City possibly having a final, completed compensation study being conducted by an outside vendor, upon written notice to the other party, either the City or Association may reopen negotiations for the sole purpose of discussing base wage increases only.

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

FOR THE ASSOCIATION:

FOR THE CITY:

\_\_\_\_\_  
Debbie Macias  
AFSCME

\_\_\_\_\_  
Steve Carrigan  
City Manager

\_\_\_\_\_  
David Weaver  
MACE President

\_\_\_\_\_  
Stephanie Dietz  
Assistant City Manager

\_\_\_\_\_  
AJ Destasio

\_\_\_\_\_  
Deneen Proctor  
Director of Support Services

\_\_\_\_\_  
Corey Plagenza

\_\_\_\_\_  
Shelline K. Bennett  
City Negotiator

\_\_\_\_\_  
Cosmo Ordunez

\_\_\_\_\_  
Armando Garibay

\_\_\_\_\_  
Jay King

\_\_\_\_\_  
Matthew Beckman





## ADMINISTRATIVE REPORT

**Agenda Item H.13.**

Meeting Date: 5/21/2018

*Report Prepared by: Deneen Proctor, Director of Support Services*

**SUBJECT:** Memorandum of Understanding with American Federation of State, County and Municipal Employees, District Council 57, Local 2703 (AFSCME)

### REPORT IN BRIEF

Consider approving Memorandum of Understanding with American Federation of State, County and Municipal Employees, District Council 57, Local 2703 (AFSCME).

### RECOMMENDATION

**City Council** - Adopt a motion approving **Resolution 2018-32**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with AFSCME (MCEA) District Council 57; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Deny; or
3. Refer back to staff with instructions.

### AUTHORITY

Resolution No. 80-106 - Resolution of the City Council of the City of Merced Establishing an Employer-Employee Organizations Relations Policy.

Meyers Milias Brown Act

### CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

### DISCUSSION

The City's negotiations team and the AFSCME unit have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits in accordance with the anticipated revenue forecast along with updating the MOU with language that aligns with new state and federal laws. Therefore, staff recommends adoption of the Resolution approving the Memorandum of Understanding.

A summary of the items agreed upon in this Memorandum of Understanding are as follows:

- Term: Two years - the term of the agreement shall be effective January 1, 2018 and shall remain in effect through December 31, 2019.
- Wages: Base wage increases will be effective the first pay period of the fiscal year as follows: year one (2018) 2.50% and year two (2019) 2.50%.
- Wage reopener: Contingent upon the City having a final, completed compensation study, either the City or Union may reopen negotiations for consideration of base wage increases.
- Overtime: For purposes of computing overtime hours worked and hours worked and time during which an employee is excused from work because of vacation, holiday, sick or authorized compensatory time off (CTO) shall be considered as time worked by the employee.
- Vacation: Additional hours of vacation will be granted to employees completing 15 years of service.
- Vacation Payout: Allow employees the option to annually cash out a maximum of 20 accrued vacation hours.

### **IMPACT ON CITY RESOURCES**

The total impact of the MOU on General Fund and other operating funds is approximately \$194,000. Funding has been included in the City Manager's Recommended FY 2018/19 budget. No additional budget appropriation is necessary.

### **ATTACHMENTS**

1. Resolution 2018-32
2. Memorandum of Understanding (Appendix A)

**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF MERCED, CALIFORNIA,  
APPROVING MEMORANDUM OF  
UNDERSTANDING WITH AFSCME (MCEA)  
DISTRICT COUNCIL 57**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY  
RESOLVE AS FOLLOWS:

SECTION 1. That certain document entitled, “MEMORANDUM OF UNDERSTANDING BETWEEN AND FOR THE CITY OF MERCED AND AFSCME DISTRICT COUNCIL 57 (MERCED CITY EMPLOYEES ASSOCIATION),” effective January 1, 2018, a copy of which is attached hereto and marked Appendix “A,” is hereby approved and shall be effective from January 1, 2018 through December 31, 2019.

SECTION 2. All other resolutions or parts thereof inconsistent with Section 1 hereof are superseded.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney      4-25-2018  
Date

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN AND FOR THE CITY OF MERCED**  
**AND**  
**AFSCME DISTRICT COUNCIL 57 LOCAL 2703**  
**(MERCED CITY EMPLOYEES ASSOCIATION)**

\*\*\*\*\*

**JANUARY 1, 2018**  
**THROUGH**  
**DECEMBER 31, 2019**

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## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered into this, day of May, 2018 by and between the City of Merced, hereinafter referred to as the "City," and AFSCME District Council 57 Local 2703 (Merced City Employees Association), hereinafter referred to as the "Union."

### **ARTICLE I** **INTENT AND PURPOSE**

**SECTION 1.01. PURPOSES.** The purposes of this Memorandum of Understanding are to assure the efficient and economical operation of the City; to secure and sustain maximum work effort of each employee covered by this Memorandum of Understanding; to maintain a harmonious relationship between the employees in the bargaining unit and the City; to establish wages, hours and working conditions; to prevent strikes, slowdowns, and any other disturbances which interfere with or interrupt operations; and to set forth the entire agreement between the City, the Union, and the employees covered by this Memorandum of Understanding concerning rates of pay, wages, and other conditions of employment to be observed by the parties hereto.

### **ARTICLE II** **RECOGNITION AND NON-DISCRIMINATION**

**SECTION 2.01. RECOGNITION.** The City hereby recognizes the Union as the exclusive representative for the purpose of meeting and conferring with respect to wages, hours of employment and other working conditions, of all full-time and regular part-time Union employees employed in the classified service by the City identified by the attached list.

**SECTION 2.02. NON-DISCRIMINATION.** In accordance with Federal and State law, the City prohibits discrimination and harassment against race, religion, color, age (40 and over), sex (including gender, gender identity, gender expression), national origin, ancestry, physical or mental disability, medical condition, genetic characteristics or information, marital status, sexual orientation (including homosexuality, bisexuality, or heterosexuality), military and veteran status, or any other basis protected by law.

**SECTION 2.03. UNION AFFILIATION.** The City and the Union agree to protect the rights of all employees to exercise their free choice to join the Union or to elect the Agency Fee option.

**SECTION 2.04. UNION RESPONSIBILITIES.** The Union recognizes its responsibilities as respective for the purpose of meeting and conferring and agrees to represent all probationary and regular part-time and full-time employees in the unit without discrimination, interference, restraint or coercion.

### **ARTICLE III**

#### **DUES DEDUCTION**

**SECTION 3.01. AUTHORIZATION.** During the term of this MOU, members of the unit may tender their Union dues to the Union directly. If a member voluntarily signs a release furnished by the City authorizing the City to deduct Union dues or fees from the employee's regular biweekly paycheck, the City will make said deduction provided the employee is on regular pay status and the employee's paycheck is sufficient to cover the amount of the dues. The employee's earnings must be sufficient to cover the amount of dues or fees authorized after other legal and required deductions are first made. When an employee is in non-pay status for an entire pay period, no withholding will be made to cover that pay period. If an employee is in non-pay status during only a part of the pay period and his or her salary is not sufficient to cover the full withholding, no deduction shall be made. For payroll purposes, all other legal and required deductions (e.g., health care and insurance deductions, etc.) shall have priority over Union dues or fees. The City agrees to notify the Union of all new hires doing bargaining unit work within 7 days of hire.

**SECTION 3.02. AUTHORIZATION WITHDRAWAL.** Members of the unit who have given written authorization to the City to deduct Union dues or fees from their paychecks may declare their intention to terminate such payroll deduction. Termination of such payroll deduction shall be in writing, addressed to the City's Director of Support Services, or her/his designee, with a copy to Union, and submitted during the thirty (30) day period between November 1 and November 30, and shall be effective upon expiration of this Memorandum of Understanding.

**SECTION 3.03. CERTIFICATION OF DUES.** Each year during the month of December, Union will certify to the Finance Officer the amount of Union monthly dues or fees. If Union changes the amount of dues, each such change must be certified to City at least four (4) weeks prior to the change becoming effective.

**SECTION 3.04. LIABILITY.** If during the term of this MOU any claims, charges, or lawsuits are brought against City by any party over the matter of Union dues or Union dues deduction from members' paychecks, Union agrees to indemnify, protect, defend, and hold harmless City and to pay any and all costs of such claims, charges, lawsuits, damages or settlements, including reasonable attorney's fees to be determined by a court of competent jurisdiction. In addition, Union shall refund to City any amounts paid to it in error upon presentation of supporting evidence.

**SECTION 3.05. VOLUNTARY CONTRIBUTIONS TO "AFSCME PEOPLE."** The City agrees to deduct from the paycheck of all employees covered by this Memorandum of Understanding voluntary contributions to AFSCME PEOPLE (Public Employees Organized to Promote Legislative Equality). The Union shall notify the City of the amounts designated by each contributing employee that are to



be deducted from his/her paycheck on a weekly basis for all weeks worked. The employee shall make the designation for the voluntary contribution. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage.

The City shall transmit to AFSCME Local 2703 on a bi-weekly basis in one (1) check the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's Social Security number, and the amount deducted from that employee's paycheck.

#### **ARTICLE IV** **MAINTENANCE OF MEMBERSHIP**

**SECTION 4.01. DUES PAYROLL DEDUCTION – CURRENT MEMBERS.** As a condition of continued employment, Union members on dues payroll deduction for the payment of Union dues or fees as of 5:00 p.m. on the tenth workday following ratification by the membership of this Memorandum of Understanding must remain on payroll deduction for the life of this Memorandum of Understanding or so long as they are employed in a classification in the representation unit.

**SECTION 4.02. DUES PAYROLL DEDUCTION – NEW MEMBERS.** As a condition of continued employment, Union members who establish dues or fees payroll deduction during the term of this Memorandum of Understanding must remain on payroll deduction for the life of this Memorandum of Understanding or so long as they are employed in a classification in the representation unit.

**SECTION 4.03. HOLD HARMLESS.** Union agrees to indemnify, protect, defend, and hold City harmless from any judgments and costs of defending lawsuits for implementing or enforcing this provision of the Memorandum of Understanding.

**SECTION 4.04. AGENCY SHOP.**

- A.** For the duration of this Memorandum of Understanding, all employees in the unit shall either join the Union or pay to the Union a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the Union.
- B.** Any new member of the unit shall have thirty (30) calendar days from the date of employment to make application for membership in the Union or to become a service fee payer.
- C.** The Union, and not the City, shall be responsible for requiring employees to fulfill their obligations under Paragraphs A and B above.
- D.** Those bargaining unit members who are bona fide members of a religious organization who have historically held a conscientious objection to joining or

financially supporting an employee organization may file a fair share appeal as defined by law upon submittal of supporting documentation from authorized signatories. Any bargaining unit member whose claims for religious exemption has been found bona fide, and whose claim has been granted by the Union shall as an alternative to payment of dues or agency fee to the Union, pay an equivalent amount to one of the following non-religious, non-labor, charitable funds that are exempt from taxation under Section 501C (3) of the Internal Revenue Code: Boys & Girls Club of Merced, LAMBDA, or Merced Hospice.

- E. At the time of their initial hiring orientation, the City shall distribute to new unit members an informational packet containing contact information for the Union, and an application form for Union membership or fair share contribution. The Union shall provide the informational packets to the City for distribution. The City shall notify the Union Chapter Board of a new hire within a week of the employee's start date. The Union shall provide the City with a list of Chapter Board members and promptly provide the City with updates of membership when they occur.

## **ARTICLE V**

### **AUTHORIZED REPRESENTATIVES**

**SECTION 5.01. AUTHORIZED REPRESENTATIVES.** For purposes of administering the terms and provisions of the various ordinances, resolutions, rules and regulations adopted with this Memorandum of Understanding, City's principal authorized agent shall be the Municipal Employees Relations Officer or his/her duly authorized agent, except where a particular management representative is otherwise designated; Union's principal authorized agent shall be the AFSCME Council 57, Local 2703, authorized agent.

**SECTION 5.02. TIME OFF FOR REPRESENTATIVES.** City agrees to allow employee representatives of the Union reasonable time off during the regular work hours without loss of compensation or their benefits when formally meeting and conferring with representatives of City on matters within the scope of representation. Such time shall include reasonable preparation time as approved by the City Manager.

**SECTION 5.03. REPRESENTATION RELEASE TIME.** City and Union agree that, as long as there is no disruption of work, any one of the officers of Union may be allowed reasonable release time, not to exceed two (2) hours per week, away from his/her work duties, without loss of pay, to assist any unit employee or employees in investigation of facts and in presentation of a grievance.

**SECTION 5.04. TIME AUTHORIZATION.** Union agrees that employee representatives shall not leave their duty or workstation or assignment to engage in Union representation duties without specific approval of the department head or

other authorized City management official. Employee shall select representation from a designated pool of Union Shop Stewards, not a specific Shop Steward. If a Shop Steward is not available, the City and the grievant will reschedule.

**SECTION 5.05. BULLETIN BOARDS.** Union Executive Board Members will be allowed to use the City e-mail system and the approved Bulletin Boards for communication and dissemination of information to unit members. E-mail communication shall be subject to the same City rules as any other type of correspondence and is a public record. All communications must be in accordance with public record laws.

The designated locations for Bulletin Boards permitted for Union information are in the Civic Center first floor break room, and the break rooms located in the Fire Central Station, Police Central Station, Public Works Administration building, Wastewater Treatment Plant, and Purchasing Office. The City shall determine actual placement of the boards in the respective break rooms. Union shall purchase said Bulletin Boards with prior design approval by the City. Such enclosure shall be a locking cabinet with limited key access. Material posted to Bulletin Boards shall not be obscene, misleading, contain threatening or harassing statements, contain any deliberate misstatements, compromise the integrity of the City and its business operations in any way, or violate Federal, State, or Municipal laws, or the Personnel Rules and Regulations and Administrative Policies and Procedures.

## **ARTICLE VI**

### **HOURS AND WORKING CONDITIONS**

**SECTION 6.01. WORKDAY, WORKWEEK, WORK PERIOD.** For full-time employees of the unit, the normal workday shall be eight (8) hours; the normal workweek shall be forty (40) hours; the normal work period shall be eighty (80) hours during each fourteen (14) calendar days unless an employee has requested and received written permission from their department head and the City Manager authorizing an alternate work schedule. Approval shall be on a case by case basis and is not grievable.

**SECTION 6.02. WORKWEEK SCHEDULE.** The basic workweek schedule shall be established by the City in compliance with the Fair Labor Standards Act.

**SECTION 6.03. REST PERIODS.** All employees shall be granted a rest period or coffee break limited to fifteen (15) minutes during each four (4) hours of regular work. Rest periods shall not be scheduled within one (1) hour of the beginning or the ending of a work shift or lunch period. The department may make reasonable rules concerning rest period scheduling. No wage deduction shall be made and no time off shall be charged against employees taking authorized rest periods.

**SECTION 6.04. MEAL PERIODS.** All employees normally shall be allowed a meal period of not less than thirty (30) minutes nor more than one (1) hour which shall be

scheduled generally in the middle of the work shift. The department may make reasonable rules concerning meal period scheduling. Employees are not authorized to work through a meal period to make up for previous absences, to accrue overtime, to gain entitlement to an earlier quitting time, or for any other reason, unless the employee's assigned or mandated duties require otherwise or department head has given prior authorization.

**SECTION 6.05. WORK SCHEDULE CHANGES.** Within the basic categories of workday, workweek, work period, rest period, and meal period, the department head, with the approval of the City Manager, shall have the discretion to modify work schedules to meet the needs of the City. When changes in schedules are anticipated, a minimum of fourteen (14) work days notification will be given to employees of new schedule; or when such changes are deemed to be immediately necessitated by emergency conditions, the department head shall give employees as much advance notice as is reasonably possible. For purposes of this MOU, emergency conditions are conditions involving real or potential loss of service or property or personal danger as determined by the management of the City.

**SECTION 6.06. OVERTIME – DEFINITION.** Overtime is defined as assigned and authorized time worked beyond the established forty (40) hours in a seven (7) day workweek.

**SECTION 6.07. OVERTIME COMPUTED.** For the purpose of computing the number of hours worked, time during which an employee is excused from work because of a holiday, vacation, sick leave or authorized compensatory time off (CTO) shall be considered as time worked by the employee.

**SECTION 6.08. OVERTIME – BASIC RATE.** Except as otherwise provided in this Memorandum of Understanding, compensation for assigned and authorized overtime work in excess of forty (40) hours in a work week shall be at a rate equivalent to one and one-half times the straight time hourly rate.

**SECTION 6.09. OVERTIME FOR GRANT REIMBURSABLE ACTIVITIES.** Employees assigned to grant reimbursable activities in the Police Department shall be paid at time and one-half for all hours worked outside of the employees regularly scheduled shift. These hours may be used to offset any overtime required under the FLSA.

**SECTION 6.10. CALL-BACK – DEFINITION.** Call-back work is defined as work required of an employee when such employee is not on his/her regular shift during the period that begins one (1) hour after the employee has left work and ends one (1) hour before the employee is scheduled to begin the next regular shift.

**SECTION 6.11. CALL-BACK PAY.** Employees called back to work by the department head or his/her representative during the period specified in Section 6.10 shall receive payment for actual time worked at the appropriate hourly rate in

accordance with Section 6.07. Additional callbacks shall also be compensated at the appropriate hourly rate for the actual hours worked.

**SECTION 6.12. STANDBY OR ON-CALL.** Except as otherwise provided in this Memorandum of Understanding, any member of the unit assigned by the department head or his/her representative to stand by or be on-call outside the regular duty schedule shall receive a standby or on-call allowance as follows:

1. Employees on standby or on-call during regularly scheduled workdays shall receive a standby or on-call allowance of two (2) hours' pay at the employee's straight time hourly rate for each weekday night of standby or on-call required.
2. Employees on standby or on-call on regular scheduled days off (i.e., a 24-consecutive hour period commencing at 8:00 a.m.) shall receive a standby allowance of three (3) hours pay at the employee's straight time hourly rate for each of said days of standby or on-call required.
3. Employees on standby or on-call on holidays shall receive a standby allowance of four (4) hours pay at the employee's straight time hourly rate for each day of eligible holiday required on standby or on-call.

An employee on standby or on-call who is called back to work shall be paid in accordance with the provisions of the Fair Labor Standards Act.

**SECTION 6.13. COMPENSATORY TIME OFF (CTO).** Members of the unit who work over eight (8) hours in a workday may be given compensatory time off (CTO) in lieu of cash payment for overtime at the discretion of the department head. The time at which compensatory time off (CTO) may be taken will be determined by the department head based on the needs of the City service but after considering the preferences of the employee, and requests shall not be unreasonably denied.

**SECTION 6.14. COMPENSATORY TIME OFF (CTO) RATE.** When CTO is authorized in lieu of cash payment for overtime, it shall be allowed and taken at the same rate that overtime is computed in accordance with section 6.07 of this MOU.

**SECTION 6.15. COMPENSATORY TIME OFF (CTO) – MAXIMUM ACCRUAL.** The maximum accrual of CTO hours is eighty (80) hours. Above the maximum accrual, all overtime worked shall be paid in cash.

**SECTION 6.16. COMPENSATORY TIME OFF (CTO) – PAYMENT.** Prior to resignation, termination or retirement, a member of this unit shall be permitted to utilize accumulated CTO, or shall be paid the cash equivalent of the accumulated CTO. Employees in this unit may, once per quarter, elect to cash out up to forty (40) hours of CTO. Payment shall be made by separate check, unless and until adverse changes in state and federal regulations.

**SECTION 6.17. GENERAL AUTHORIZATIONS.** The amount of overtime work, call-back work, standby, or on-call, and the method of reimbursement for such work, such as cash, time off, or a combination thereof, shall be determined through general policy of the City Manager except as specifically abridged in this Memorandum of Understanding.

No employee shall perform overtime work, call-back work, standby, or on-call unless such work is authorized and directed by the department head or his/her representative, and no employee shall be paid for such overtime, call-back, standby, or on-call unless he/she shall be approved by the department head on the payroll sheet submitted at the end of the pay period in which the work was performed.

**SECTION 6.18. HOLIDAYS.** During the term of this MOU, the following holidays are recognized as City holidays for pay purposes for all employees in the unit:

New Year's Day .....	The 1 <sup>st</sup> day of January
Martin Luther King Jr. Day .....	The 3 <sup>rd</sup> Monday of January
Washington's Birthday .....	The 3 <sup>rd</sup> Monday of February
Memorial Day .....	The last Monday in May
Independence Day .....	The 4 <sup>th</sup> day of July
Labor Day .....	The first Monday in September
Veterans Day .....	The 11 <sup>th</sup> day of November
Thanksgiving Day .....	The 4 <sup>th</sup> Thursday in November
Day After Thanksgiving .....	The day after the 4 <sup>th</sup> Thursday in November
Christmas Day .....	The 25 <sup>th</sup> day of December

Either Christmas Eve or New Year's Eve – Employee is guaranteed to be allowed to take within the calendar year.

One Floating Holiday – To be taken when requested by the Employee and with the approval of the department head. Available to be taken up to December 31 of each calendar year. Floating Holiday will be paid at time of separation if not previously taken for that calendar year. Unit member hired after the second Monday in October would not be eligible for Floating Holiday in that calendar year.

\* Payment authorized for working only when deemed to be an emergency.

\* If staffing and scheduling makes it such that employees can get neither day off, an alternate day can be selected with approval of the City Manager if request is made no later than December 1.

When any day recognized as a holiday by the City falls on a Sunday, the following Monday shall be considered the holiday. When any day recognized as a holiday by the City falls on a Saturday, the preceding Friday shall be considered the holiday.

**SECTION 6.19. MODIFICATION OF HOLIDAY SCHEDULE.** It is understood that employees do not report to work on recognized City holidays unless otherwise directed by the department head. Subject to regulation and control of the City Manager, the department head may require any employee to work on any or all of said holidays.

**SECTION 6.20. HOLIDAY PAY – DAY WORKED.** Employees of the unit eligible for holiday benefits who are required by management directive to work on a day designated as a holiday shall receive pay equal to and in lieu of time off at the straight time for the holiday and be paid in accordance with Section 6.07 of this MOU:

Employees subjected to “scheduled staffing”, where the holiday falls during the normal regularly scheduled 40 hour work week shall be paid at the straight time rate for each hour worked during the first eight (8) hours of work.

The compensation provided for in this subsection shall be inclusive of any overtime compensation or other benefits to which such employees may be entitled under the provisions of any ordinance or resolution of the City or other applicable law, and not in addition thereto.

**SECTION 6.21. HOLIDAY PAY – DAY OFF.** When a day designated as a holiday falls on a normally assigned day off of an employee of the unit who is eligible for holiday benefits, said employee shall receive additional pay equal to and in lieu of time off at straight time hourly rate for said holiday.

**SECTION 6.22. HOLIDAY PAY – LEAVE OF ABSENCE.** Notwithstanding the provisions of Section 6.21, an employee in the unit shall not receive holiday pay if he/she is on an approved leave of absence.

**SECTION 6.23. ABSENCES BEFORE AND AFTER HOLIDAYS.** Any employee who is absent from work on the day before and/or the day after a holiday, as set forth in Section 6.18 of this Article, may forfeit the holiday pay unless the absence is taken as approved leave with prior notice. An absence taken as sick leave will be approved only by verification by the supervisor who may require a doctor's certificate verifying inability of the employee to work. The employee will bear the cost of securing a doctor's verification, if required.

**SECTION 6.24. PROBATIONARY PERIOD FOR PROMOTIONS.** Promotional appointments shall be subject to a six-month probationary period for members of this bargaining unit.

**SECTION 6.25. PROBATIONARY PERIOD FOR RECLASSIFICATIONS.** The City and the Union agree that Article V, Section 5.11(B)(3) of the Merced City Personnel Rules and Regulations shall be modified as follows:

“3. Upward. The employee will retain permanent status in the new class when the Director of Support Services determines that either (a) there has been no essential change in the duties or responsibilities of the position during the individual’s incumbency, thereby requiring no probationary period; or (b) there has been a gradual change in the duties and the incumbent has performed the higher level tasks for a significant period, normally six months. If the change is the result of a reorganization, a probationary period shall not be required if the incumbent has previously held position; however, if the incumbent has not previously held the position, successful completion of a probationary period may be required by the Personnel Manager prior to the incumbent attaining permanent status in the new class. If none of the above situations exist, the employee may be transferred, demoted, laid off or compete for the reallocated position.”

## **ARTICLE VII**

### **WAGES**

**SECTION 7.01. WAGES.** Wages are listed in Attachment A, which is hereby incorporated herein and made a part of this Memorandum of Understanding. Effective the first pay period of the fiscal year in 2018, pay period 14, wage increase of 2.50%. Effective the first pay period of the fiscal year in 2019 wage increase of 2.50%.

**SECTION 7.02. CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM.** The City shall maintain the 2.5% at age 55 California Public Employees’ Retirement System (CalPERS) Retirement Program for current Union members. The City will implement a two-tiered retirement system, and all new Union members hired on or after December 10, 2012 will be covered by the 2% at age 60 benefit formula, if they are eligible for reciprocity as defined by CalPERS. “New Members”, as defined by CalPERS, shall be covered by the 2% at age 62 benefit formula.

Union members shall pay the entire employee contribution required by PERS. The employees’ payment of the 1.95% employer contribution shall be eliminated effective December 22, 2014.

Employee cost-sharing will be made by payroll deduction and will be considered pre-tax employee contributions.

**SECTION 7.03. PAY RANGE SALARY STEPS – FULL-TIME EMPLOYEES AND REGULAR PART-TIME EMPLOYEES.** For full-time employees and regular part-time employees, the pay plan provides for pay ranges and a salary step schedule of five (5) steps. The salary steps in the pay range are designated 1, 2, 3, 4 and 5.



If retroactive pay is due for any reason, payment shall be made by separate check, unless and until adverse changes in state and federal regulations.

**SECTION 7.04. DEFERRED COMPENSATION.** The City shall make available a Deferred Compensation Plan for those employees in this unit who wish to participate in said plan.

**SECTION 7.05. SHIFT DIFFERENTIAL.** Members of the unit assigned to shift or unit regularly scheduled to work four (4) hours or more between 5:00 p.m. to 2:00 a.m. shall receive three percent (3%) shift differential in addition to his/her base wage.

**SECTION 7.06. BILINGUAL PAY.** In accordance with administrative policies and procedures, employees in the unit required to speak or write in Spanish, or other eligible languages in addition to English, and including sign language, as part of the regular duties of his/her position shall be compensated at the following monthly rates in addition to the employee's rate of pay:

Verbal Skills Only	\$50.00
Written Skills Only	\$75.00
Verbal and Written Skills	\$100.00

The City Manager shall designate which languages shall be eligible for bilingual pay based on community needs and will determine the number of employees who will be eligible for bilingual assignments.

## **ARTICLE VIII**

### **VACATION AND SICK LEAVE**

**SECTION 8.01. VACATION ACCRUAL.** After the effective date of this agreement, all eligible employees shall earn vacation benefits in accordance with their length of continuous service as follows:

During the first 5 years of continuous service, full-time regular employees earn vacation benefits at the rate of 3.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 192.00 hours.

After the completion of 5 years of continuous service, full-time regular employees earn vacation benefits at the rate of 4.616 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 240.00 hours.

After the completion of 9 years of continuous service, full-time regular employees earn vacation benefits at the rate of 6.160 hours each biweekly

pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 320.00 hours.

After the completion of 15 years of continuous service, full-time regular employees earn vacation benefits at the rate of 6.928 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 360 hours. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than pay period 14 in 2018.

After the completion of 20 years of continuous service, full-time regular employees earn vacation benefits at the rate of 7.696 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 400.00 hours.

After completion of twenty-five (25) years of continuous service, full-time regular employees earn vacation benefits at the rate of 9.232 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 480.00 hours.

Part-time regular employees earn vacation benefits at a prorata rate.

**Section 8.02. VACATION PAYMENT.** All employees of the unit will have the option to cash out up to a maximum of twenty (20) hours of accrued vacation time. Employees who elect to cash out vacation shall have a minimum balance of 100 accrued vacation hours prior to the cash out pay period and shall have completed their initial probationary period with the City of Merced. Vacation payment will take place once per year in the first pay period in December. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval

### **SECTION 8.03. VACATION USE.**

- A. VACATION USE.** Vacation used by an employee shall be charged against the vacation accrued on an hour-for-hour basis. Earned leave shall not be unreasonably denied.
- B. MAXIMUM VACATION ACCRUAL.** When the maximum number of vacation hours is accumulated by an employee, vacation hours shall cease to accrue to that employee and hours that otherwise would accrue over the maximum are lost to the employee and will not be reimbursed.

It shall be the responsibility of the employee to monitor his/her vacation accrual and to request vacation use so that the employee's maximum accrual is not exceeded.

**SECTION 8.04. SICK LEAVE ACCRUAL.** All eligible employees earn sick leave benefits service as follows:

Full-time regular employees earn sick leave benefits from the first date of employment at the rate of 3.696 hours each biweekly pay period of continuous service. Employees may accumulate sick leave benefits to a maximum of 1056.00 accrued sick leave hours.

Part-time employees earn sick leave benefits at a pro rata rate.

**SECTION 8.05. SICK LEAVE DURING FIRST SIX MONTHS OF INITIAL PROBATION.** Any unit employee initially appointed to a position in the classified service serves an initial probationary period of twelve (12) months. Probationary employees may use sick leave accrued to them under the same rules and regulations as regular employees, except that any sick leave used in excess of 3 days or 24 hours, whichever is greater shall be repaid to the City if the employee does not pass probation. Repayment shall be accomplished by the City's withholding from the employee's final paycheck an amount equal to the number of sick leave hours used times the employee's regular hourly rate of pay during which sick was used. This section does not apply to unit employees who have successfully completed their initial 12-month probationary period.

**SECTION 8.06. SICK LEAVE USE.** Sick leave used by an employee shall be charged against the sick leave accrued on an hour-for-hour basis.

**SECTION 8.07. SICK LEAVE PAYMENTS.** In January of each year, employees who have unused sick leave in excess of 960 hours as of the last pay period in the preceding December will be paid at their straight time hourly rate for fifty percent (50%) of said hours in excess of 960, but the remaining fifty percent (50%) of hours in excess of 960 will be forfeited. Payment shall be made by separate check, unless and until adverse changes in state and federal regulation.

**SECTION 8.08. SICK LEAVE FOR IMMEDIATE FAMILY CARE.** An employee with accumulated sick leave may use sick leave to attend to an illness of a child, domestic partner's child who is ill, parent, spouse, sibling, grandparent, grandchildren or domestic partner of the employee, as defined by statute. Leave for this purpose may not be taken until it has actually accrued. Granting of sick leave shall be at the discretion of the department head.

**SECTION 8.09. FAMILY AND MEDICAL LEAVE ACT.** In accordance with administrative policies and procedures, employees in the unit will be entitled to family and medical leave required by federal and state law.

**SECTION 8.010. CATASTROPHIC LEAVE BANK.** In accordance with administrative policies and procedures, employees in the unit will be entitled to assist other City employees who face extended leaves without pay due to a catastrophic non-industrial occurrence in their lives. For the purpose of this plan, a catastrophic occurrence is defined as a serious non-industrial injury or a prolonged illness to themselves, and the affected employee has exhausted all accrued leaves. Both the donor and the recipient must be regular full-time employees, having passed initial probation. Catastrophic leave determinations are non-grievable.

**SECTION 8.11. SICK LEAVE UPON SEPARATION FROM CITY SERVICE.** To the extent permitted by law, an employee of the unit who resigns or is dismissed forfeits all further eligibility to any accrued but unused sick leave. An employee of the unit who retires from the City after ten (10) or more years of continuous service will be paid at the straight time hourly rate for 50 percent of the hours of accrued but unused sick leave. The remaining 50 percent of the hours of accrued but unused sick leave will be forfeited.

## **ARTICLE IX** **HEALTH AND WELFARE**

**SECTION 9.01. BENEFITS PROVIDED AND REQUIRED.** City shall provide a “cafeteria” plan. Each employee shall be required to participate in the following five plans to a level that provides for the employee:

- Hospital/medical care plan,
- Dental care plan,
- Vision care plan,
- Disability insurance plan (all unit members shall be required to enroll in the 30-day retention period disability plan),
- Life insurance plan.

Employees may request a waiver for medical, dental, or vision coverage from the Support Services Department. Such waiver may be granted only if the employee shows proof of other coverage through the employee’s spouse. Should an employee who has obtained a waiver to this provision lose such alternative coverage, the employee shall provide proof to the Support Services Department within five (5) business days and enroll in a City-provided insurance program. If waiver of coverage is granted the allowances as outlined in Section 9.03 will be adjusted accordingly.

Participation for the employee’s dependents, and participation in other coverages offered, is optional.

**SECTION 9.02. PLAN SELECTION AND EMPLOYEE BENEFIT COMMITTEE.** The City shall provide a selection of employee health and welfare benefit coverages

for eligible employees and retirees, including but not limited to at least two options each for hospital/medical care plan, dental care plan, vision care plan, life insurance plan, and disability insurance plan. The plans shall be selected solely by the City following review of proposals by the Employee Benefits Committee. For the purpose of this section, it is understood that the role of the Employee Benefits Committee is advisory to the City Council. The Committee shall be comprised of representatives of each of the City's bargaining units and management.

**SECTION 9.03. SCHEDULE OF ALLOWANCES PER PAY PERIOD.** The City shall contribute an amount per bi-weekly pay period (based on twenty-six pay periods annually) as the Cafeteria Allowance Per Pay Period.

Effective December 18, 2017 (PP01) the per pay period allowances are as follows:

**Medical**

Employee only	\$229.50
Employee plus one	\$470.07
Employee plus two or more	\$690.93

**Dental, Vision, Disability and Life**

Employee only	\$33.73
Employee plus one	\$47.50
Employee plus two or more	\$67.71

Future health and welfare plan costs over the current cost (if any) will be shared by both the City and the employee. Any increase in the sum of core premiums necessary to purchase the above listed coverages will be shared (55/45) between the City and the employee with the City paying 55% of the increase and the employee paying 45% of the increase. The City's portion shall reflect an increase in the Cafeteria Per Pay Period.

"Core" is defined as the basic offerings in the Cafeteria Plan listed in 9.01.

The employee shall be responsible for the balance of the premiums, if any, beyond the Cafeteria Allowance Per Pay Period. This applies for all insurance coverages selected, whether those coverages are part of the five basic offerings in the cafeteria, or other selections.

Employee contributions may be made on a pre tax basis if the employee elects to participate in a Section 125 plan. In order to avoid issues of adverse selection and recognizing the mutual interest of the City and the Union in avoiding escalation of insurance premium expenses, no employee shall receive cash back except that a unit member who is married and whose spouse is also a current City of Merced employee, accepted for waiver of medical coverage, shall receive cash back equal to twenty-five percent (25%) of the core medical premium for a single individual.

#### **SECTION 9.04. MEDICAL/HEALTH, DENTAL AND VISION CARE COVERAGE AFTER RETIREMENT.**

A. In accordance with Administrative Policy and Procedure No. P-17, the City shall provide a hospital/medical care plan for eligible retirees. The hospital/medical care plan shall be selected solely by the City and shall provide essentially the same benefits to retirees as are provided to full-time employees. An employee shall be considered a retiree of the City if the employee retires in the California Public Employees' Retirement System and his/her last active place of full-time employment within the system was with the City. All retirees are eligible except as provided in (E) below and shall receive hospital/medical care coverage under the following conditions:

1. The retiree is age 50 or over with at least ten (10) years of service with the City; or
2. Retiree is retired because of a service-connected disability; or
3. Retiree is retired because of a non-service connected disability with at least ten (10) years of service.

Spouse of eligible retiree may remain on the plan until the retiree is deceased. The spouse and retiree shall be responsible for payment of the premium for coverage of spouse.

For those retirees in retirement status on or before July 20, 2003, the City agrees to contribute the amount necessary to provide a comparable hospital/medical plan for each eligible retiree.

B. For those active unit members who retire after July 20, 2003, the City agrees to contribute the monthly premium for each eligible retiree capped at the following amounts: \$390.55 monthly for Retirees over 65, and \$546.51 monthly for Retirees under 65. The Retiree shall pay any amount over the capped premium.

C. Supplemental Retirement Medical Allowance. An employee retiring on or after January 1, 1999, and eligible for retirement medical benefits as provided in this Section, said retired employee and spouse and/or other dependents shall continue to be covered under the City's medical plan until both persons reach age 65. The City shall pay the premium for the retired employee, and the dependent(s) premium shall be the responsibility of the retired employee. At the age of 65, the City's medical plan shall be secondary to Medicare medical coverage or any other benefit coverage available to the retired employee and eligible spouse.

- D. An eligible employee who retires after August 1, 1998, and his/her spouse and/or dependents, shall be eligible to continue coverage under the City's dental and vision plans. The premiums shall be the responsibility of the retired employee. At the age of 65, or upon the dropping of coverage by the employee, or the death of the eligible employee, the City's dental and vision plans will no longer be available to the retired employee and his/her eligible spouse and/or dependents.
- E. New unit employees hired after December 31, 2003 will not be entitled to receive the City's health/medical plan coverage after retirement, except that such may elect to continue coverage under COBRA if there is a qualifying event.

## **ARTICLE X**

### **LEAVES OF ABSENCE**

**SECTION 10.01. BEREAVEMENT LEAVE.** In the event of a death in the immediate family, an employee, upon request, shall be granted up to twenty-four (24) hours bereavement leave with pay without charge to accumulated sick leave or vacation. An additional twenty-four (24) hours bereavement leave shall be granted upon request of the employee, if sufficient accrued hours are available, where extensive travel is required to attend the funeral, or where other extenuating circumstances require the attendance of the employee for additional time. Such additional bereavement leave shall be charged against the employee's accumulated leave credits including sick, vacation, and CTO.

**SECTION 10.02. DEFINITION OF IMMEDIATE FAMILY.** For the purposes of Section 10.01, the immediate family shall be restricted to father, mother, spouse, domestic partner, child, brother, sister, mother-in-law, father-in-law, grandparents, grandchildren related by blood, marriage, or adoption, or a step-child of the employee's current spouse.

**SECTION 10.03. OTHER FUNERAL LEAVE.** In the event of the death of a person not immediately related to an employee, as defined above, the employee's department head may grant up to eight (8) hours funeral leave upon request of the employee which shall be charged against the employee's accumulated sick, CTO, or vacation leave credits.

**SECTION 10.04. ABSENCE WITHOUT OFFICIAL LEAVE (AWOL).** Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked or cancelled, or at the expiration of a leave, shall be considered an absence without official leave.

**SECTION 10.05. VOLUNTARY RESIGNATION.** Any employee in this unit absent without official leave for two (2) or more consecutive days or absent an aggregate of

sixteen (16) hours in any calendar month without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Merced.

## **ARTICLE XI**

### **UNIFORMS**

**SECTION 11.01. UNIFORMS.** The City agrees to provide uniforms for employees who are required as a condition of employment to wear uniforms. The City Manager will determine the classes of positions for which uniforms will be provided and the types of uniforms that will be furnished. The City reserves the right to eliminate uniforms in any of the classes of positions.

Those employees who are required to wear uniforms as a condition of employment shall be provided a minimum of five (5) complete uniforms. All uniforms shall be of such a nature that they do not require dry cleaning and will not cause employees to incur an additional out of pocket expense to maintain.

**SECTION 11.02. PROTECTIVE CLOTHING.** When the City requires an employee to wear personal protective clothing or accessories, the City shall either furnish the item or reimburse the employee for the mandatory purchase.

## **ARTICLE XII**

### **GRIEVANCE PROCEDURE**

**SECTION 12.01. DEFINITIONS.** The following words used in this Article are defined as follows:

**Grievance:** A claimed violation, misapplication or misinterpretation of a specific provision of this Memorandum which adversely affects the grievant.

**Grievant:** An employee who is filing a grievance. Any alleged violation, misapplication or misinterpretation that affects more than one employee in a similar manner may be consolidated and thereafter represented by a single grievance.

**Day:** A day in which the City's main administrative office is open for business.

**SECTION 12.02. TIME LIMIT FOR FILING GRIEVANCE.** A grievance shall be barred and not considered if based upon a condition or event which occurred or existed more than fifteen (15) workdays immediately prior to the date on which the grievance is first presented in writing to the immediate supervisor pursuant to Step 2.

**SECTION 12.03. PROCEDURE.** The City and the Union agree to the following exclusive procedure of presenting and adjusting grievances that must be processed in accordance with the following steps, time limits and conditions.



**SECTION 12.04. STEP ONE.** The aggrieved employee shall discuss the matter with the employee's immediate supervisor.

**SECTION 12.05. STEP TWO.** If the answer from the immediate supervisor is not satisfactory within ten (10) workdays following this discussion, the grievance within such time shall be reduced to writing on the form provided by the Personnel Department and submitted to the grievant's immediate supervisor. Within ten (10) workdays after receipt of the written grievance, the immediate supervisor shall answer the grievance in writing.

**SECTION 12.06. STEP THREE.** The answer from the immediate supervisor shall be final unless the grievance is appealed in writing to the involved department head within ten (10) workdays from the date of the supervisor's written answer in Step One. Within ten (10) workdays after receipt of the written appeal, the department head shall investigate and provide a written answer to the grievant.

**SECTION 12.07. STEP FOUR.** The answer from the department head shall be final unless the grievance is appealed in writing to the Director of Support Services or his/her designee within ten (10) workdays from the date of the department head's written answer in Step Three. The Director of Support Services or designee shall discuss the grievance with the grievant or the Union representative at a time mutually agreeable to both parties. Within ten (10) workdays after the close of discussion, the Director of Support Services or designee shall give his/her written answer.

- A. **OPTIONAL STEP: MEDIATION.** Following the answer from the Director of Support Services, either party may make a request for mediation. The request must be made in writing within seven (7) work days of the Step Four response from the Director of Support Services.

Neither party will be bound by any statement or recommendation of the mediator or by either statement or proposal made by the parties during the mediation process. Either party may terminate the mediation process immediately by written notice at any time. Upon termination of the mediation, either party pursuing the matter further may submit it in writing to the Chairperson of the Personnel Board within five (5) workdays of the date of the notice of termination of the mediation, in order to pursue the process to Step Five.

The cost of mediation, if any, shall be shared equally by the parties.

**SECTION 12.08. STEP FIVE.** The answer from the Director of Support Services or designee shall be final unless the grievance is appealed in writing to the Personnel Board Chairperson within five (5) workdays after receipt of the Director of Support Services' or designee's written answer in Step Four. The Personnel Board shall

hold a hearing of the grievance within thirty (30) workdays after receipt of the written appeal. The Personnel Board, after conducting such hearing, shall forward its recommendation to the City Manager for final determination. The City Manager, after consideration of the Personnel Board's recommendation, shall provide his/her written final determination to the aggrieved employee within ten (10) workdays.

**SECTION 12.09. EFFECT OF TIME LIMITS.** The parties agree to follow each of the foregoing steps in the processing of a grievance and if, in any step, the City's representative fails to give his/her written answer within the time limit therein set forth, the grievance shall automatically be transferred to the next step at the expiration of such time limit. Any grievance not moved by the grievant or the Union to the next step within the time limits provided following the City's answer will be considered settled on the basis of the City's last answer.

**SECTION 12.10. EXTENSION OF TIME LIMITS.** Extensions of days to answer or move a grievance may be extended by mutual written agreement.

**SECTION 12.11. REPRESENTATION.** Nothing contained in this Article shall be interpreted to preclude an employee from requesting a representative to be present at each step in the grievance procedure.

**SECTION 12.12. JUST CAUSE.** The City will not discipline, suspend, or terminate an employee, with the exception of temporary and probationary employees, except for just cause. Disciplinary action taken against any employee must comply with the conditions set forth in Article XX of the City of Merced Personnel Rules and Regulations.

### **ARTICLE XIII** **MANAGEMENT RIGHTS**

**SECTION 13.01. MANAGEMENT RIGHTS.** All City rights and functions, except those that are expressly abridged by this Memorandum of Understanding, shall remain vested with the City.

Except to the extent that the rights, powers and authority of the City are specifically limited by the provisions of this Memorandum of Understanding, the City retains all rights, powers and authority granted to it or which it has pursuant to any law or the City Charter and the City shall not be required to meet and confer with respect to the exercise of such rights, powers and authority reserved herein, including but not limited to:

- a. Determine the level of, and manner in which, the City's activities and services are conducted, managed, and administered.
- b. Schedule work.
- c. Direct employees, including the right to hire, promote, discipline, or discharge employees as set forth in the Personnel Rules.
- d. Transfer employees.

- e. Establish and enforce employee performance standards.
- f. Determine the safety, health, and property protection measures for the City.
- g. Reorganizations and reallocation of work of the City.

This MOU is not intended to, nor may it be construed to, modify the provisions of the Charter relating to Civil Service or personnel administration. The rights, powers, and authorities are specifically outlined in the Merced City Charter in Article V, City Manager and Article VI, Officers and Employees and shall continue in effect unless expressly modified or restricted by a specific provision hereof. The City shall continue to exercise authority over classification of jobs and the procedures and standards of selection for employment and promotion.

**SECTION 13.02. TRAINING PROGRAMS.** The Union recognizes the City's authority to provide training to participants in a federal, state, or locally sponsored job training program so long as the participants will not displace any current unit employee or any laid-off unit employee and the training will not cause a reduction in non-overtime work.

## **ARTICLE XIV**

### **LAYOFF**

#### **SECTION 14.01. LAYOFF.**

1. In lieu of being laid off an employee may elect demotion ("bumping") to:
  - A. Any class in the same class series with a lower maximum salary;
  - B. A class in the same line of work (as determined by the City) as the class of layoff, but of lesser responsibility, and with substantially the same or a lower maximum salary.
2. In order to bump to a new classification, the employee must have more seniority than the employee that will be displaced.
3. The employee bumping to a new classification within the series must have held a classification within that series at some time in his/her career in the City of Merced; and in the case of an employee not in the unit, that employee must also have held a unit classification identified within the class series and can only bump to the classification previously held.
4. Seniority is determined by the total continuous service in the City. The following provisions apply in computing total continuous service:
  - A. Time spent on military leave shall count as service in the event the leave was taken subsequent to employment;

- B. Time worked in regular and/or probationary status shall count as service;
  - C. Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status, shall not count as service.
5. To be considered for demotion in lieu of layoff, an employee must notify the Personnel Manager within five (5) working days of receipt of the notice of layoff.
  6. In cases where there are two or more employees in a class from which the layoff is to be made, such employees shall be laid off in inverse order of seniority.
  7. Employees bumping to a lower or similar class series shall be placed at the salary step representing the least loss of pay, without exceeding the employee's current rate of pay.
  8. The names of persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list in the order of lay off. Such list shall be used by the City Manager and each department head when a vacancy arises in the same or lower class series.
  9. Names of persons laid off shall be carried on a re-employment list for two (2) years, except that persons appointed to regular positions of the same or higher level shall be dropped from the list upon such appointment. Persons re-employed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for the two (2) years.
  10. Refusal of a person to accept the first offer of re-employment with the same classification or a classification at the same or higher range shall cause the name of the person to be dropped from the re-employment list. Failure of a person to respond within seven (7) workdays to the offer of re-employment shall be considered a refusal.
  11. Seniority at the time of layoff shall be recognized upon re-employment for the purposes of determining vacation accruals. Sick leave accrual amount at the time of layoff, if any, shall be reinstated upon re-employment.
  12. If the provisions of this policy are in conflict with the provisions of a Memorandum of Understanding, the MOU shall be controlling without further action.
  13. An employee may not demote to a frozen position or a position that is being eliminated as part of the layoff, and an employee electing demotion must meet the minimum qualifications for the new classification.

**ARTICLE XV**  
**NO STRIKE – UNION RESPONSIBILITIES**

**SECTION 15.01. NO STRIKE.** The Union, its officers, agents, members and employees covered by this Memorandum of Understanding, agree that so long as this memorandum is in effect, there shall be no strikes, sickouts, partial or complete, sit-downs, slowdowns, stoppages or cessation of work, including actions of a sympathy nature, boycotts or any unlawful acts of any kind that interfere with the City's operations. Any violation of this provision may be made subject to disciplinary action, including discharge. Only the fact as to whether or not an employee engaged in a violation of this article may be subject to the grievance provisions of this memorandum.

**SECTION 15.02. OBLIGATIONS OF UNION.** In the event of any failure of Section 15.01 to operate effectively in any work stoppage, the Union, its officers, stewards and agents, agree that they will immediately take and continue to take all reasonable steps to restore full operations, including notifying City employees that they are in violation of the Memorandum of Understanding and subject to discipline

**ARTICLE XVI**  
**WAIVER AND ENTIRE AGREEMENT**

**SECTION 16.01. SCOPE OF AGREEMENT.** Except as otherwise specifically provided herein, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire memorandum between the parties regarding the provisions contained in this MOU; provided that nothing herein shall prohibit the parties from changing the terms of this memorandum by mutual agreement.

**ARTICLE XVII**  
**SEPARABILITY**

**SECTION 17.01. SEPARABILITY OF PROVISIONS.** Every clause of this Memorandum of Understanding shall be deemed separable from every other clause of this Memorandum of Understanding and in the event that any clause or clauses shall be finally determined to be in violation of any law by judgment or decree of any court of competent jurisdiction, then any such clause or clauses only, to the extent only that any may be in violation, shall be deemed unenforceable without impairing the validity and enforceability of the rest of this memorandum.

**ARTICLE XVIII**  
**TERM OF AGREEMENT**

**SECTION 18.01. TERM OF AGREEMENT.** Unless otherwise provided in this Memorandum of Understanding, upon the approval of the City Council of the City of

Merced, the specific provisions of this Memorandum of Understanding shall become effective January 1, 2018, and shall remain in full force and effect through December 31, 2019.

## **ARTICLE XIX** **PERSONNEL RULES AND REGULATIONS**

**SECTION 19.01. PERSONNEL RULES AND REGULATIONS.** The City and the Union have met and conferred on the Personnel Rules and Regulations adopted by the City Council on June 19, 1989 (Resolution No. 1989-57) exceptions to those Rules and Regulations are contained in this Memorandum of Understanding.

**SECTION 19.02. HEALTH MAINTENANCE MEDICAL, PHYSICAL AND/OR PSYCHOLOGICAL EXAMINATIONS.** When, in the opinion of the City Manager and the appropriate department head, it would be in the best interest of the City to evaluate the medical or psychological condition of an employee, the City Manager may direct the Personnel Manager to schedule such employee for an examination, at City expense, with a physician, psychiatrist, or psychologist selected by the City.

In unusual circumstances where an employee may present a hazard to himself/herself, co-workers, or others, the department head may order the employee's reassignment, or compulsory leave pending results of a medical or psychological examination.

## **ARTICLE XX** **MISCELLANEOUS**

**SECTION 20.01. REASONABLE ACCOMODATION.** The City and the Union recognize that the City has an obligation under law to provide employment-related reasonable accommodations to qualified individuals with disabilities within the meaning of and in accordance with its obligations under the California Fair Employment and Housing Act and the Americans with Disabilities Act. If by reason of the aforesaid requirement, the City contemplates actions to provide reasonable accommodation to an individual employee which are in potential conflict with any provisions of this Memorandum of Understanding, the Union will be advised of any such proposed accommodation prior to implementation by the City, and will be allowed the opportunity to discuss options to disregarding the MOU.

**SECTION 20.02. TOBACCO PRODUCT USE.** The City of Merced declares a hiring policy which disqualifies habitual users of tobacco products from eligibility for employment. Employees hired for positions in the bargaining unit after January 1, 2007 (except reinstatements and re-hires after layoff after the effective date of this agreement) shall not be permitted to use any tobacco products, consistent with this policy. Failure to follow this policy will lead to disciplinary action, up to and including dismissal.

Employees hired into the bargaining unit prior to December 31, 2006 will be permitted to use tobacco products in a manner consistent with any restrictions established by State law and this agreement.

Under no circumstances shall any tobacco product be used at any time inside a City building or vehicle or on City owned property

DATED:\_\_\_\_\_

DATED:\_\_\_\_\_

FOR THE UNION:

FOR THE CITY:

\_\_\_\_\_  
DEBBIE MACIAS  
AFSCME BUSINESS AGENT

\_\_\_\_\_  
STEVE CARRIGAN  
CITY MANAGER

\_\_\_\_\_  
ELYSE DAVIS  
PRESIDENT

\_\_\_\_\_  
STEPHANIE DIETZ  
ASSISTANT CITY MANAGER

\_\_\_\_\_  
SUSAN CARMO  
REPRESENTATIVE

\_\_\_\_\_  
DENEEN PROCTOR  
DIR OF SUPPORT SERVICES

\_\_\_\_\_  
ALMA ESPINO  
REPRESENTATIVE

\_\_\_\_\_  
SHELLINE BENNETT  
CITY NEGOTIATOR

\_\_\_\_\_  
PATTY PUTMAN  
REPRESENTATIVE

\_\_\_\_\_  
CORRENNA RANDAZZO  
REPRESENTATIVE



Attachment A							
AFSCME WAGE SUMMARY							
Effective PP14 - 6/18/18							
				Steps			
JOB TITLE	CLASS	GRADE	1	2	3	4	5
ACCOUNT CLERK I	01003	263	2,667	2,801	2,941	3,088	3,242
ACCOUNT CLERK II	01004	289	2,941	3,088	3,242	3,404	3,575
ACCOUNT CLERK III	01005	309	3,242	3,404	3,575	3,753	3,941
ACCOUNTANT I	01020	368	4,345	4,562	4,790	5,030	5,281
ACCOUNTANT II	01021	388	5,030	5,281	5,545	5,823	6,114
ACCOUNTING TECHNICIAN	01030	339	3,753	3,941	4,138	4,345	4,562
ASSISTANT ARCHITECT	01180	400	4,554	4,781	5,021	5,272	5,535
ASSISTANT ENGINEER	01215	406	5,705	5,990	6,290	6,604	6,935
ASSISTANT PLANNER	01250	364	3,942	4,139	4,346	4,563	4,791
BUILDING INSPECTOR I	01610	378	4,283	4,497	4,722	4,958	5,206
BUILDING INSPECTOR II	01611	398	4,722	4,958	5,206	5,466	5,739
BUILDING INSPECTOR III	01612	418	5,206	5,466	5,739	6,026	6,328
CLERK TYPIST I	01955	247	2,471	2,594	2,724	2,860	3,003
CLERK TYPIST II	01956	267	3,034	3,186	3,345	3,513	3,688
CODE ENFORCEMENT OFFICER	01962	366	4,086	4,290	4,504	4,730	4,966
COMPUTER OPERATOR	02010	308	2,804	2,944	3,092	3,246	3,408
DEPUTY CITY CLERK	02734	700	3,387	3,557	3,734	3,921	4,117
DEVELOPMENT SERVICES TECH I	02750	324	2,982	3,131	3,288	3,452	3,625
DEVELOPMENT SERVICES TECH II	02751	345	3,466	3,639	3,821	4,012	4,213
ENGINEERING TECHNICIAN I	04350	342	3,502	3,678	3,861	4,054	4,257
ENGINEERING TECHNICIAN II	04351	362	3,861	4,054	4,257	4,470	4,694
ENGINEERING TECHNICIAN III	04352	382	4,257	4,470	4,694	4,928	5,175
ENGINEERING TECHNICIAN IV	04353	402	5,175	5,433	5,705	5,990	6,290
FIRE INSPECTOR I	04623	416	4,576	4,805	5,045	5,297	5,562
FIRE INSPECTOR II	04624	420	5,045	5,297	5,562	5,840	6,132
FIRE INSPECTOR TRAINEE	04625	396	4,152	4,360	4,578	4,807	5,047
GIS DATA SYSTEMS TECHNICIAN	04726	381	3,836	4,028	4,229	4,441	4,663
HOUSING FINANCE SPECIALIST	04777	358	4,588	4,818	5,059	5,312	5,577
HOUSING PROGRAM SPECIALIST I	04786	374	4,023	4,225	4,436	4,658	4,891
HOUSING PROGRAM SPECIALIST II	04787	384	4,436	4,658	4,891	5,135	5,392
HOUSING REHAB SPECIALIST I	04789	348	4,162	4,370	4,588	4,818	5,059
HOUSING REHAB SPECIALIST II	04790	358	4,588	4,818	5,059	5,312	5,577
INSURANCE CLERK I	04895	257	2,587	2,717	2,852	2,995	3,145
INSURANCE CLERK II	04896	267	3,034	3,186	3,345	3,513	3,688
LABORATORY TECHNICIAN I	05305	319	3,567	3,745	3,932	4,129	4,335
LABORATORY TECHNICIAN II	05306	359	4,102	4,307	4,522	4,748	4,986
LABORATORY TECHNICIAN III	05307	377	4,522	4,748	4,986	5,235	5,497
PARTS CLERK	06170	310	2,942	3,089	3,244	3,406	3,576
PLAN EXAMINER I	06340	379	4,286	4,500	4,725	4,962	5,210
PLAN EXAMINER II	06341	399	5,105	5,360	5,628	5,909	6,205
PLANNER	06352	384	4,436	4,658	4,891	5,135	5,392
PLANNING TECHNICIAN I	06354	322	3,226	3,387	3,556	3,734	3,921
PLANNING TECHNICIAN II	06355	344	3,556	3,734	3,921	4,117	4,323
POLICE CLERK I	06425	282	2,760	2,898	3,043	3,195	3,355
POLICE CLERK II	06426	302	3,123	3,279	3,443	3,615	3,795
RECORDS CLERK I	06604	281	2,657	2,790	2,930	3,076	3,230
RECORDS CLERK II	06605	301	2,930	3,076	3,230	3,391	3,561
RECREATION COORDINATOR	06650	347	3,974	4,172	4,381	4,600	4,830
SECRETARY I	06830	288	3,029	3,180	3,339	3,506	3,681
SECRETARY II	06832	316	3,180	3,339	3,506	3,681	3,866
SECRETARY III	06834	338	3,624	3,805	3,996	4,195	4,405
STOREKEEPER	06970	312	3,248	3,410	3,581	3,760	3,948
SYSTEMS TECHNICIAN I	07008	350	3,770	3,958	4,156	4,364	4,582
SYSTEMS TECHNICIAN II	07010	383	4,156	4,364	4,582	4,811	5,052
SYSTEMS TECHNICIAN III	07012	386	4,583	4,812	5,053	5,306	5,571
All numbers have been rounded to the nearest \$1							



SIDE LETTER TO THE January 1, 2018 MOU  
BETWEEN  
THE CITY OF MERCED  
AND  
AFSCME LOCAL #2703

This is a Side Letter to the January 1, 2018 Memorandum Of Understanding ("MOU") between the City and AFSCME.

This side letter is only effective for the term of the January 1, 2018 MOU and shall sunset on December 31, 2019 and have no force or effect following this date.

During the term of the January 1, 2018 MOU and contingent upon the City possibly having a final, completed compensation study being conducted by an outside vendor, upon written notice to the other party, either the City or Union may reopen negotiations for the sole purpose of discussing base wage increases only.

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

FOR THE UNION:

FOR THE CITY:

\_\_\_\_\_  
DEBBIE MACIAS  
AFSCME BUSINESS AGENT

\_\_\_\_\_  
STEVE CARRIGAN  
CITY MANAGER

\_\_\_\_\_  
ELYSE DAVIS  
PRESIDENT

\_\_\_\_\_  
STEPHANIE DIETZ  
ASSISTANT CITY MANAGER

\_\_\_\_\_  
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DENEEN PROCTOR  
DIR OF SUPPORT SERVICES

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ALMA ESPINO  
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SHELLINE BENNETT  
CITY NEGOTIATOR

\_\_\_\_\_  
PATTY PUTMAN  
REPRESENTATIVE

\_\_\_\_\_  
CORRENNIA RANDAZZO  
REPRESENTATIVE



ADMINISTRATIVE REPORT

Agenda Item H.14.

Meeting Date: 5/21/2018

*Report Prepared by: Deneen Proctor, Director of Support Services*

**SUBJECT:** Memorandum of Understanding with Merced Fire Fighters, Local 1479 (Fire)

**REPORT IN BRIEF**

Consider approving Memorandum of Understanding with Merced Fire Fighters, Local 1479 (Fire).

**RECOMMENDATION**

**City Council** - Adopt a motion approving **Resolution 2018-30**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with the International Fire Fighters Association Local #1479; and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

**ALTERNATIVES**

1. Approve, as recommended by staff; or,
2. Deny; or
3. Refer back to staff with instructions.

**AUTHORITY**

Resolution No. 80-106 - Resolution of the City Council of the City of Merced establishing an Employer-Employee Organizations Relations Policy.

Meyers Milias Brown Act

**CITY COUNCIL PRIORITIES**

As provided for in the 2017-18 Adopted Budget

**DISCUSSION**

The City's negotiations team and the Merced Fire Fighters, Local 1479, International Fire Fighters Association (Fire) have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits in accordance with the anticipated revenue forecast along with updating the MOU language to align with new state and federal laws. Therefore, staff recommends adoption of the Resolution approving the Memorandum of Understanding.

Some of the items agreed upon in this Memorandum of Understanding are as follows:

- Term: Two years - the term of the agreement shall be effective January 1, 2018 and shall remain in effect through December 31, 2019.
- Wages: Base wage increases will be effective the first pay period of the fiscal year as follows: year one (2018) 2.50% and year two (2019) 2.50%.
- Wage reopener: Contingent upon the City having a final, completed compensation study, either the city or Union may reopen negotiations for consideration of base wage increases.
- Overtime: For purposes of computing overtime hours worked and hours worked and time during which an employee is excused from work because of vacation, holiday, sick or authorized compensatory time off (CTO) shall be considered as time worked by the employee.
- Vacation: Additional hours of vacation will be granted to employees completing 15 years of service.
- Vacation Payout: Allow employees the option to annually cash out a maximum of 20 accrued vacation hours.
- Uniforms: The annual uniform maintenance allowance will be provided by check. The amount each unit members will receive will increase to \$1,050.
- Professional Development: Employees who have completed an Associate's degree will receive \$100 per month and those who have earned a Bachelor's degree will receive \$200 per month. The per month amount an employee receives for completion of certification pay also increased.
- Specialty Pay: Creation of Hazardous Materials Response Team and/or Paramedic assignment, as directed by the Fire Chief.

## **IMPACT ON CITY RESOURCES**

The total impact of the MOU on General Fund, Measure C and CFD is approximately \$437,000. Funding has been included in the City Manager's Recommended FY 2018/19 budget. No additional budget appropriation is necessary.

## **ATTACHMENTS**

1. Resolution 2018-30
2. Memorandum of Understanding (Appendix A)

**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF MERCED, CALIFORNIA,  
APPROVING MEMORANDUM OF  
UNDERSTANDING WITH THE INTERNATIONAL  
FIRE FIGHTERS ASSOCIATION LOCAL #1479**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY  
RESOLVE AS FOLLOWS:**

**SECTION 1.** That certain document entitled, “MEMORANDUM OF UNDERSTANDING BETWEEN AND FOR THE CITY OF MERCED AND INTERNATIONAL FIRE FIGHTERS ASSOCIATION LOCAL #1479,” effective January 1, 2018, a copy of which is attached hereto and marked Appendix “A,” is hereby approved and shall be effective from January 1, 2018 through December 31, 2019.

**SECTION 2.** All other resolutions or parts thereof inconsistent with Section 1 hereof are superseded.

**PASSED AND ADOPTED** by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

4-25-2018  
\_\_\_\_\_  
Date

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN AND FOR**  
**CITY OF MERCED**  
**AND**  
**INTERNATIONAL FIRE FIGHTERS ASSOCIATION**  
**LOCAL #1479**

January 1, 2018  
Through  
December 31, 2019



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## **MEMORANDUM OF UNDERSTANDING**

### **PREAMBLE**

This Memorandum of Understanding (MOU) is made and entered into this     day of May 2018 by and between the City of Merced, hereinafter referred to as the "City," and the Merced Fire Fighters Local 1479, International Association of Fire Fighters, hereinafter referred to as the "Association," has as its purpose: The establishment of wages, hours, and other terms and conditions of employment, and the rendering of more efficient and progressive service to the public.

### **ARTICLE I RECOGNITION**

**SECTION 1.01. RECOGNITION.** The City acknowledges the Association as the recognized employee organization representing all full-time permanent employees in classified positions within the Fire unit. For purposes of clarity, the classifications represented in this agreement are Fire Fighter, Fire Engineer, and Fire Captain.

### **ARTICLE II NON-DISCRIMINATION**

**SECTION 2.01. NON-DISCRIMINATION.** In accordance with Federal and State law, the City prohibits discrimination and harassment against race, religion, color, age (40 and over), sex (including gender, gender identity, gender expression), national origin, ancestry, physical or mental disability, medical condition, genetic characteristics or information, marital status, sexual orientation (including homosexuality, bisexuality, or heterosexuality), military and veteran status, or any other basis protected by law.

**SECTION 2.02. FREE CHOICE.** Any employee shall have the free choice to join or refrain from joining the Association.

### **ARTICLE III DUES DEDUCTION**

**SECTION 3.01. DUES DEDUCTION.** During the term of this agreement, members of the unit may tender their Association dues to the Association directly. If a member voluntarily signs a release furnished by the City authorizing the City to deduct Association dues from the employee's regular biweekly paycheck, the City will make said deduction provided the employee is on regular pay status and the employee's paycheck is sufficient to cover the amount of the dues.

Each year during the month of December, the Association will certify to the City the amount of the Association monthly dues. If the Association changes the amount of dues, each such change must be certified to the City at least four (4) weeks prior to the change becoming effective.

If during the term of this Agreement any claims, charges, or lawsuits are brought against the City by any party over the matter of Association dues or Association dues deduction from members' paychecks, the Association agrees to pay any and all costs of such claims, charges, lawsuits, damages or settlements, including reasonable attorney's fees to be determined by a court of competent jurisdiction. In addition, the Association shall refund to the City any amount paid to it in error upon presentation of supporting evidence.

## **ARTICLE IV**

### **HOURS OF WORK**

#### **SECTION 4.01. WORKDAY, WORKWEEK, WORK PERIOD.**

- A. WORKSHIFT** - The normal work shift shall consist of twenty-four (24) consecutive hours. The normal work shift shall begin at 8:00 a.m.
- B. WORKWEEK** – The normal workweek shall average approximately fifty-six (56) hours for shift employees.
- C. WORK PERIOD** – The basic work period shall be established by the City in compliance with the Fair Labor Standards Act, with the work period identified as twenty-four (24) days.

#### **SECTION 4.02. OVERTIME.**

- A.** Overtime is defined, paid, and calculated pursuant to the Fair Labor Standards Act (FLSA), under the 207(K) exemption designation work period as actual hours worked in excess of the established number of hours in a regular work-period and which is paid at time and one-half.
- B.** For the purpose of computing the number of hours worked, time during which an employee is excused from work because of vacation or sick shall be considered as time worked by the employee. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the Council, but no sooner than payperiod 14 in 2018.

#### **SECTION 4.03 CALL-BACK.**

- A.** Call-back work is defined as work required of an employee when such employee is not on his/her regular shift during the period that begins when the employee has completed his/her regular shift and has been relieved.
- B.** Employees called back to work by the department head or his/her representative during the defined period shall be paid for a minimum of two (2) hours at the rate of time and one-half for each call back.

#### **SECTION 4.04 HOLIDAYS.**

During the term of this agreement, the following holidays are recognized as City holidays for pay purposes:

New Year's Day  
Martin Luther King, Jr.'s Birthday  
Memorial Day  
Independence Day  
Labor Day  
Veteran's Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Day  
Christmas Eve  
Two Floating Holidays\*\*

\*\* One of the floating holidays is granted in lieu of Washington's Birthday.

#### **SECTION 4.05 HOLIDAYS WORKED.**

- A.** The Association agrees that employees shall work their regularly assigned schedule regardless of holidays, unless directed otherwise by the management of the City.
- B.** Employees working a 56-hour workweek shall receive compensation for (12) twelve hours of holiday pay at the straight time hourly rate for each day designated as a holiday in Section 4.04 during the pay period that said holiday occurs.
- C.** The two floating holidays shall be paid in the last pay period on or before December 1 of each year.
- D.** To be eligible for holiday pay, the employee shall be in a paid work status the scheduled workday before and after the recognized holiday.

**SECTION 4.06 ALTERNATIVE SCHEDULING.** City and Association agree to a 48/96 work schedule.

**SECTION 4.07. MINIMUM DAILY STAFFING LEVELS.** Minimum staffing on an engine or truck is three sworn personnel: A captain, an engineer, and a firefighter. Whenever there is an additional member they shall be assigned as the fourth person on Truck-51. Efforts shall be made to prevent unnecessary movement of personnel between stations when movement is required to meet the staffing requirements.

**ARTICLE V**  
**VACATION AND SICK LEAVE**

**SECTION 5.01. VACATION.**

- A. VACATION ACCRUAL** – All employees of the unit earn vacation benefits in accordance with their length of continuous service.
1. Employees assigned to a 56-hour workweek and who have less than 5 years of continuous service earn vacation benefits at the rate of 4.312 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 224 hours.
  2. After the completion of 5 years of continuous service, employees assigned to a 56-hour workweek earn vacation benefits at the rate of 6.462 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 336 hours.
  3. After the completion of 10 years of continuous service, employees assigned to a 56-hour workweek earn vacation benefits at the rate of 8.624 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 448 hours.
  4. After the completion of 15 years of continuous service, employees assigned to a 56-hour workweek earn vacation benefits at the rate of 9.699 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 504 hours. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of the MOU by the City Council, but no sooner than the first full pay period after City Council approval.
  5. After the completion of 20 years of continuous service, employees assigned to a 56-hour workweek earn vacation benefits at the rate of 10.774 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 560 hours.
  6. After the completion of 25 years of continuous service, employees assigned to a 56-hour workweek earn vacation benefits at the rate of 12.925 hours each biweekly pay period of continuous service. Employees who earn vacation at this rate may accumulate vacation to a maximum of 672 hours.

- B. MAXIMUM VACATION ACCRUAL** – When the maximum number of vacation hours is accumulated by an employee, vacation hours shall cease to accrue to that employee, and hours that would otherwise accrue over the maximum are lost to the employee and will not be reimbursed.
- C. PAYMENT UPON SEPARATION** – Employees who leave City employment shall be compensated for vacation accrued but not taken up to the date of separation.
- D. VACATION USE** – Vacation used by an employee shall be charged against the vacation accrued on an hour-for-hour basis. Vacation may not be used during the first six months of employment. Vacation may be taken in twelve (12) or more hour increments.
- E. VACATION CHANGES** – The Association agrees to give at least 24 hours' notice to request vacation changes. The City retains the right to deny vacation change requests.
- F. VACATION SCHEDULING** – There shall only be two (2) persons per shift allowed off on vacation at any one time. The two (2) members of the unit may be of any classification or combination of classifications. As determined and solely within the discretion of the Fire Chief, as the number of vacation relief positions increases, additional members of the unit may be allowed off at any one time. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.
- G. VACATION PERSONAL LEAVE** – Notwithstanding the provisions outlined in Article V – Section 5.01 D., E. and F., employees may use up to 24 hours annually of their accrued vacation time for unexpected, personal incidents that may cause them to miss all or part of a shift. Notice shall be given as soon as practicable, and employees are encouraged to obtain coverage, if possible. Employee shall return to duty as soon as possible to minimize disruption to the department.
- H. VACATION PAYMENT** – All employees of the unit will have the option to cash out up to a maximum of twenty-four (24) hours of accrued vacation time. Employees who elect to cash out vacation shall have a minimum balance of 100 accrued vacation hours prior to the cash out pay period and shall have completed their initial probationary period with the City of Merced. Vacation payment will take place once per year in the first pay period in December.

**SECTION 5.02. SICK LEAVE.** Notwithstanding Section 18.07A of the Personnel Rules and Regulations, sick leave for the Fire Department is as follows:

- A. SICK LEAVE ACCRUAL** – Employees accrue sick leave benefits in accordance with their length of continuous service.

Employees assigned to a 56-hour workweek earn sick leave benefits from the first date of employment at the rate of 6.003 hours each biweekly pay period of continuous service and may accumulate sick leave benefits to a maximum of 1500 accrued sick leave hours.

- B. MAXIMUM SICK LEAVE ACCRUAL** – When the maximum number of sick leave hours is accumulated by an employee, sick leave hours shall cease to accrue to that employee, until they fall below the accrual cap.
- C. SICK LEAVE DURING THE FIRST SIX MONTHS** – Sick leave with pay shall be used or authorized during the first 13 biweekly pay periods of continuous service with the provision that, if the employee is terminated, any sick leave hours used in excess of 3 days or 24 hours, whichever is greater, will be repaid at the pay rate that it was paid out.
- D. PAYMENT OF EXCESS ACCRUED SICK LEAVE** – In January of each year, employees assigned to a 56-hour workweek who have unused sick leave hours in excess of 1344 as of the last pay period in the preceding December will be paid at their straight time hourly rate (1/112 of basic biweekly pay) for 50 percent of said hours in excess of 1344 but the remaining 50 percent of hours in excess of 1344 will be forfeited.
- E. SICK LEAVE UPON RESIGNATION OR DISMISSAL** – To the extent permitted by law, an employee who resigns or is dismissed forfeits all further eligibility to any accrued but unused sick leave.
- F. SICK LEAVE UPON RETIREMENT** – An employee of the unit who retires from the City after 10 or more years of continuous service or who retires because of an industrial disability will be paid at the straight time hourly rate (1/112 of biweekly pay) for 50 percent of the hours of accrued but unused sick leave. The remaining 50 percent of the hours of accrued but unused sick leave will be forfeited.
- G. BEREAVEMENT LEAVE** – Subject to administrative direction, unit employees may receive 48 hours not chargeable to sick leave for the death of an immediate family member within the State of California or 72 hours for the death of an immediate family member outside the State of California. In addition, an employee may use up to two (2) shifts of accrued sick leave when death in the immediate family necessitates that the employee be away from work. Employee's immediate family is defined as any of the following, whether related by blood, marriage or adoption: parent, spouse, domestic partner, child, brother, sister or grandparent.

- H. SICK LEAVE USE** – Sick leave used by an employee shall be charged against the sick leave accrued on an hour-for-hour basis.
- I. SICK LEAVE VERIFICATION** – Sick leave is intended to be used only when actually required to recover from illness or injury, or as time off for medical and dental appointments to the extent that such appointments cannot be scheduled outside of the workday. Employees may request accrued vacation time off to cover other personal absences not covered by this sick leave policy. The City will not tolerate abuse or misuse of sick leave privileges. In order to assure compliance by employees of the sick leave and to refrain from creating undue requirements on all employees for the actions of a few, the City will consider and require verification of potential sick leave abuse on a case-by-case basis in accordance with the law. In instances where abuse is suspected, or sick leave use begins to lead toward a pattern of abuse, the department head may require written verification by means of a physician's statement or personal affidavit (the choice of which shall be made by the department head, depending on the nature of the circumstances) in order for the employee to receive paid sick leave. If the employee is not currently under a doctor's care, the City may send the employee to the City's physician for verification with costs borne by the City. The City may withhold sick pay if it suspects that sick leave has been misused and, in such cases, the absence from work shall be charged to leave without pay. Abuse of sick leave shall be defined as any of the following, unless the employee provides a written verification of illness from a physician:
1. Where an employee demonstrates a pattern of sick leave usage in connection with the day before or after a vacation.
  2. Where an employee uses sick leave more than six (6) times (incidents) in any twelve (12) month period.
  3. Where an employee uses any single occurrence of sick leave and it is reasonably believed that the employee used sick leave improperly.

Where it is reasonably determined that sick leave has been abused, those employees responsible for such abuse shall be subject to disciplinary actions.

- J. SICK LEAVE FOR IMMEDIATE FAMILY CARE** – Each member of the unit eligible to use sick leave may use up to one-half of their annual accrued sick leave for the required care of a spouse, domestic partner, parent, child, or domestic partner's child who is ill, as defined by statute. Leave for this purpose may not be taken until it has actually accrued. Employee shall be required to identify relationship of family member when requesting Family Sick Leave in accordance with Fire Department Policy F 1023 (Paid Time Off).



## **ARTICLE VI**

### **HEALTH AND WELFARE**

**SECTION 6.01. BENEFITS PROVIDED AND REQUIRED.** City shall provide a “cafeteria” plan. Each employee shall be required to participate in the following five plans to a level that provides for the employee:

- Hospital/medical care plan,
- Dental care plan,
- Vision care plan,
- Disability insurance plan,
- Life insurance plan.

Employees may request a waiver for medical, dental, or vision coverage from the Support Services Department. Such waiver may be granted only if the employee shows proof of other coverage through the employee’s spouse or registered domestic partner in accordance with City of Merced Administrative Policy P-27 effective December 1, 2006. Should an employee who has obtained a waiver to this provision lose such alternative coverage, the employee shall provide proof to the Support Services Department with five (5) business days and enroll in a City-provided insurance program. If waiver of coverage is granted the allowance as outlined in Section 6.03 will be adjusted accordingly.

Participation for the employee’s dependents, and participation in other coverages offered, is optional.

**SECTION 6.02. PLAN SELECTION AND EMPLOYEE BENEFIT COMMITTEE.** City shall provide a selection of employee health and welfare benefit coverages for eligible employees and retirees, including but not limited to at least two options each for hospital/medical care plan, dental care plan, vision care plan, life insurance plan, and disability insurance plan. At least one health/medical plan option will be comparable to those plans in existence on December 31, 2011. The plans shall be selected solely by the City following review of proposals by the Employee Benefits Committee. For the purpose of this section, it is understood that the role of the Employee Benefits Committee is advisory to the City Council. The Committee shall be comprised of representatives of each of the City’s bargaining units and management.

**SECTION 6.03. SCHEDULE OF ALLOWANCES PER PAY PERIOD.** The City shall contribute an amount per bi-weekly pay period (based on twenty-six pay periods annually) as the Cafeteria Allowance Per Pay Period. The amount of the Cafeteria Allowance Per Pay Period (City’s contribution) shall equal ninety-two percent (92%) of the sum of the premiums necessary to purchase:

- Core hospital/medical care plan for the employee (and dependents, if any);
- Core dental care plan for the employee (and dependents, if any);
- Core vision plan for the employee (and dependents, if any);

- Core long-term disability insurance for the employee, with that amount calculated the average cost per city employee; and
- Life insurance in the amount of the employee's annual salary, not to exceed \$50,000 with that amount calculated as the average cost per city employee.

“Core” means the basic offerings in the cafeteria listed in 6.01.

The allowance for Year One shall be effective June 25, 2012 (PP 14) is as follows:

Employee only	\$230.97
Employee plus one	\$450.99
Employee plus two or more	\$663.22

Future health and welfare plan costs over the current cost will be shared by both the City and the employee. Any increase in the sum of core premiums necessary to purchase the above listed coverages will be shared (55/45) between the City and the employee with the City paying 55% of the increase and the employee paying 45% of the increase. The City's portion shall reflect an increase in the Cafeteria Allowance Per Pay Period.

The employee shall be responsible for the balance of the premiums, if any, beyond the Cafeteria Allowance Per Pay Period. This applies for all insurance coverages selected, whether those coverages are part of the five basic offerings in the cafeteria, or other selections. In order to avoid issues of adverse selection and recognizing the mutual interest of the City and the Association in avoiding escalation of insurance premium expenses, no employee shall receive cash back for having waived required coverage under section 6.01, except that a unit member who is married and whose spouse or domestic partner is also a current City of Merced employee, accepted for waiver of medical coverage, shall receive cash back equal to twenty-five percent (25%) of the core medical premium for a single individual.

#### **SECTION 6.04. MEDICAL/HEALTH, DENTAL AND VISION CARE COVERAGE AFTER RETIREMENT.**

A. In accordance with Administrative Policy and Procedure No. P-17, as amended effective August 1, 2015, the City shall provide a hospital/medical care plan for eligible retirees. The hospital/medical care plan shall be selected solely by the City and shall provide essentially the same benefits to retirees as are provided to full-time employees. An employee shall be considered a retiree of the City if the employee retires in the California Public Employees' Retirement System and his/her last active place of full-time employment within the system was with the City. All retirees are eligible except as provided and shall receive hospital/medical care coverage under the following conditions:

1. The retiree is age 50 or over with at least ten (10) years of service with the City; or

2. Retiree is retired because of a service-connected disability; or
3. Retiree is retired because of a non-service connected disability with at least ten (10) years of service.

Spouse or registered domestic partner of eligible retiree may remain on the plan until the retiree is deceased. The spouse or registered domestic partner and retiree shall be responsible for payment of the premium for coverage of spouse or registered domestic partner.

New Unit employees hired after December 31, 2002 will not be entitled to receive the City's health/medical plan coverage after retirement.

- B.** City Contribution. For those eligible retirees in retirement status prior to January 1, 2007, the City agrees to contribute the amount necessary to provide a comparable hospital/medical plan for each eligible retiree.

For those active unit members who retire after January 1, 2007 the City agrees to contribute the monthly premium for each eligible retiree capped at the following amounts: \$390.55 monthly for Retirees over 65, and \$546.51 monthly for Retirees under 65. The retiree shall pay any amount over the capped premium.

- E.** Supplemental Retirement Medical Allowance. An employee retiring on or after January 1, 1999, and eligible for retirement medical benefits as provided in this Section, said retired employee and spouse or registered domestic partner and/or other dependents shall continue to be covered under the City's medical care plan until both persons reach age 65. The City shall pay the premium for the retired employee, and the dependent(s) premium shall be the responsibility of the retired employee. At the age of 65, the City's medical plan shall be secondary to Medicare medical coverage or any other benefit coverage available to the retired employee and eligible spouse or registered domestic partner.
- D.** An eligible employee who retires after August 1, 1998, and his/her spouse or registered domestic partner and/or dependents, shall be eligible to continue coverage under the City's dental and vision plans. The premiums shall be the responsibility of the retired employee. At the age of 65, or upon the dropping of coverage by the employee, or the death of the eligible employee, the City's dental and vision plans will no longer be available to the retired employee and his/her eligible spouse or registered domestic partner and/or dependents.

## **ARTICLE VII**

### **LEAVES OF ABSENCE**

**SECTION 7.01. RETURN FROM LEAVE OF ABSENCE.** At the end of the leave period, or within 48 hours of receipt of written notice of early return to duty issued by the City, an employee must return to duty. Failure to return to duty shall be considered a resignation from the City service and the employee shall have no right of appeal or hearing.

## **ARTICLE VIII** **SPECIAL BENEFITS**

### **SECTION 8.01. UNIFORMS.**

The City agrees to provide a uniform maintenance allowance for all non-probationary employees of the Association of \$1050.00 per year. Uniform maintenance allowance is payable the first pay period of the fiscal year. All applicable deductions will be subtracted from payment for uniform maintenance allowance and paid by the employee.

Probationary employees shall be provided two uniform pants, two short-sleeved shirts, two long-sleeved shirts, and a jacket at the time of hire. The cost of this purchase will be deducted from the employee's uniform allowance at the conclusion of their probationary period. If the employee does not complete the probationary period, the cost of the uniforms will be deducted from the employee's final check.

### **SECTION 8.02. CLASS B DRIVER'S LICENSE.**

- A.** In those instances where the City requires, as a condition of employment, an employee to renew a driver's license for which the law requires a medical examination, City agrees to make such medical examination available to the employee without cost to the employee. The physician will be selected by the City.

The employee may choose to obtain an additional medical examination from his/her personally selected physician or from any source other than that provided by the City. The cost of such medical examination shall be borne by the employee.

If the results of such medical examinations are in conflict, the City shall provide a medical examination without cost to the employee. The City shall select a physician of its choice, other than the prior selected physician in that same medical group practice, and shall act on the results of the medical examinations most in agreement.

- B.** The City agrees to pay the cost difference between California Class C driver's license and the required Class B or A license renewal fee.

### **SECTION 8.03. APPLICABLE PAY FOR WORKING IN A HIGHER CLASSIFICATION.**

- A. On occasion, an employee may be required to work in a higher classification. In such cases, the salary of the employee will be adjusted to compensate for the higher level of duties.
- B. In order to receive adjusted compensation for working in a higher classification, the employee must 1) be certified by the Personnel Manager as to possessing the qualifications and requirements to perform the duties of the higher classification, 2) be able to perform all the duties and responsibilities of the position, and 3) be able to perform all the duties and responsibilities of the position for at least the full number of work hours of the workday. Adjusted compensation for working in a higher classification shall be subject to the following:
  - 1. Each unit employee will serve 72 hours qualifying time without additional compensation.
  - 2. No out-of-class pay shall be granted for time served in an out-of-class situation of less than 12 hours.
  - 3. Out-of-class pay shall be granted for a full shift if the assignment is for 12 hours or more.
- C. An employee who is assigned to and performs the duties of a higher classification as set forth in this section shall be entitled to receive the first step in the pay range for the assigned position. If the salary at such step is less than or equal to the employee's present salary, such employee may receive the salary at the next step in the pay range of the acting position which is immediately above his/her present salary, but not less than four percent (4%).
- D. The City Manager or his designee must approve in writing an employee working in a higher classification.
- E. Under Section 6.17D of the Personnel Rules and Regulations, "extenuating circumstances" only applies to health-related issues.

**SECTION 8.04. SHIFT EXCHANGE.** Employees, with the approval of the department head or his/her designee, may exchange shifts when the change does not interfere with the operation of the Fire Department. Shift change requests shall be submitted on the appropriate forms and shall be submitted at least 24 hours in advance. Employees, and not the City, shall be responsible for record keeping and payback of shift trades in accordance with the provisions of the Fair Labor Standards Act. The City shall not be liable for the failure of any employee to pay back another employee for a shift trade.

## **ARTICLE IX**

### **WAGES**

**SECTION 9.01. WAGES.** The City and the Association agree that the Pay Plan shall be amended for the classifications represented by the bargaining unit to reflect increases effective the first full pay period of the fiscal year (pay period 14) in 2018 (2.50%), and the first pay period of the fiscal year in 2019 (2.50%). Wages are listed in Attachment A, which is hereby incorporated herein and made part of this Memorandum of Understanding.

**SECTION 9.02. BILINGUAL PAY.** In accordance with administrative policies and procedures, employees in the unit required to speak or write in Spanish, or other eligible languages in addition to English, and including sign language, as part of the regular duties of his/her position shall be compensated at the following monthly rates in addition the employee's rate of pay:

Verbal Skills Only	\$50.00
Written Skills Only	\$75.00
Verbal and Written Skills	\$100.00

The City Manager shall designate which languages shall be eligible for bilingual pay based on community needs and will determine the number of employees who will be eligible for bilingual assignments.

**SECTION 9.03 PROFESSIONAL DEVELOPMENT.** The Professional Development program is available to all unit employees who have completed their initial 18 month probationary period.

Upon completion of a degree in Fire Science or a related field, as approved by the Fire Chief, and after City receipt of documentation of completion, an employee shall be paid for an AA or AS at a rate of \$100.00 per month and a BS or BA at a rate of \$200.00 per month. These benefits are not stackable. The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.

Course work and training falling under this program which require on-going weekly attendance will require shift trades instead of overtime payment for shift coverage. Coverage for other courses will be as determined by the Fire Chief.

Funding to offset the cost of coursework is outlined in the Educational and Tuition Reimbursement Policy, P-6.

Effective the first full pay period following City Council approval of the MOU (no retroactivity), Association employees who have completed the Fire Fighter II course work (book) from the State Fire Marshal shall receive \$100.00 per month in addition to regular base wages. Association employees who have completed the Fire Officer course work (book) from the State Fire Marshal shall receive \$200.00 per month in addition to the regular base wages. These benefits are not stackable. The proposal

shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.

An employee becomes eligible for reimbursement for the Fire Fighter II Certification pay or the Fire Officer Certification pay on the first pay period immediately following the filing of the Certification in the Personnel Department accompanied by the appropriate fully executed Personnel Action Form.

Fire Certification payments may be stacked together with the educational degree payments.

**SECTION 9.04. PAYROLL INFORMATION.** City agrees to make good faith efforts to revise its payroll information system to show increased detail of deductions and pay types, including hours worked and premium hours.

**SECTION 9.05. SPECIALTY PAY.** Non probationary members who are appointed and assigned by, as determined solely within the discretion of, the Fire Chief to: 1) Hazardous Materials Response Team; and/or 2) Paramedic shall receive an additional \$180.00 per month. Specialty pay assignments are non-grievable and non-stackable.

The proposal shall not be retroactive and is effective on a go forward basis following ratification by membership and approval of MOU by the City Council, but no sooner than first full pay period after City Council approval.

## **ARTICLE X** **RETIREMENT**

**SECTION 10.01. PUBLIC EMPLOYEES RETIREMENT SYSTEM.** The City shall maintain in effect the 3% at 50 PERS Retirement Program for current bargaining unit employees. The City has implemented a two-tiered retirement system, and all new bargaining unit employees hired on or after October 7, 2011 will be covered in the 3% at 55 plan if they are eligible for reciprocity as defined by CalPERS. "New Members", as defined by CalPERS, shall be covered by the 2.7% at 57 benefit formula.

Employees shall pay the entire employee contribution.

**SECTION 10.02 CALPERS OPTIONAL BENEFITS.** As soon as allowable by PERS the City shall provide the following optional benefits of which all associated costs shall be paid by employees:

Government Code 21574 – 1959 Survivor Fourth Level Optional Benefit  
Government Code 21548 – Option 2 Death Settlement

## **ARTICLE XI**

### **GRIEVANCE PROCEDURE**

**SECTION 11.01. DEFINITIONS.** The following words used in this Article are defined as follows:

**Grievance:**

- A. A claimed violation, misapplication or misinterpretation of a specific provision of this Memorandum of Understanding which adversely affects the grievant.
- B. City rules and regulations governing personnel practices.

**Grievant:** An employee who is filing a grievance. Any alleged violation, misapplication or misinterpretation that affects more than one employee in a similar manner may be consolidated and thereafter represented by a single grievance. The Association shall have the option to be considered as the grievant on any grievance that affects more than one employee.

**Workday:** A day in which the City's main administrative office is open for business.

**SECTION 11.02. TIME LIMIT FOR FILING GRIEVANCE.** A grievance shall be barred and not considered if based upon a condition or event which occurred or existed more than ten (10) workdays immediately prior to the date on which the grievance occurs.

**SECTION 11.03. PROCEDURE.** The City and the Association agree to the following exclusive procedure of presenting and adjusting grievances that must be processed in accordance with the following steps, time limits and condition.

**SECTION 11.04. STEP ONE.** The aggrieved employee shall discuss the matter with the employee's immediate supervisor. If the grievance is not settled within five (5) workdays following this discussion, the grievance, within such time, shall be reduced to writing on the form provided by the Personnel Department and submitted to the grievant's immediate supervisor. Within five (5) workdays after receipt of the written grievance, the immediate supervisor shall answer the grievance in writing.

**SECTION 11.05. STEP TWO.** The answer from the immediate supervisor shall be final unless the grievance is appealed in writing to the involved department head within five (5) workdays from the date of the supervisor's written answer. The department head shall investigate and provide a written answer to the grievant.

**SECTION 11.06. STEP THREE.** The answer from the department head shall be final unless the grievance is appealed in writing to the Director of Support Services or designee within five (5) workdays from the date of the department head's written answer



to Step Two. The Director of Support Services or designee shall discuss the grievance with the grievant or the Association representative at a time mutually agreeable to both parties. Within five (5) workdays after the close of discussion, the Director of Support Services or designee shall give his/her written answer.

**SECTION 11.07. STEP FOUR.** The answer from the Director of Support Services or designee shall be final unless the grievance is appealed in writing to the Personnel Board Chairperson within five (5) workdays after receipt of the Director of Support Services' or designee's written answer in Step Three. The Personnel Board, after conducting such hearing, shall forward its recommendation to the City Manager for final determination. The City Manager, after consideration of the Personnel Board's recommendation, shall provide his written final determination to the aggrieved employee within ten (10) workdays.

**SECTION 11.08. EFFECT OF TIME LIMITS.** The parties agree to follow each of the foregoing steps in the processing of a grievance and if, in any step, the City's representative fails to give his/her written answer within the time limit therein set forth, the grievance shall automatically be transferred to the next step at the expiration of such time limit. Any grievance not moved by the grievant or the Association to the next step within the time limits provided following the City's answer will be considered settled on the basis of the City's last answer.

## **ARTICLE XII**

### **MANAGEMENT RIGHTS**

**SECTION 12.01. MANAGEMENT RIGHTS.** All City rights and functions, except those that are expressly abridged by this Memorandum of Understanding, shall remain vested with the City.

Except to the extent that the rights, powers and authority of the City are specifically limited by the provisions of this Memorandum of Understanding, the City retains all rights, powers and authority granted to it or which it has pursuant to any law or the City Charter and the City shall not be required to meet and confer with respect to the exercise of such rights, powers and authority reserved herein.

## **ARTICLE XIII**

### **EMPLOYEE RIGHTS**

**SECTION 13.01. EMPLOYEE RIGHTS.** Nothing in this Memorandum of Understanding is intended to deny a unit employee of any rights contained in applicable State, Federal, or Municipal law.

**SECTION 13.02. REASONABLE ACCOMMODATIONS.** The City and the Association recognize that the City has an obligation under law to provide employment-related reasonable accommodations to qualified individuals with disabilities within the meaning of and in accordance with its obligations under the California Fair Employment and

Housing Act and the Americans with Disabilities Act. If by reason of the aforesaid requirement, the City contemplates actions to provide reasonable accommodation to an individual employee, which are in potential conflict with any provision of this Memorandum of Understanding, the Association will be advised of any such proposed accommodation prior to implementation by the City.

#### **ARTICLE XIV** **ASSOCIATION RESPONSIBILITY**

**SECTION 14.01. ASSOCIATION RESPONSIBILITY.** The Association agrees that during the term of this agreement, neither it nor its officers, employees or members will engage in, encourage, sanction, support or suggest any strikes, work stoppages, boycotts, slow downs, mass absenteeism, picketing, sympathy strikes, sickouts or any other similar actions which would involve suspension of or interference with the normal work of the City. In the event that any concerted action as described above occurs, Association will notify the members that such activity is a violation of this Memorandum of Understanding and Association will notify the members that such concerted action shall cease and the members shall return to work.

The Association shall take whatever legal actions are necessary to see that its members return to work. Failure to do so may result in sanctions taken by the City against the Association.

#### **ARTICLE XV** **SCOPE OF UNDERSTANDING**

**SECTION 15.01. SCOPE OF UNDERSTANDING.** For the term of this agreement, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire understanding between the parties regarding the provisions contained in the MOU; provided, however, that nothing shall prohibit the parties from changing the terms of this memorandum by mutual agreement.

#### **ARTICLE XVI** **SEPARABILITY**

**SECTION 16.01. SEPARABILITY.** If any article or section of this Memorandum of Understanding should be found invalid, unlawful or unenforceable by reason of any existing or subsequent enacted legislation or by judicial authority, all other articles and sections of this Memorandum shall remain in full force and effect for the duration of this Memorandum. In the event of invalidation of any article or section, the City and the Association agree to meet within thirty (30) days for the purpose of meeting and conferring upon said article or section in an attempt to agree upon a replacement of such article/section.

## **ARTICLE XVII**

### **MISCELLANEOUS**

**SECTION 17.01. PROFESSIONALISM.** Unit members shall be required to perform all duties related to the fire service as determined by the Fire Chief.

**SECTION 17.02. MAINTENANCE OF BENEFITS.** During the term of the Memorandum of Understanding the City and the Association agree to comply with their obligation, as set forth in the Meyers-Milius-Brown Act, regarding all other written rights, privileges, benefits and terms and conditions of employment that are within the scope of representation.

**SECTION 17.03. PERSONNEL RULES AND REGULATIONS.** The City and the Association have met and conferred on the March 1989 Personnel Rules and Regulations and exceptions to those Rules and Regulations are contained in this Memorandum of Understanding.

**SECTION 17.05. STATION/SHIFT ASSIGNMENT POLICY.** It is the policy of the City of Merced Fire Department to uniformly administer the station and shift assignments and transfer of personnel in a manner that fulfills the needs of the department and considers the desires of the individuals who are affected.

- A. **ANNUAL STATION ASSIGNMENT BID PROCESS.** The following guidelines define policy for shift transfers and station assignments and will assist in the interpretation and administration of these processes.
1. Between November 1<sup>st</sup> and November 15<sup>th</sup> of each year a bid sheet consisting of a blank roster will be presented to the Captain with the highest time in grade on each shift.
    - a. The Captain with the highest time in grade will place their name on the apparatus with the open Captain slot they desire on their shift. This process will be repeated by the Captains in descending order of seniority until all Captains have placed their name on the bid sheet.
    - b. The bid sheet will then be given to the Engineer with the highest time in grade and the process repeated until all Engineers have placed their names on the bid sheet.
    - c. The bid sheet will then be given to the senior Fire Fighter on each shift until all Fire Fighters have placed their names on the bid sheet.

Members may designate a proxy to complete their bid.

- B. **SHIFT TRANSFER POLICY.**

1. When shift transfer assignments become necessary due to promotion, retirement, or other reasons which create an absence, consideration will be given to those persons wishing to be transferred or reassigned.
2. When all things are considered equal, seniority within the City of Merced Fire Department shall be the major factor in determining station assignment.
3. When a vacancy is created on a specific shift, the department will announce the intent to permanently fill the vacant position. This may not occur until promotional examinations or new firefighter recruitment has been completed.
4. The shift vacancy will be filled in the following manner:
  - a. The most senior department member who holds the same rank as the vacant position will be provided the opportunity to transfer to the open position.
  - b. If the most senior member opts to not transfer, the position will be offered to the next most-senior member who holds the same rank.
  - c. This process will continue until the vacancy is filled.
  - d. Members who hold different ranks than the vacant position will not be allowed to bid for the position.
  - e. If a member chooses to transfer shifts, the vacancy created by this movement will be filled as outlined above. Offered to the next most senior member. NOTE: The filling of this vacancy will not be restarted with the most senior member.

- C. **RESOLUTION OF DISPUTES.** Prior to the initiation of a formal complaint or grievance regarding the administration of the transfer policy, employees shall seek to resolve the issue with their Battalion Chief.

In the event that the issue is not resolved by the Battalion Chief it will be brought to the Office of the Fire Chief by the employee bargaining unit representatives for mutual resolution.

- D. **ADMINISTRATIVE DISCRETION.** The Fire Chief shall have the discretion to reassign or transfer an employee due to unsatisfactory performance or when disciplinary actions are involved. Probationary employees shall be assigned at the discretion of the Fire Chief.

Inter-shift transfers shall be at the discretion of the Fire Chief. Consideration shall be given to keep all shifts as equal as possible in terms of seniority. Based on

administrative or operational needs of the Merced Fire Department, the Fire Chief retains the authority to assign personnel to vacant positions.

**SECTION 17.06. TOBACCO PRODUCT USE.** The City of Merced declares a hiring policy which disqualifies habitual users of tobacco products from eligibility for employment. Employees hired for positions in the bargaining unit after January 1, 2006 (except reinstatements and rehires after layoff after the effective date of this agreement) shall not be permitted to habitually use any tobacco products, consistent with this policy. Failure to follow this policy will lead to disciplinary action, up to and including dismissal.

Employees hired into the bargaining unit prior to December 31, 2005 will be permitted to use tobacco products in a manner consistent with any restrictions established by State law, City administrative policy, and this agreement.

Under no circumstances shall any tobacco product be used at any time inside a City building or vehicle.

**SECTION 17.07. TRANSPORTATION WHILE ON DUTY.** If an employee is required to relocate to another station during the course of a shift, the City shall either provide transportation or reimburse employee at the then-current mileage reimbursement rate per City policy. Employees shall request mileage reimbursement on a monthly basis.

**SECTION 17.08. RETURNING TO DUTY AFTER CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CalEMA) DEPLOYMENT.** An employee who has been deployed to an O.E.S. incident for at least 4 days or 96 consecutive hours, and returns on his regular duty day shall have the option of returning to work to finish the shift, or using vacation time or leave without pay to finish the shift as long as no more than two employees are on vacation at the same time. During CalEMA demobilization an employee shall endeavor to contact the department to give advance notice of selection.

## **ARTICLE XVIII**

### **LAYOFF**

#### **SECTION 18.01. LAYOFF.**

- A. In lieu of being laid off an employee may elect demotion ("bumping") to:
  - 1. Any class in the same class series with a lower maximum salary;
  - 2. A class in the same line of work (as determined by the City) as the class of layoff, but of lesser responsibility, and with substantially the same or a lower maximum salary.
- B. In order to bump to a new classification, the employee must have more seniority than the employee that will be displaced.

- C. The employee bumping to a new classification must have held that classification at some time in his/her career in the City of Merced.
- D. Seniority is determined by time in the class from which the employee is bumping, plus time in any higher classification in the same series. The following provisions apply in computing total continuous service:
  - 1. Time spent on military leave shall count as service in the event the leave was taken subsequent to employment;
  - 2. Time worked in regular and/or probationary status shall count as service;
  - 3. Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status, shall not count as service.
- E. To be considered for demotion in lieu of layoff, an employee must notify the Personnel Manager within five (5) calendar days of receipt of the notice of layoff.
- F. In cases where there are two or more employees in a class from which the layoff is to be made, such employees shall be laid off in inverse order of seniority, with seniority defined as time in the class from which the layoff is to be made plus time in any higher classification in the same series.
- G. Employees bumping to a lower or similar class shall be placed at the salary step representing the least loss of pay, without exceeding the employee's current rate of pay.
- H. The names of persons laid off or demoted in accordance with this policy shall be entered upon a re-employment list in the order of lay off. Such list shall be used by the City Manager and each department head when a vacancy arises in the same or lower class.
- I. Names of persons laid off shall be carried on a re-employment list for two (2) years, except that persons appointed to regular positions of the same or higher level shall be dropped from the list upon such appointment. Persons re-employed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for the two (2) years.
- J. Refusal of a person to accept the first offer of re-employment with the same classification or a classification at the same or higher range shall cause the name of the person to be dropped from the re-employment list. Failure of a person to respond within seven (7) work days to the offer of re-employment shall be considered a refusal.
- K. If the provisions of this policy are in conflict with the provisions of a Memorandum of Understanding, the MOU shall be controlling without further action.

- L. An employee may not demote to a frozen position or a position that is being eliminated as part of the layoff, and an employee electing demotion must meet the minimum qualifications for the new classification.

**ARTICLE XIX**  
**TERM OF AGREEMENT**

**SECTION 21.01. TERM OF AGREEMENT.** Except as otherwise set forth in this Memorandum of Understanding, the specific provisions of this Agreement shall be effective as of January 1, 2018, and shall remain in effect through December 31, 2019.

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

FOR THE ASSOCIATION:

FOR THE CITY:

\_\_\_\_\_  
CHAD ENGLERT  
PRESIDENT

\_\_\_\_\_  
STEVE CARRIGAN  
CITY MANAGER

\_\_\_\_\_  
RYAN PASKINS

\_\_\_\_\_  
STEPHANIE DIETZ  
ASSISTANT CITY MANAGER

\_\_\_\_\_  
RICHARD RAMIREZ

\_\_\_\_\_  
DENEEN PROCTOR  
DIRECTOR OF SUPPORT SERVICES

\_\_\_\_\_  
MATT VAN HAGEN

\_\_\_\_\_  
SHELLINE K. BENNETT  
CITY NEGOTIATOR

\_\_\_\_\_  
CASEY WILSON

\_\_\_\_\_  
LARRY MENTH  
INTERNATIONAL FIRE FIGHTERS  
LOCAL 1479

SIDE LETTER TO THE JANUARY 1, 2018 MOU  
BETWEEN  
THE CITY OF MERCED  
AND  
FIRE FIGHTERS ASSOCIATION, LOCAL 1479

This is a Side Letter to the January 1, 2018 Memorandum Of Understanding ("MOU") between the City and the Association.

This side letter is only effective for the term of the January 1, 2018 MOU and shall sunset on December 31, 2019 and have no force or effect following this date.

During the term of the January 1, 2018 MOU and contingent upon the City having a final, completed compensation study being conducted by an outside vendor, upon written notice to the other party, either the City or Association may reopen negotiations for the sole purpose of discussing base wage increases only.

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

FOR THE ASSOCIATION:

FOR THE CITY:

\_\_\_\_\_  
CHAD ENGLERT  
PRESIDENT

\_\_\_\_\_  
STEVE CARRIGAN  
CITY MANAGER

\_\_\_\_\_  
RYAN PASKINS

\_\_\_\_\_  
STEPHANIE DIETZ  
ASSISTANT CITY MANAGER

\_\_\_\_\_  
RICHARD RAMIREZ

\_\_\_\_\_  
DENEEN PROCTOR  
DIRECTOR OF SUPPORT SERVICES

\_\_\_\_\_  
MATT VAN HAGEN

\_\_\_\_\_  
SHELLINE K. BENNETT  
CITY NEGOTIATOR

\_\_\_\_\_  
CASEY WILSON

\_\_\_\_\_  
LARRY MENTH  
INTERNATIONAL FIRE FIGHTERS  
LOCAL 1479



SIDE LETTER TO THE JANUARY 2018 MOU  
BETWEEN  
THE CITY OF MERCED  
AND  
FIRE FIGHTERS ASSOCIATION, LOCAL 1479

This is a Side Letter to the January 1, 2018 Memorandum Of Understanding ("MOU") between the City and the Association.

**TEMPORAY ASSIGNMENT BETWEEN 56 HOUR AND 40 HOUR WORK SCHEDULES.**

This side letter is only effective for the term of the January 1, 2018 MOU and shall sunset on last day of the MOU and have no force or effect following this date.

During the term January 1, 2018 MOU, the City and the Association will meet and confer regarding the development of a policy to temporarily assign employees who are on a 56 hour work schedule to a 40 hour work schedule.

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

FOR THE ASSOCIATION:

FOR THE CITY:

\_\_\_\_\_  
CHAD ENGLERT  
PRESIDENT

\_\_\_\_\_  
STEVE CARRIGAN  
CITY MANAGER

\_\_\_\_\_  
RYAN PASKINS

\_\_\_\_\_  
STEPHANIE DIETZ  
ASSISTANT CITY MANAGER

\_\_\_\_\_  
RICHARD RAMIREZ

\_\_\_\_\_  
DENEEN PROCTOR  
DIRECTOR OF SUPPORT SERVICES

\_\_\_\_\_  
MATT VAN HAGEN

\_\_\_\_\_  
SHELLINE K. BENNETT  
CITY NEGOTIATOR

\_\_\_\_\_  
CASEY WILSON

\_\_\_\_\_  
LARRY MENTH  
INTERNATIONAL FIRE FIGHTERS  
LOCAL 1479

<b>Attachment A</b>								
<b>FIRE WAGE SUMMARY</b>								
<b>Effective the first full pay period following City Council approval, no sooner than pay period 14 in 2018</b>								
<u>Class</u>	<u>Grade</u>	<u>Title</u>	<u>Per</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>
4620	467	Fire Fighter	Month	\$4,609	\$4,840	\$5,082	\$5,336	\$5,603
4610	477	Fire Engineer	Month	\$5,305	\$5,570	\$5,849	\$6,141	\$6,448
4580	497	Fire Captain	Month	\$6,107	\$6,412	\$6,733	\$7,069	\$7,423
<b>Effective PP14 in 2019</b>								
4620	467	Fire Fighter	Month	\$4,724	\$4,961	\$5,209	\$5,469	\$5,743
4610	477	Fire Engineer	Month	\$5,438	\$5,710	\$5,995	\$6,295	\$6,610
4580	497	Fire Captain	Month	\$6,259	\$6,572	\$6,901	\$7,246	\$7,608
<i>All numbers have been rounded to the nearest \$1</i>								



## ADMINISTRATIVE REPORT

**Agenda Item H.15.**

Meeting Date: 5/21/2018

*Report Prepared by: Ken F. Elwin, PE, Director of Public Works*

**SUBJECT:** 2018/2019 Local Transportation Fund (LTF)

### REPORT IN BRIEF

Accepts \$316,961 in Local Transportation Funds (LTF) from Merced County Association of Governments (MCAG) for street and road maintenance.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Adopting **Resolution 2018-26**, a Resolution of the City Council of the City of Merced, California, approving the Local Transportation Fund (LTF) Claim to be filed with the Merced County Association of Governments (MCAG) for Fiscal Year 2018/2019; and,
- B. Authorizing the Finance Officer to make any necessary budget adjustments.

### ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve with modifications; or,
- 3. Deny.

### AUTHORITY

The Transportation Development Act (TDA) of 1971 provides for distribution of Local Transportation Funds (LTF) to local agencies for street and road use, granted there are no unmet transit needs in the presiding county.

### CITY COUNCIL PRIORITIES

Address Council's priority for improving local roads, sidewalks, and traffic.

### DISCUSSION

Local Transportation Funds (LTF) are administered by the State of California and allocated through the Merced County Association of Governments (MCAG). LTF funds are first designated for identified transit needs, and any remaining balance is apportioned to local agencies for non-transit uses, such as streets and roads. In previous years, the City received an annual allocation determined by a population-based formula. This is the third year since 2009 that this funding has been available to the City; the City's entitlement for the 2017-2018 fiscal year was \$232,048.

Based upon population, the City of Merced's entitlement for the 2018-2019 fiscal year is \$316,961 as shown in Attachment 1 - LTF Apportionment. These funds will be used on a variety of different road projects with a priority placed on blending with Measure V and SB1 funds to support local projects. LTF funding can also be used as matching funds for grant funded projects.

As part of MCAG's claim process, the City is required to submit the completed claim form and corresponding City Council Resolution no later than July 6, 2018.

### **IMPACT ON CITY RESOURCES**

Staff recommends accepting \$316,961 of Local Transportation Funds (LTF) from the Merced County Association of Governments (MCAG). The allocation of funding has been included in the proposed FY 2018-19 budget.

### **ATTACHMENTS**

1. LTF Apportionment Schedule
2. City Council Resolution
3. 2018/2019 Claim Form

**RESOLUTION NO. 2018/04-19-02**

**RESOLUTION OF THE MERCED COUNTY ASSOCIATION OF GOVERNMENTS GOVERNING BOARD  
APPROVING APPORTIONMENT SCHEDULE FOR LOCAL TRANSPORTATION FUND (LTF) MONIES  
FOR THE FISCAL YEAR 2018/2019**

**WHEREAS**, Merced County Association of Governments (MCAG) is designated the Regional Transportation Planning Agency for Merced County; and

**WHEREAS**, the Transit Joint Powers Authority for Merced County (TJPA) provides consolidated transit service throughout Merced County, and provides public transportation services to the general public; and

**WHEREAS**, The TJPA as the transit service provider for Merced County proposes to serve, at a minimum, all claimant areas of Merced County within their jurisdictions at the level of public transportation services that are reasonable to meet as defined by the MCAG Governing Board; and

**WHEREAS**, Specific efforts undertaken by MCAG in the transportation planning process and approval of the unmet transit needs process were previously approved by the MCAG Governing Board by Resolution in April 2018; and

**WHEREAS**, the Yosemite Area Regional Transportation System (YARTS) provides mass transit service in the Yosemite region, including Merced County, and provides public transportation services to the general public; and

**WHEREAS**, The Merced County Auditor/Controller claims \$3,400 for administration of the LTF Apportionment distribution for FY 18/19 pursuant to PUC, Division 10, Part 11, Chapter 4, Article 4, Section 99233.1 administration allocations; and

**WHEREAS**, MCAG claims \$52,038 for administration for FY 18/19 LTF apportionment funds pursuant to PUC, Division 10, Part II, Chapter 4, Article 4, Section 99233.1 administration allocations and \$713,851 for planning pursuant to PUC, Division 10, Part 11, Chapter 4, Article 4, Section 99233.2 planning and programming allocation; and

**WHEREAS**, after the above needs there are funds remaining, which can be distributed to local jurisdictions for transportation purposes including street and road maintenance;

**NOW THEREFORE BE IT RESOLVED**, that the Local Transportation Funds (LTF) apportionment schedule for Fiscal Year 2018-2019 is:


County Auditor-Controller administrative cost	\$3,400
MCAG administrative expense	\$52,038
MCAG planning	\$713,851
Transit Joint Powers Agency Needs	\$5,500,000
YARTS Operating Needs	\$300,000
Future Passenger Rail Reserve	\$400,000
City of Atwater	\$114,102
City of Dos Palos	\$20,230
City of Gustine	\$22,088
City of Livingston	\$52,338
City of Los Banos	\$150,078
City of Merced	\$316,961
Merced County	\$354,914
<b>Total</b>	<b>\$8,000,000</b>

The above resolution was approved by the Merced County Association of Governments on April 19, 2018 by Director Lor, who moved its adoption, which motion was duly seconded by Director McDaniel and which was adopted by the following vote:

AYES: Directors Espinoza, Hogue, Lor, McCabe, McDaniel, Murphy, Oliveira, Pareira, Price

NOES: None

APPROVED:

  
Patrick Pittenger, Executive Director  
Merced County Association of Governments

 for  
Rodrigo Espinoza, Chair  
Merced County Association of Governments  
Governing Board

**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF MERCED, CALIFORNIA, APPROVING  
THE LOCAL TRANSPORTATION FUND (LTF)  
CLAIM TO BE FILED WITH THE MERCED  
COUNTY ASSOCIATION OF GOVERNMENTS  
(MCAG) FOR FISCAL YEAR 2018/2019**

WHEREAS, under the Transportation Development Act (TDA) of 1971, Local Transportation Fund (LTF) monies are available to cities for public transportation, construction and maintenance of local streets and roads, and for pedestrian or bicycle facilities under certain circumstances; and

WHEREAS, the City of Merced meets all requirements to qualify for said apportionment allocated through the Merced County Association of Governments (MCAG), as the designated local transportation and planning agency; and

WHEREAS, the annual allocations of LTF monies to each jurisdiction have been calculated by population and the percentage of level of public transit service for Fiscal Year 2018/2019; and

WHEREAS, the City of Merced has LTF monies available to claim in the amount of \$316,961.00 for Fiscal Year 2018/2019; and

WHEREAS, the City's proposed expenditure of LTF monies are in conformity with the Regional Transportation Plan as prepared by MCAG; and

WHEREAS, the City has submitted a certified fiscal audit within 180 days after the end of the fiscal year, except where an extension (90 day maximum) was granted by MCAG.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Merced does hereby authorize the filing of the annual LTF claim for Fiscal Year 2018/2019 in the amount of \$316,961.00.

BE IT FURTHER RESOLVED it is deemed in the best interest of the City of Merced that the City Manager and the Interim City Finance Officer be authorized to sign the LTF claim form for Fiscal year 2018/2019, and to submit said claim to MCAG for processing.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2018 by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

K. More      5/1/18  
City Attorney      Date



**LOCAL TRANSPORTATION FUND CLAIM**  
**FY 2018-2019**

**Claimant:** City of Merced

**Type of Claim:**

**Amount of Claim:**

<input checked="" type="checkbox"/>	<b>STREETS &amp; ROADS</b>	\$ <u>316,961</u>
<input type="checkbox"/>	<b>PEDESTRIAN &amp; BICYCLE FACILITIES</b>	\$ _____
<input type="checkbox"/>	<b>OTHER</b> (indicate purpose & TDA Section number _____)	\$ _____
	<b>TOTAL</b>	\$ _____

*It is understood by this claimant that payment of the claim is subject to approval by MCAG, to such monies being on hand and available for distribution, and to the provision that such monies (and the interest earned on such monies subsequent to allocation) will be used only for those purposes for which the claim is approved and in accordance with the terms of the allocation instructions.*

*Further, the Chief Financial Officer of the claimant certifies that the financial information contained herein, is reasonable and accurate to the best of my knowledge.*

**Authorized Representative:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Chief Financial Officer

**APPROVED AS TO FORM:**

*H. Flores* *5/1/18*

## LTF STREETS & ROADS CLAIM 2018-2019

**Claimant:** City of Merced

### Project Title, Location and Description (may use additional paper)

Street and Road Maintenance throughout the City of Merced.

### Project Cost by Funding Source

LTF	\$ 316,961
General Fund	\$
Other	\$
<b><u>TOTAL</u></b>	<b><u>\$ 316,961</u></b>

1. For entities with a population of more than 5,000, is the claim for streets and roads (exclusive of capital requirements for major new facilities) less than 50% of the total streets and roads expenditures?

☒ Yes

☐ No

2. Is the project in conformity with the MCAG Regional Transportation Plan?

☒ Yes

☐ No

Prepared by: \_\_\_\_\_

Signature

\_\_\_\_\_  
Type or print name



## ADMINISTRATIVE REPORT

**Agenda Item H.16.**

Meeting Date: 5/21/2018

*Report Prepared by: Ken Elwin, PE, Director of Public Works*

**SUBJECT:** Master Recipient Funding Agreement with Merced County Association of Governments to Receive Measure V Funds for Fiscal Years 2018/2019 and 2019/2020

### REPORT IN BRIEF

Consider authorizing a Master Recipient Funding Agreement with Merced County Association of Governments to receive Measure V funds for two consecutive fiscal years.

### RECOMMENDATION

**City Council** - Adopt a motion approving the Master Recipient Funding Agreement with Merced County Association of Governments; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve as recommended by Staff; or
2. Deny; or,
3. Refer to Staff for further evaluation.

### AUTHORITY

Charter of the City of Merced, Section 200.

### CITY COUNCIL PRIORITIES

Addresses Council's priority of improving local roads, sidewalks, and traffic.

### DISCUSSION

On November 8, 2016, the voters of Merced County approved "Measure V", a one-half cent sales transaction and use tax to supplement transportation roads and alternative transportation project funding. The Measure V transportation sales tax will be in place for 30 years, expiring on March 31, 2047. The Merced County Association of Governments (MCAG) will administer the apportionment of sales tax funds to the County, six Cities and the agreed upon regional areas within Merced County. In order to allow the City of Merced to receive regular apportionments of Measure V funding, the City Council must adopt the attached Master Recipient Funding Agreement.

The Master Recipient Funding Agreement outlines how funds will be apportioned locally, what the local funds can be used for, and the responsibilities of MCAG and the City in programming funds for projects. One-half of the total Measure V funding will be allocated to each jurisdiction through three methods: an annual base allocation and proportional shares of population and approved road miles.

The remaining funds will be allocated to regional projects, with a minimum annual amount allocated to transit projects and to the administration of the measure. This agreement is a two-year term. It is the goal of MCAG to achieve a longer-term administration agreement with local jurisdictions to administer Measure V funding moving forward.

The City will receive two separate allocations on a monthly basis, supplemental funding to augment roads projects and funds for alternative transportation projects. It is estimated that for FY 18/19 the supplemental fund will receive \$1,243,569 and the alternative transportation fund will receive \$310,892 for a total of \$1,554,461.

## **HISTORY AND PAST ACTIONS**

On July 17, 2017, City Council approved the Master Recipient Funding Agreement with MCAG for receipt of Fiscal Year 2017/2018 Measure V Funds.

## **IMPACT ON CITY RESOURCES**

Two separate funds have been established to receive and administer Measure V funding. Funds will be allocated to the Streets Department and specific projects once identified and approved by the City Council.

## **ATTACHMENTS**

1. Master Recipient Funding Agreement

**MEASURE V RECIPIENT FUNDING AGREEMENT**

between

**MERCED COUNTY ASSOCIATION OF GOVERNMENTS**

and the

**CITY OF MERCED**

This Measure V Recipient Funding Agreement (“AGREEMENT”), effective the 1<sup>st</sup> day of July 2018, is entered into by and between Merced County Association of Governments, a joint powers authority pursuant to California Government Code Section 6500 et seq. (MCAG), and the CITY OF MERCED a municipal corporation (“RECIPIENT”).

**RECITALS**

- A. On November 8, 2016, the voters of Merced County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 et seq. (“Act”), approved Measure V, thereby authorizing MCAG to administer the proceeds from the one-half cent transaction and use tax (“Measure V”).
- B. The duration of the Measure V transportation sales tax will be 30 years from the initial year of collection, which began April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in Merced County’s 2016 – ½ Cent Transportation Sales Tax Measure Expenditure Plan (“Expenditure Plan”), as it may be amended in accordance with State law.
- C. This AGREEMENT delineates the requirements of the Local Projects funds that are directly allocated to local jurisdictions, as authorized by the Expenditure Plan.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

**ARTICLE I – LOCAL PROJECTS FUNDING ALLOCATIONS**

This AGREEMENT authorizes MCAG to allocate the Local Projects funds derived from Measure V receipts in accordance with the voter-approved Expenditure Plan as follows:

- Each jurisdiction (each City and the County) shall be allocated an annual base amount of \$150,000 from the Local Projects funds. The total amount of this base amount will be subtracted from the 50% Local Projects funds before the remainder is allocated.
- The remaining Local Projects funds after the base amount allocation shall be allocated in accordance with the Expenditure Plan based on the average of the jurisdiction's share of the total countywide population and its share of the total countywide publicly maintained road miles. For example, if a jurisdiction has 35% of the population and 75% of the road miles it will be allocated 55% of the funds remaining after the base amounts are allocated.
- 20% of each jurisdiction's total allocation of Local Projects funds shall be used for Alternative Modes projects as outlined in the Expenditure Plan.

**A. LOCAL PROJECTS**

1. Fifty percent (50%) of the Measure V funds collected shall be allocated to Local Projects. The individual local elected city councils and the Merced County Board of Supervisors are the decision-making bodies for the use of their respective allocations of the Local Projects funds within their respective jurisdictions. Each city and the County of Merced shall receive their Local Projects funding allocation as described above consistent with the Expenditure Plan. The goal of the Local Projects funds is to improve the local transportation systems within each individual city and the County of Merced overall. At least twenty percent (20%) of the Local Projects funds each jurisdiction receives shall be used for Alternative Modes projects (see section B).
2. MCAG shall distribute the Local Projects funds pursuant to the formula described above and consistent with the Expenditure Plan. RECIPIENT allocations are subject to change based on variations of annual population figures and percent of road miles pursuant to Article II Paragraph A(2) herein.
3. The Expenditure Plan provides basic fund usage guidelines for RECIPIENT use of the Local Project funds received from the Measure V sales tax. Said guidelines are hereby incorporated into this AGREEMENT by reference.
4. RECIPIENT shall utilize the reporting tools designated by MCAG to maintain and provide a separate accounting of the Local Projects funds received and any and all expenditures from said funds to ensure that the funds are spent in accordance with the approved Expenditure Plan.

5. RECIPIENT may choose to advance funds for a project, either a project specified in the plan or a project for which they plan to use their Local Projects funds, and to receive reimbursement for that advancement in accordance with the plan. The fund advancement and reimbursement projections must be approved by a majority vote of the MCAG Governing Board per its Bylaws prior to the jurisdiction proceeding with the project. RECIPIENT may also accumulate funds from their Local Projects allocations over several years to fund higher-cost projects.
6. RECIPIENT shall provide a report to the Citizens Oversight Committee within 60 days of the fiscal year end delineating the Local Projects funds received and how they were spent. In addition, RECIPIENT shall provide documentation as to whether or not the Maintenance of Effort as described in Article II, Paragraph B(4) below, was met.

**B. ALTERNATIVE MODES PROJECTS**

1. At least twenty percent (20%) of the Local Projects funds received by RECIPIENT shall be used for Alternative Modes projects as required in the Expenditure Plan. RECIPIENT may use more than the twenty percent (20%) minimum but not less. The goal of this sub-category of projects is to provide safe alternatives to automobile travel, increase use of alternative modes, and improve air quality and the environment. RECIPIENT may also accumulate funds from their Local Projects allocations over several years to fund higher-cost Alternative Modes projects.
2. This sub-category may be used for projects and programs that provide alternatives to single-occupant vehicle use, increase use of alternative modes, and improve air quality and the environment, including but not limited to the following:
  - Sidewalks, crosswalks, safe routes to schools, ADA curb ramps and other pedestrian projects
  - Bicycle projects
  - Passenger rail
  - Railroad crossing safety improvements
  - Vanpools, carpools or other ridesharing programs or incentives
  - Roundabouts or other air quality improvements
  - Other alternative modes

## **ARTICLE II: PAYMENTS AND EXPENDITURES**

### **A. MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG)**

1. Within 5 business days of actual receipt of the Measure V sales tax revenues from the State Board of Equalization ("BOE"), MCAG shall pay to the RECIPIENT its allocated amount of available Local Projects funds provided that the RECIPIENT is current on expenditure reporting requirements as outlined in Article II, Paragraph B(3). With the payment, MCAG shall provide the RECIPIENT with an itemized breakdown of how the allocation payment was calculated. In the event of non-compliance, MCAG maintains the authority to hold Local Project fund allocations until reporting requirements are met.
2. MCAG shall annually update the Measure V revenue projections and the resulting fund allocation formulas to reflect the most current population using the California Department of Finance's annual population estimates (Report E-1 published annually in May) and the Maintained Miles by jurisdiction as published in the most current California Public Road Data. MCAG shall use the updated Local Projects allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30. MCAG shall provide the RECIPIENT prompt notice of any update to the allocation formulas and MCAG's application of the updated formula to the RECIPIENT's allocation.
3. MCAG shall include Measure V Local Projects funds distributed to each RECIPIENT in a quarterly report to the Board of Directors.
4. MCAG shall provide for an independent annual audit of its financial statements including revenues and expenditures and of its calculation of the allocation formula for distributing Measure V revenues to RECIPIENT and the other jurisdictions.
5. MCAG shall provide reasonable notice to RECIPIENT prior to conducting an audit of Local Projects funds received by RECIPIENT to determine whether the RECIPIENT's use of said funds is in compliance with this AGREEMENT and the Expenditure Plan.

### **B. RECIPIENT'S DUTIES AND OBLIGATIONS**

1. RECIPIENT shall use all Local Projects funds received in compliance with the applicable guidelines and plan(s), as they may be adopted or amended by the Board of Directors for MCAG in accordance with applicable law.
2. RECIPIENT shall use and maintain the designated reporting tools to report on funds received and expended. RECIPIENT must account for Local Projects funds, including any interest



received or accrued, separately for each fund type. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds. MCAG and its representatives and agents shall have the absolute right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by application law.

3. RECIPIENT will utilize the designated reporting tools to provide MCAG with the required information related to Local Projects funds expenditures according to the following schedule:

Quarter	Reporting Period	Due Date
FY 18-19 Q1	July 1 to September 31	October 31, 2018
FY 18-19 Q2	October 1 to December 31	January 31, 2019
FY 18-19 Q3	January 1 to March 31	April 30, 2019
FY 18-19 Q4	April 1 to June 30	August 30, 2019*
FY 19-20 Q1	July 1 to September 31	October 31, 2019
FY 19-20 Q2	October 1 to December 31	January 31, 2020
FY 19-20 Q3	January 1 to March 31	April 30, 2020
FY 19-20 Q4	April 1 to June 30	August 31, 2020*

\*60 days provided for the 4<sup>th</sup> quarter of each fiscal year.

4. RECIPIENT hereby agrees to the Maintenance of Effort. The enabling legislation in Public Utilities Code Section 180001(e) provides:

*It is the intent of the Legislature that funds generated pursuant to this division be used to supplement and not replace existing local revenues used for transportation purposes.*

If RECIPIENT receives revenues for Local Projects, it shall annually maintain, as a minimum, the same level of local fully discretionary general fund revenues that were expended on average for fiscal years 2013/14, 2014/15, and 2015/16, for transportation purposes. Dedicated funds for transportation such as gas tax revenues are not counted as general fund revenues. Transfers into the general fund will not be counted as general fund revenues. Grant awards and general fund revenues used as matching funds for grant awards will not be counted as general fund revenues.

5. RECIPIENT hereby agrees to and accepts the formulas used in the allocation of Measure V, as reflected in the Expenditure Plan, and agrees to accept and utilize the California Department of Finance Estimates of Population figures (Report E-1, updated annual in May) for California cities and counties and the maintained miles by jurisdiction as published in the most current California Public Road Data for the annual update of the sales tax allocation formulas to begin in each new fiscal year.

**C. OTHER CONSIDERATIONS**

1. Transportation Purposes Only: RECIPIENT shall use all Local Projects funds solely for transportation purposes as defined by the Expenditure Plan. Any jurisdiction that violates this provision, as determined by the MCAG Board, must fully reimburse all misspent funds, including all interest which would have been earned thereon. The interest rate shall not exceed the maximum allowed by law.
2. Staff Cost Limitations: Direct costs associated with the delivery of programs and projects associated with Local Projects funds, including direct staff costs and consultant costs, are eligible uses of said funds. Indirect costs, including, but not limited to, overhead costs such as rent, utilities, and human resources staff, are not allowed.
3. Fund Exchange: Each local jurisdiction shall have the authority to loan Local Projects funds allocated to them to other local jurisdictions for the implementation of needed transportation projects.
4. CEQA: All projects funded with Local Projects funds shall comply with the California Environmental Quality Act (CEQA) and other environmental reviews as required.
5. Promotion: At a minimum, RECIPIENT agrees to promote all projects funded by more than \$50,000 through Measure V with branded signage and is encouraged to utilize additional means such as news releases, social media, events, or any other tools to communicate to the public that the project was funded by Measure V. For this same category of projects, RECIPIENT also agrees to provide MCAG with at least two (2) photographs of the project, either 1) in progress or 2) before and after completion or some combination thereof.

### **ARTICLE III: REPORTING REQUIREMENTS**

#### **A. REQUIREMENTS AND WITHHOLDING**

RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, MCAG may withhold payment of further Local Projects funds to RECIPIENT until full compliance is achieved.

1. RECIPIENT shall, by December 31<sup>st</sup> of each year, submit to MCAG at the RECIPIENT's expense, separate independently audited financial statements for the prior fiscal year of Local Projects funds received and used.
2. RECIPIENT shall provide current and accurate information on RECIPIENT's website (if applicable) and to MCAG for the Measure V website, to inform the public about how RECIPIENT is using Local Projects funds.
3. RECIPIENT shall, at least annually, publish an article highlighting a project or program funded by Local Projects funds, or provide information to MCAG's Public Information Officer regarding such project or program for publication.
4. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT's receipt, usage, and/or compliance with audit findings regarding Local Projects funds before the Citizens Oversight Committee.
5. RECIPIENT agrees that MCAG may review and/or evaluate all projects or programs funded pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of MCAG to observe RECIPIENT's project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT's staff or governing body.

### **ARTICLE IV: OTHER PROVISIONS**

#### **A. INDEMNITY BY RECIPIENT**

Neither MCAG nor its governing body, elected officials, officers, consultants, agents or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Local Projects funds distributed to RECIPIENT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to

Government Code Section 895.4, that RECIPIENT shall fully defend, indemnify and hold harmless MCAG, its governing body, elected officials, officers, agents and employees from any liability imposed on MCAG for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Local Projects funds distributed to RECIPIENT pursuant to this AGREEMENT.

**B. INDEMNITY BY MCAG**

Neither RECIPIENT nor its governing body, elected officials, officers, consultants, agents or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by MCAG under or in connection with any work, authority or jurisdiction delegated to MCAG under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, that MCAG shall fully defend, indemnify and hold harmless RECIPIENT, its governing body, elected officials, officers, agents and employees from any liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MCAG under or in connection with any work, authority or jurisdiction delegated to MCAG under this AGREEMENT

**C. JURISDICTION AND VENUE**

The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Merced County, California.

**D. ATTORNEY'S FEES**

Should it become necessary to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable expenses and attorney's fees from the other party.

**E. TERM**

The term of this AGREEMENT shall be from July 1, 2018 to June 30, 2020, unless amended in writing or a new Master Recipient Funding Agreement is executed between MCAG and RECIPIENT.

**F. SEVERABILITY**

If any provision of this AGREEMENT is found by a court of competent jurisdiction or, if applicable, an arbitrator, to be unenforceable, such provision shall not affect the other

provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

**G. ENTIRE AGREEMENT; MODIFICATION**

This AGREEMENT, as well as the referenced Expenditure Plan, constitutes the entire AGREEMENT and supersedes all prior written or oral understandings regarding Local Projects funds. This AGREEMENT may only be modified by a written agreement executed by both parties.

**IN WITNESS WHEREOF**, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

**CITY OF MERCED (RECIPIENT)**


**MERCED COUNTY ASSOCIATION OF GOVERNMENTS  
(MCAG)**

By: \_\_\_\_\_  
Name \_\_\_\_\_ Date \_\_\_\_\_  
Title \_\_\_\_\_

By: \_\_\_\_\_  
Patrick Pittenger \_\_\_\_\_ Date \_\_\_\_\_  
Executive Director

Approved as to Form:

Reviewed as to Budget/Financial Controls:

By:  5-2-2018  
Name \_\_\_\_\_ Date \_\_\_\_\_  
Title *Interim City Attorney*

By: \_\_\_\_\_  
Nav Bagri \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director

Approved as to Legal Form:

By: \_\_\_\_\_  
Emily Haden \_\_\_\_\_ Date \_\_\_\_\_  
Legal Counsel to MCAG



## ADMINISTRATIVE REPORT

**Agenda Item H.17.**

Meeting Date: 5/21/2018

*Report Prepared by: Renie Fagundes, Accountant III, Finance Department*

**SUBJECT:** Contract Amendment with Data Ticket, Inc.

### REPORT IN BRIEF

Consider a one-year extension with Data Ticket, Inc. for citation processing services.

### RECOMMENDATION

**City Council** - Adopt a motion approving a one-year extension to the contract with Data Ticket, Inc. and authorizing the City Manager or Assistant City Manager to execute all necessary documents.

### ALTERNATIVES

1. Approve, as recommended; or
2. Refer matter back to staff for changes; or
3. Deny.

### AUTHORITY

Chapter 3.04, Purchasing System, sets forth procedures for contracting for professional services.

### CITY COUNCIL PRIORITIES

N/A

### DISCUSSION

Since July 2006, the City has contracted with Data Ticket for web based software and processing of parking citations. The services include the processing of payments, appeal scheduling and the Franchise Tax Board (FTB) tax lien participation, obtaining social security numbers, send notices to customers, filing adjustments on the Data Ticket database and FTB database and managing the monthly reports. Citizens have online access 24/7 to Data Ticket (Citation Processing Center), where they can view, appeal and pay their citations.

The current contract expires June 30, 2018. Due to time constraints and the resources it would take if a new vendor is selected, Finance is requesting a one year contract extension. Finance will be able to prepare and complete a thorough RFP selection process and have the time needed to transition to another vendor if it is determined.

Data Ticket has notified the Finance Department that their rates will remain the same for the next year from July 2018 to June 2019.

### **IMPACT ON CITY RESOURCES**

The approximate annual cost for citation processing is \$55,000 (which is based on the number of tickets written and collected) for Data Ticket and is included in the proposed Fiscal Year 18-19 budget.

### **ATTACHMENTS**

1. Amended Professional Services agreement
2. Data Ticket service fees

**FIRST AMENDMENT TO AGREEMENT FOR  
PROFESSIONAL SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the City of Merced, a California Charter Municipal Corporation ("City"), and Data Ticket, Inc., a California Corporation, 4600 Campus Drive, Suite 200, Newport Beach, California 92660, ("Consultant").

WHEREAS, City is undertaking a project to process parking citations; and,

WHEREAS, City and Consultant have previously entered into an Agreement for Professional Services ("Agreement") dated June 17, 2013; and,

WHEREAS, City and Consultant desire to amend said Agreement to extend the term of the agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 3, "TERM OF AGREEMENT," of the Agreement is hereby amended to read as follows:

"3. TERM OF AGREEMENT. The term of this Agreement shall be from July 1, 2013 to June 30, 2019.

2. Except as herein amended, the Agreement dated June 17, 2013, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
City Manager



ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: *K. Flores* *5/1/18*  
City Attorney Date

ACCOUNT DATA:

BY: \_\_\_\_\_  
Verified by Finance Officer

CONSULTANT  
DATA TICKET, INC.,  
A California Corporation

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

Its: \_\_\_\_\_  
(Title)

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

Its: \_\_\_\_\_  
(Title)

Taxpayer I.D. No. \_\_\_\_\_

ADDRESS: 4600 Campus Dr., Ste 200  
Newport Beach, CA 92660

TELEPHONE: \_\_\_\_\_

FAX: \_\_\_\_\_

E-MAIL: \_\_\_\_\_



4600 Campus Drive, Suite 200  
Newport Beach, CA 92660  
949 752 6937 (x) 310 - Phone  
MFleming@DataTicket.com

### FULL SERVICE FEE PROPOSAL FOR THE CITY OF MERCED

<u>Description</u>	<u>Proposed Fee</u>
A monthly minimum charge	-0-
Fee for processing and collecting	\$ 0.95 per Citation
Fee for collecting each out-of-state citation	25% of Collections
DMV Holds and Releases	-0-
Reports	-0-
Conversion Fee	-0-
Review, Hearing and Court Appearances (Scheduling)	\$0.75 per Occurrence
Additional Correspondence/Appeal Letters	\$1.11 per
Refunds, NSF's and Charge-backs handled by Company	\$5.00 per Occurrence
Delinquent Collections	30% of Collections
Postage at the prevailing rate, currently	\$ 0.46 per Piece
Payment Processing and Depositing	\$0.20 per Payment
FTB Social Security Number	\$3.00 per Request (Reduced from \$5.00)
Collections made at FTB	15% of Collections
Escrow Account (Agency will pay all bank charges)	\$50 per Month (New Charge)
Credit Reporting Collections (FDCPA Reporting)	30% of Collections

---

**Convenience Fee to Violator:** for Company Credit Card Usage (Web Site, phone & credit/debit card payments). No fee charged to City.



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**FULL SERVICE FEE PROPOSAL FOR:  
THE CITY OF MERCED**

<u>Description</u>	<u>Cost</u>
<b>Manual Parking Citation Processing:</b>	<b>\$0.95</b>
<b>Electronic Parking Citation Processing:</b>	<b>\$0.95</b>
<b><i>Services for the above-mentioned items include:</i></b>	
<ul style="list-style-type: none"><li>• Citation entry into Data Ticket's Citation Management System</li><li>• Registered owner information for all citations issued on California license plates</li><li>• In-house, bi-lingual Customer Service staff</li><li>• Call recording of all inbound and outbound customer service calls</li><li>• Interactive Voice Response System available 24/7</li><li>• California DMV Holds and Release performed daily</li></ul>	
<b>Correspondence: 1<sup>st</sup> class postage at prevailing rate: currently:</b>	<b>\$0.46</b>
<b><i>Services for the above-mentioned item include:</i></b>	
<ul style="list-style-type: none"><li>• Semi-custom Courtesy and Delinquent Notices sent to the registered owners</li><li>• Return envelopes included in courtesy and delinquent notices for responsible party to submit payment or appeal</li><li>• Semi-custom letters and additional correspondence</li></ul>	
<b>Payment Acceptance, Processing and Deposit:</b>	<b>\$0.20</b>
<b><i>Services for the above-mentioned items include:</i></b>	
<ul style="list-style-type: none"><li>• Processing of checks, cash, money orders and credit/debit cards</li><li>• Payments received and batched</li><li>• Payments double-blind taped</li><li>• All payments and supporting documentation scanned and saved to network</li><li>• Payments keyed and updated to system</li><li>• Deposit Slips filled out</li><li>• Bonded and Insured Courier takes deposits to the Bank daily</li></ul>	
<b>Out-of-State Collections:</b>	<b>25% of revenue collected</b>
<ul style="list-style-type: none"><li>• This fee will cover all expenses associated with obtaining out-of-state registered owner information and will be due when a citation is paid</li><li>• This fee is not combined with any other collections charge. For example if a citation is rolled to a delinquent status, only 30% of revenue collected will be charged</li></ul>	



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949 752 6937 (x) 310 - Phone  
MFleming@DataTicket.com

**FULL SERVICE FEE PROPOSAL FOR:  
THE CITY OF MERCED**

<u>Description</u>	<u>Cost</u>
<b>Delinquent Collections:</b>	<b>30% of revenue collected</b>
<ul style="list-style-type: none"><li>• This fee will be assessed when a citation is ninety (90) days past the citation issue date, assuming a first notice has been sent to the registered owner and the citation is not on hold for any reason</li><li>• If the citation is placed on a DMV hold and payment is made at DMV, Data Ticket will not be paid this fee, rather the City will obtain the full amount collected</li><li>• In addition to the Courtesy Notice, three additional notices will be sent to the registered owner</li><li>• Notices will be sent via 1<sup>st</sup> Class Mail</li></ul>	
<b>Online Access:</b>	<b>No Charge</b>
<b><i>Services for the above-mentioned item include:</i></b>	
Access via the Internet for the City's citizens and visitors to perform the following functions:	
<ul style="list-style-type: none"><li>• View citation specific information</li><li>• Pay via VISA, MasterCard, Discover and American Express credit or debit cards</li><li>• Print a receipt for payment processed</li><li>• Request an Administrative Review online</li><li>• Ability to attach supporting documentation to an Administrative Review</li><li>• Request a Hearing online</li><li>• Ability to attach supporting documentation to a Hearing</li><li>• Get general information regarding the citation and adjudication processes</li></ul>	
Access via the Internet for the City's personnel to perform the following functions:	
<ul style="list-style-type: none"><li>• View citation specific information</li><li>• Process payments via cash, money order, or credit / debit cards</li><li>• Process refunds issued by the City</li><li>• Process insufficient funds notification</li><li>• Reduce, dismiss, void and place citations on system holds</li><li>• Manage the adjudication process, including the ability to enter judgments on citations</li><li>• Generate, view and print and save month-end and real-time reports</li><li>• Generate, view and print notices and appeal decisions</li><li>• Add unlimited citation specific notes</li><li>• Review citation specific notes entered by Data Ticket's customer service staff</li></ul>	



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MFleming@DataTicket.com

**FULL SERVICE FEE PROPOSAL FOR:  
THE CITY OF MERCED**

<u>Description</u>	<u>Cost</u>
<b>Adjudication:</b>	
<b>1<sup>st</sup> Level Reviews Hold &amp; Referral</b>	<b>\$0.75 per Citation</b>
<ul style="list-style-type: none"><li>• Place each citation on a Review Hold</li><li>• Forward to Agency for review and decision</li></ul>	
<b>Appeal Decision Letters</b>	<b>\$1.11 per Letter</b>
<ul style="list-style-type: none"><li>• Data Ticket will send a custom judgment letter to the Appellant via 1<sup>st</sup> Class Mail</li><li>• All letters will be available on the web for City personnel to view and/or re-print at anytime</li></ul>	
<b>2<sup>nd</sup> Level Hearing Hold &amp; Judgment</b>	<b>\$0.75 per Citation</b>
<ul style="list-style-type: none"><li>• Data Ticket will place each citation on a Hearing Hold</li><li>• Forward to Agency for scheduling, hearing and decision</li></ul>	
<b>Additional Correspondence</b>	<b>\$1.11 per Letter</b>
<b>Franchise Tax Board Processing</b>	
<b>SSN Look-up</b>	<b>\$3.00 per SSN</b>
<ul style="list-style-type: none"><li>• This fee will be assessed to lookup a social security number associated with a particular registered owner and address. This charge is charged per unique SSN, not per citation</li></ul>	
<b>FTB Collections</b>	<b>15% of revenue collected</b>
<ul style="list-style-type: none"><li>• This fee is charged if a citation is paid at the Franchise Tax Board. This charge is not combined with any other charge. For example if a citation is rolled to delinquent status and paid at FTB, only the 15% of revenue collected will be charged.</li></ul>	
<b>Credit Reporting Collections</b>	
<b>Legal Action Not Required</b>	<b>30% of revenue collected</b>
<ul style="list-style-type: none"><li>• This fee is charged if a citation is paid at the Third Party Collections. This charge is not combined with any other charge. For example if a citation is rolled to delinquent status and paid at Third Party Collections, only the 30% of revenue collected will be charged</li></ul>	
<b>Joint Banking Account Services</b>	<b>\$50.00 per month</b>
<b>Services for the above-mentioned item include:</b>	
<ul style="list-style-type: none"><li>• Daily deposits of funds to the City's escrow account</li><li>• Online, real-time reconciliation reports that tie directly to the bank statement</li><li>• Processing of all credit card charge-backs and Insufficient Funds</li><li>• Month-end reconciliation of all funds collected</li></ul>	



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MFleming@DataTicket.com

**FULL SERVICE FEE PROPOSAL FOR:  
THE CITY OF MERCED**

- Disbursement of County / State Surcharges at month-end
- Payment of Data Ticket's invoice
- Disbursement of the net remittance to the City
- Scanning of all payments directly to joint bank account daily

**Description**

**Cost**

**Refunds, Charge-backs and NSF's**

**\$5.00 per instance**

- Verification & issuance of all refunds to citizen who are due a refund via 1<sup>st</sup> Class Mail
- Verification of all NSF's & charge-backs on credit cards
- Reverse applied payments and re-open citation
- Add all fees and penalties
- Send up to three additional collection notices with all additional penalties applied
- Provide additional customer service for these issues
- Handle additional collections payments

**FEES CHARGED TO THE PATRON**

- A convenience fee will be assessed to the citizen in the event they choose to pay online, via the IVR or phone with a customer service representative. There is NO fee is charged to the City.
- An administrative fee will be assessed to citizens who wish to participate in a payment plan. This fee will cover the cost of the payment plan initiation, and the cost of a confirmation letter that is sent to the citizen confirming the details of the payment plan. The City will have the ability to determine whether Payment Plans are accepted and if so, what the parameters for payment will be. There is NO fee to the City.



## ADMINISTRATIVE REPORT

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Agenda Item H.18.

Meeting Date: 5/21/2018

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**SUBJECT:** Second Reading of Ordinance to Repeal Regional Transportation Impact Fee

### REPORT IN BRIEF

Second reading of previously introduced ordinance.

### RECOMMENDATION

**City Council** - Adopt a motion adopting **Ordinance No. 2487**, an Ordinance of the City Council of the City of Merced, California, Repealing Chapter 17.64 of the Merced Municipal Code relating to the Regional Transportation Impact Fees.

### ALTERNATIVES

1. Adopt ordinance, as recommended by staff; or,
2. Adopt ordinance, subject to modifications as conditioned by Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in City Council motion); or,
5. Continue to a future City Council meeting (date and time to be specified in City Council motion).

### AUTHORITY

Chapter 17.64 of the Merced Municipal Code authorizes the City's collection of the Regional Transportation Impact Fees.

### ATTACHMENTS

1. Ordinance 2487



**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF MERCED, CALIFORNIA,  
REPEALING CHAPTER 17.64 OF THE MERCED  
MUNICIPAL CODE RELATING TO THE  
REGIONAL TRANSPORTATION IMPACT FEES**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN  
AS FOLLOWS:**

WHEREAS, the City of Merced adopted the Regional Transportation Impact Fee ("RTIF") on May 2, 2005 pursuant to Ordinance No. 2194 and amended the RTIF pursuant to Ordinance No. 2310 adopted on July 7, 2008. Since August 2005, the City of Merced has collected RTIF on all new development projects (residential and commercial) in the City in order to raise additional revenues to pay for regional transportation improvements; and

WHEREAS, in August 2005, the County of Merced and Cities of Atwater, Dos Palos, Gustine, Los Banos and Merced began collecting the RTIF. In November 2014, the City of Livingston began collecting the RTIF; and

WHEREAS, in January 2012, the City of Dos Palos suspended collecting the RTIF. In January 2012, the City of Los Banos suspended the collection of the RTIF for non-residential projects and in August 2014, suspended the collection of the RTIF for all projects. Other cities, although still collecting the RTIF on selected projects, have exempted major commercial projects from paying the fee based upon a variety of stated reasons; and

WHEREAS, given the inconsistent application of the RTIF to development projects throughout the County, the City of Merced has been at a competitive disadvantage with other jurisdictions within the County; and

WHEREAS, the City of Merced adopted Ordinance No. 2461 suspending the collection of RTIF for all new development until July 5, 2018.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED  
DOES ORDAIN AS FOLLOWS:**

**SECTION 1. AMENDMENT TO CODE.** Chapter 17.64, “Regional Transportation Impact Fee,” of the Merced Municipal Code is hereby repealed in its entirety.

**SECTION 2. EFFECTIVE DATE.** This Ordinance shall be in full force and effect thirty (30) days after its adoption.

**SECTION 3. SEVERABILITY.** If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**SECTION 4. PUBLICATION.** The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the \_\_\_\_ day of \_\_\_\_\_, 2018, and was passed and adopted at a regular meeting of said City Council held on the \_\_\_\_ day of \_\_\_\_\_, 2018 by the following called vote:

**AYES: Council Members:**

**NOES: Council Members:**

**ABSTAIN: Council Members:**

**ABSENT: Council Members:**

**APPROVED:**

\_\_\_\_\_  
**Mayor**

**ATTEST:**  
**STEVE CARRIGAN, CITY CLERK**

**BY:** \_\_\_\_\_  
**Assistant/Deputy City Clerk**

**(SEAL)**

**APPROVED AS TO FORM:**

*Kylores*                      *3.6.18*  
**City Attorney**                      **Date**



## ADMINISTRATIVE REPORT

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### Agenda Item I.1.

Meeting Date: 5/21/2018

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*Report Prepared by: Julie Nelson, Associate Planner, Development Services*

**SUBJECT:** Public Hearing - Holding Election for Annexation No. 12 into Community Facilities District (CFD) No. 2003-2 (Services) for Merced Station

### REPORT IN BRIEF

Hold a public hearing and election for annexation into Community Facilities District No. 2003-2 (Services) for the Merced Station Apartments (formerly University Village Merced - Lake) located on the south side of Yosemite Avenue at Lake Road.

### RECOMMENDATION

**City Council** - Complete the following items in order:

- A. Holding a Public Hearing on the annexation of certain property into the CFD and the levy of special taxes; and,
- B. Adopting **Resolution 2018-27**, a Resolution of the City Council of the City of Merced, acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced determining the validity of prior proceedings, calling a special election related to Annexation No. 12; and,
- C. Holding an election; and,
- D. Adopting **Resolution 2018-28**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced canvassing the results of the election held within Annexation No. 12 of said District; and,
- E. Adopting **Resolution 2018-29**, a Resolution of the City Council of the City of Merced acting as the Legislative Body of the Community Facilities District No. 2003-2 (Services) of the City of Merced annexing Annexation No. 12 to said district and authorizing the levy of a special tax within said Annexation No. 12.

### ALTERNATIVES

- 1. Hold the public hearing and approve the actions as recommended by staff; or,
- 2. Continue the public hearing and request modification or amendment of the documents and provide direction to City staff regarding the same; or,
- 3. Hold the public hearing and decline to authorize action as recommended.

**AUTHORITY**

Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), commonly known as the "Mello-Roos Community Facilities Act of 1982," and the City's Policy on new development.

**DISCUSSION**

Pursuant to the Act and the City's policies, on April 16, 2018, the City Council, acting as the Legislative Body of the CFD, declared its intention to annex certain property to the Community Facilities District (CFD) No. 2003-2 (Services) for the Merced Station Apartments (formerly University Village - Lake) (Attachment 1) who petitioned the City of annexation to the CFD (the "Development"). The services to be provided may include all or a portion of the following: police and fire protection services, maintenance of parks, landscaping, parkways, open space and storm drain maintenance, and other services authorized or to be authorized by the Act and the City's Municipal Code. The annexation to the CFD is a condition of approval of the Conditional Use Permit approved for this project.

In accordance with the Act, a map of the proposed boundaries of Annexation No. 12 was recorded with the County Recorder's Office.

A public hearing was properly noticed for this evening and will involve a number of specific steps that must be completed in order. City staff will outline those steps in order for the City Council at the start of the public hearing. In general, those steps will include the following: 1) Provided there is no majority protest at the close of the public hearing, the City Council may call a special election for this evening for the annexation to the CFD of Annexation No. 12; 2) The special election will ask the Developer to authorize: (a) the annexation to the CFD of Annexation No. 12; and, (b) the levy of an annual special tax within Annexation No. 12; 3) The Developer has submitted a sealed ballot to the City Clerk (the election official). Should the proposition pass with a two-thirds vote from the qualified voters (the landowner) as shown in the resolution canvassing the vote, the City may adopt the resolution of annexation.

The participating developer shall be responsible for the costs of annexation.

**IMPACT ON CITY RESOURCES**

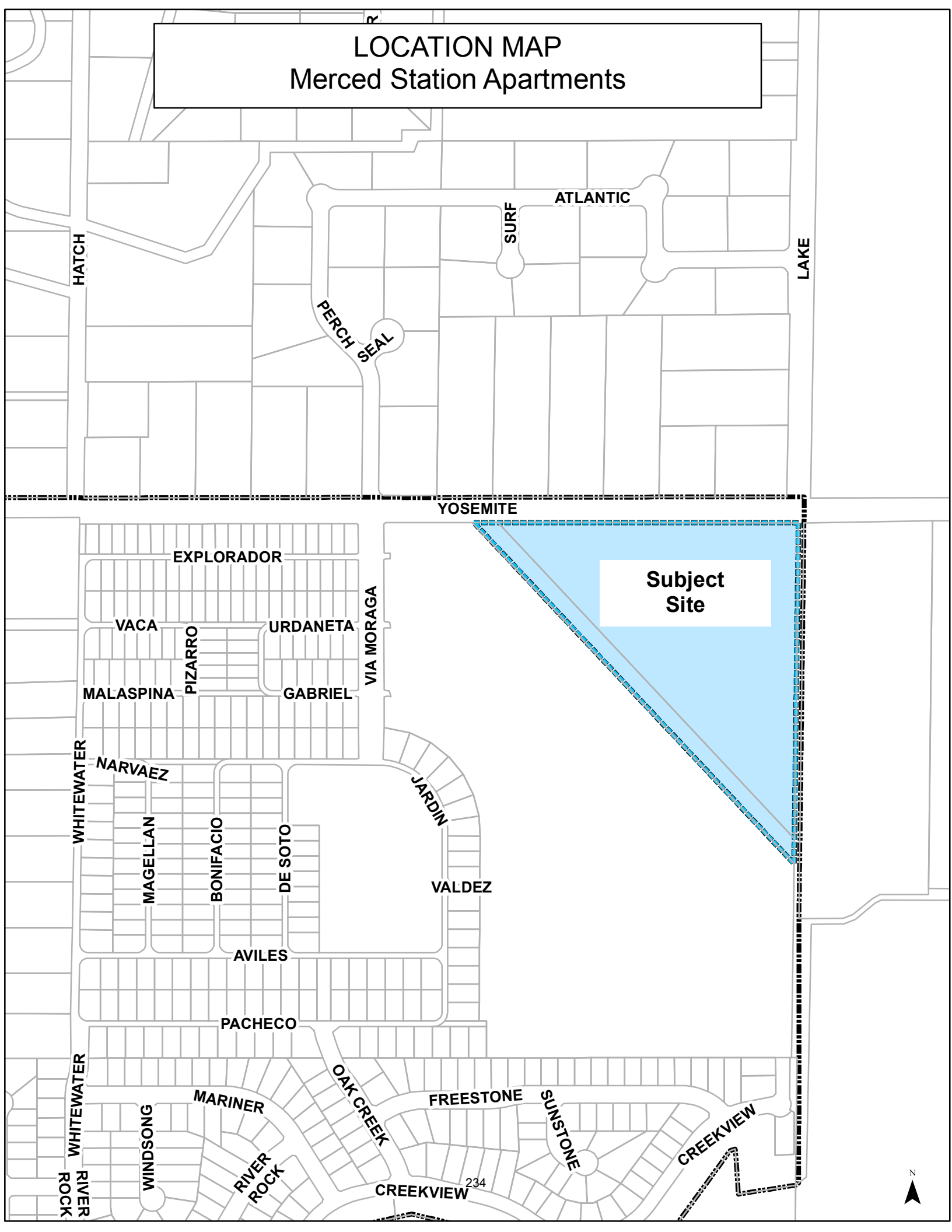
The annexation of the property in CFD No. 2003-2 (Services) would allow a special tax to be levied on this property to cover the maintenance costs for landscaping in the public right-of-way, storm drain and pump maintenance, and street light maintenance, as well as a portion of the costs for Police and Fire services to the area. The property owner would be responsible for all maintenance costs until at least 50% of the development has been completed, then the CFD will take over.

**ATTACHMENTS**

1. Location Map
2. Draft Resolution Determining the Validity of the Prior Proceedings
3. Draft Resolution Canvassing the Results of the Election
4. Draft Resolution Annexing Annexation No. 12 into CFD No. 2003-2 (Services)

# LOCATION MAP

## Merced Station Apartments



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MERCED, ACTING AS THE LEGISLATIVE BODY OF THE  
COMMUNITY FACILITIES DISTRICT NO. 2003-2  
(SERVICES) OF THE CITY OF MERCED DETERMINING  
THE VALIDITY OF PRIOR PROCEEDINGS, CALLING A  
SPECIAL ELECTION RELATED TO ANNEXATION NO. 12**

WHEREAS, the City Council (the “Council”) of the City of Merced, California (the “City”), has heretofore formed the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”);

WHEREAS, the City Council, acting as the legislative body of the District has heretofore adopted Resolution No. (the “Resolution of Intention to Annex”) stating its intention to annex certain property to the District (“Annexation No. 12”) pursuant to the Act; and

WHEREAS, a copy of the Resolution of Intention to Annex, incorporating a description and map of the proposed boundaries of Annexation No. 12 to the District and setting forth the amended rate and method of apportionment (the “Special Tax Formula”) and manner of collection of the special tax to be levied within the proposed Annexation No. 12, which will be used to finance certain public services, including but not limited to public safety services, landscape maintenance, park and parkway maintenance, street lighting maintenance and flood control services and other services authorized pursuant to the Act (the “Services”) that are in addition to those provided in the territory within the proposed Annexation No. 12 prior to the annexation to the District and do not supplant services already available within the territory proposed to be included in the District, is on file with the City Clerk and incorporated herein by reference; and

WHEREAS, the Resolution of Intention to Annex set May 21, 2018, as the date of the public hearing on the annexation of proposed Annexation No. 12 to the District and this Council held said public hearing as required by law; and

WHEREAS, prior to the commencement of the hearing, there was filed with the City Council a Community Facilities Report prepared by Goodwin Consulting Group (the “CFD Report”) containing a boundary map of Annexation No. 12, a description of the services and maintenance, an estimate of the costs of the Services

and incidental expense to be financed by properties within the District, including Annexation No. 12, and the CFD Report has been reviewed by the Council and is incorporated herein and made a part of the record of the public hearing; and

WHEREAS, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the annexation of proposed Annexation No. 12 to the District were heard and a full and fair hearing was held; and

WHEREAS, at said hearing evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, this Council wishes to present to the qualified electors of Annexation No. 12 a proposition to levy special taxes on property within Annexation No. 12 pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED, AS FOLLOWS:

Section 1. Pursuant to Section 53339.7 of the Act, the Council finds and determines that the proceedings prior hereto were valid and in conformity with the requirements of the Act.

Section 2. Written protests against the annexation of Annexation No. 12 to the District, or against the furnishing of specified services or the levying of a specified special tax within Annexation No. 12, have not been filed by fifty percent (50%) or more of the registered voters, or six registered voters, whichever is more, residing within the existing District, or fifty percent (50%) or more of the registered voters or six registered voters, whichever is more, residing within Annexation No. 12, or by the owners of one-half or more of the area of land in the territory included in the existing District, or by the owners of one-half or more of the area of land in Annexation No. 12.

Section 3. The description and map of the boundaries of Annexation No. 12, on file in the City Clerk's office and as described in the Resolution of Intention to Annex, and incorporated herein by reference, shall be the boundaries of the Annexation No. 12. The map of the proposed boundaries of Annexation No. 12 has been recorded in the Office of the County Recorder of Merced County, California on



2018, in Book pages of the Book of Maps of Assessments and Community Facilities Districts (Instrument Number No. .

Section 4. Except where funds are otherwise available, there shall be levied annually in accordance with procedures contained in the Act on nonexempt property within Annexation No. 12, a special tax sufficient to finance the Services that are in addition to those provided in the territory within Annexation No. 12 prior to the annexation to the District and do not supplant services already available within the territory proposed to be included in the District and other costs, including but not limited to all costs of the tax levy. The amended rate and method of apportionment of the special tax and manner of collection is described in detail in Exhibit “A” attached hereto and incorporated herein by this reference. The Council hereby determines the Special Tax Formula to be reasonable. The special tax shall be utilized to pay for authorized Services and administrative expenses and to fund and replenish any reserve fund established for the District.

Section 5. Upon recordation of a notice of special tax lien pursuant to Section 3117.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in Annexation No. 12, and this lien shall continue in force and effect until the special tax obligation is prepaid or otherwise permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the District ceases.

Section 6. The Council finds that the proposed public services are necessary to meet the increased demand put upon the City as a result of the development within Annexation No. 12.

Section 7. The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed Annexation No. 12 for the exclusive purpose of financing the Services.

Section 8. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby continues the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 4 above:

A. Such Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.

B. The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 4 hereof.

C. The District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

D. The Finance Director, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

Section 9. The Office of the Finance Director, 678 West 18<sup>th</sup> Street, Merced, California 95340, (209) 385-6844, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.1 of the Government Code.

Section 10. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Annexation No. 12 a proposition (the "Proposition") to annex into the District Annexation No. 12 and to levy special taxes on property within Annexation No. 12 in accordance with the Special Tax Formula. The Proposition is attached as Exhibit "B."

Section 11. A special election is hereby called for the Annexation No. 12 within the District on the Proposition set forth in Section 10 above.

Section 12. The Council hereby directs that the election be conducted by the City Clerk of the City of Merced, as the elections official.

Section 13. The City Clerk shall mail or hand deliver the ballot to the landowner immediately upon the adoption of this Resolution.

Section 14. The time for notice having been waived by the qualified electors, the date of the special election for the District on the proposition shall be on the 21<sup>st</sup> day of May, 2018. The voter ballot shall be returned to the City Clerk at 678 West 18<sup>th</sup> Street, Merced, California 95340, no later than 11:00 o'clock p.m. on May 21, 2018. The election may be closed with the concurrence of the City Clerk, as soon as all of the ballots are returned.

Section 15. The Council finds and determines that there were no registered voters residing within the territory of proposed Annexation No. 12 at the time of the protest hearing and ninety (90) days prior thereto. The requirements of Section 53326 of the Government Code having been waived by all of the landowners, the ballot for the special election shall be personally delivered to the landowners within the Annexation No. 12. Each landowner shall have one (1) vote for each acre or

portion thereof that he or she owns within Annexation No. 12, as provided by Section 53326 of the Act.

Section 16. Annexation No. 12 within the District shall constitute a single election precinct for the purpose of holding said election.

Section 17. The City Clerk is directed to certify and attest to this Resolution.

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2018.

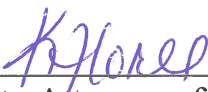
COMMUNITY FACILITIES DISTRICT  
NO. 2003-2 (SERVICES) OF THE CITY  
OF MERCED

By \_\_\_\_\_  
Mayor of the City of Merced  
Acting as the Legislative Body of the  
Community Facilities District No 2003-2  
(Services) of the City of Merced

ATTEST:

\_\_\_\_\_  
City Clerk of the City of Merced  
Acting as the Legislative Body of the  
Community Facilities District No 2003-2  
(Services) of the City of Merced

APPROVED AS TO FORM

  
\_\_\_\_\_  
City Attorney of the City of Merced

STATE OF CALIFORNIA     )  
  )ss.  
COUNTY OF MERCED     )

I, \_\_\_\_\_, City Clerk of the City of Merced, do hereby certify that the foregoing Resolution was duly adopted by the City Council of said City, acting as the legislative body of Community Facilities District No. 2003-2 (Services) of the City of Merced, at a regular or adjourned regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2018, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_  
City Clerk of the City of Merced

**EXHIBIT A**

**AMENDED RATE AND METHOD OF APPORTIONMENT  
OF SPECIAL TAX**

## EXHIBIT A

### CITY OF MERCED COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES)

#### AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX (as of April 16, 2018)

A Special Tax applicable to each Assessor Parcel in the City of Merced Community Facilities District No. 2003-2 (Services) shall be levied and collected according to the tax liability determined by the City of Merced or its designee, through the application of this Amended Rate and Method of Apportionment of Special Tax. All of the property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless otherwise provided for the annexed property.

#### SECTION A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** means the land area of an Assessor Parcel as shown on an Assessor Parcel map, or if the land area is not shown on an Assessor Parcel map, the land area shown on the applicable final map or other parcel map recorded with the County.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“Administrative Expenses”** means any or all of the following: the expenses of the CFD or the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, costs related to annexing property into the CFD, and all other costs and expenses of the CFD or the City in any way related to the establishment or administration of the CFD.

**“Administrator”** means the person or firm designated by the CFD or the City to administer the Special Tax according to the Rate and Method.

**“Annexation #1”** means the date the owners of Assessor Parcels in Improvement Area #3 and Improvement Areas #9 through #15 elected to annex into the CFD.

**“Annexation #2”** means the date the owners of Assessor Parcels in Improvement Area #7 elected to annex into the CFD.

**“Annexation #3”** means the date the owners of Assessor Parcels in Improvement Areas #16 through #22 elected to annex into the CFD.

**“Annexation #4”** means the date the owners of Assessor Parcels in Improvement Areas #23 through #25 and Improvement Area #27 elected to annex into the CFD.

**“Annexation #5”** means the date the owners of Assessor Parcels in Improvement Area #26 elected to annex into the CFD.

**“Annexation #6”** means the date the owners of Assessor Parcels in Improvement Area #28 elected to annex into the CFD.

**“Annexation #7”** means the date the owners of Assessor Parcels in Improvement Areas #29 through #31 elected to annex into the CFD.

**“Annexation #8”** means the date the owners of Assessor Parcels in Improvement Area #32 elected to annex into the CFD.

**“Annexation #9”** means the date the owners of Assessor Parcels in Improvement Area #33 elected to annex into the CFD.

**“Annexation #10”** means the date the owners of Assessor Parcels in Improvement Area #34 elected to annex into the CFD.

**“Annexation #11”** means the date the owners of Assessor Parcels in Improvement Area #35 elected to annex into the CFD.

**“Annexation #12”** means the date the owners of Assessor Parcels in Improvement Area #36 elected to annex into the CFD.

**“Assessor Parcel”** means a lot or parcel with an assigned County Assessor’s Parcel number shown on a County Assessor’s Parcel map.

**“Average Increase”** means the annual average increase in the Indices that shall be applied to escalate the Maximum Special Tax each Fiscal Year. The Average Increase shall be calculated in January of each year by (1) referencing the Bureau of Labor Statistics Data to identify the annual percentage increase in each Index as of the end of the prior year, and (2) taking the average of these two percentages. If either Index decreases from one year to the next, the percentage change from the prior year shall be assumed to be zero for purposes of calculating the Average Increase.

**“CFD”** means the City of Merced Community Facilities District No. 2003-2.

**“CFD Formation”** means the date the owners of Assessor Parcels in Improvement Areas #1 through #6 elected to form the CFD.

**“City”** means the City of Merced.

**“City Council”** means the council of the City of Merced, acting as the legislative body of the CFD.

**“County”** means the County of Merced.

**“Developed Property”** means all Taxable Property in the CFD for which a building permit for new construction was issued by the City prior to May 1 of the preceding Fiscal Year.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Improvement Area”** means one of the thirty-six (36) mutually exclusive geographic areas defined below and identified in Attachment 1 of this Rate and Method, and any subsequent Improvement Areas created to contain property annexed into the CFD after CFD Formation.

**“Improvement Area #1”** means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Bellevue Ranch East (Phases 1 and 2) project and is specifically identified in Attachment 1 hereto as Improvement Area #1.

**“Improvement Area #2”** means the geographic area that, at CFD Formation, was generally known as the Compass Pointe project and is specifically identified in Attachment 1 hereto as Improvement Area #2.

**“Improvement Area #3”** means the geographic area that, at CFD Formation, Annexation #1, and Annexation #3, was generally known as the Sandcastle project and is specifically identified in Attachment 1 hereto as Improvement Area #3.

**“Improvement Area #4”** means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Bright Development project and is specifically identified in Attachment 1 hereto as Improvement Area #4.

**“Improvement Area #5”** means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Renaissance project and is specifically identified in Attachment 1 hereto as Improvement Area #5.

**“Improvement Area #6”** means the geographic area that, at CFD Formation, was generally known as the Big Valley project and is specifically identified in Attachment 1 hereto as Improvement Area #6.

**“Improvement Area #7”** means the geographic area that, at Annexation #2, was generally known as the Bellevue Ranch West project and is specifically identified in Attachment 1 hereto as Improvement Area #7.

**“Improvement Area #8”** is intentionally excluded.

**“Improvement Area #9”** means the geographic area that, at Annexation #1, was generally known as the University Park Residential project and is specifically identified in Attachment 1 hereto as Improvement Area #9.



**“Improvement Area #10”** means the geographic area that, at Annexation #1, was generally known as the Tuscany project and is specifically identified in Attachment 1 hereto as Improvement Area #10.

**“Improvement Area #11”** means the geographic area that, at Annexation #1, was generally known as the Provance project and is specifically identified in Attachment 1 hereto as Improvement Area #11.

**“Improvement Area #12”** means the geographic area that, at Annexation #1, was generally known as the Promenade project and is specifically identified in Attachment 1 hereto as Improvement Area #12.

**“Improvement Area #13”** means the geographic area that, at Annexation #1, was generally known as the Alfarata Ranch Unit 2 project and is specifically identified in Attachment 1 hereto as Improvement Area #13.

**“Improvement Area #14”** means the geographic area that, at Annexation #1 and Annexation #2, was generally known as the Franco project and is specifically identified in Attachment 1 hereto as Improvement Area #14.

**“Improvement Area #15”** means the geographic area that, at Annexation #1, was generally known as the Cottages project and is specifically identified in Attachment 1 hereto as Improvement Area #15.

**“Improvement Area #16”** means the geographic area that, at Annexation #3, was generally known as the Tuscany East project and is specifically identified in Attachment 1 hereto as Improvement Area #16.

**“Improvement Area #17”** means the geographic area that, at Annexation #3, was generally known as the Hartley Crossings project and is specifically identified in Attachment 1 hereto as Improvement Area #17.

**“Improvement Area #18”** means the geographic area that, at Annexation #3, was generally known as The Crossing at River Oaks project and is specifically identified in Attachment 1 hereto as Improvement Area #18.

**“Improvement Area #19”** means the geographic area that, at Annexation #3, was generally known as the Mohamed Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #19.

**“Improvement Area #20”** means the geographic area that, at Annexation #3, was generally known as the Sunnyview Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #20.

**“Improvement Area #21”** means the geographic area that, at Annexation #3, was generally known as the University Park II project and is specifically identified in Attachment 1 hereto as Improvement Area #21.

**“Improvement Area #22”** means the geographic area that, at Annexation #3, was generally known as the Moraga of Merced Lakemont Homes project and is specifically identified in Attachment 1 hereto as Improvement Area #22.

**“Improvement Area #23”** means the geographic area that, at Annexation #4, was generally known as the Mission Ranch project and is specifically identified in Attachment 1 hereto as Improvement Area #23.

**“Improvement Area #24”** means the geographic area that, at Annexation #4, was generally known as the Cypress Terrace (Phases 6 and 7) project and is specifically identified in Attachment 1 hereto as Improvement Area #24.

**“Improvement Area #25”** means the geographic area that, at Annexation #4, was generally known as the Cypress Terrace East project and is specifically identified in Attachment 1 hereto as Improvement Area #25.

**“Improvement Area #26”** means the geographic area that, at Annexation #5, was generally known as The Meadows project and is specifically identified in Attachment 1 hereto as Improvement Area #26.

**“Improvement Area #27”** means the geographic area that, at Annexation #4, was generally known as the Lantana Estates South project and is specifically identified in Attachment 1 hereto as Improvement Area #27.

**“Improvement Area #28”** means the geographic area that, at Annexation #6, was generally known as The Meadows #2 project and is specifically identified in Attachment 1 hereto as Improvement Area #28.

**“Improvement Area #29”** means the geographic area that, at Annexation #7, was generally known as the Paseo project and is specifically identified in Attachment 1 hereto as Improvement Area #29.

**“Improvement Area #30”** means the geographic area that, at Annexation #7, was generally known as the Highland Park project and is specifically identified in Attachment 1 hereto as Improvement Area #30.

**“Improvement Area #31”** means the geographic area that, at Annexation #7, was generally known as the Mercy Hospital project and is specifically identified in Attachment 1 hereto as Improvement Area #31.

**“Improvement Area #32”** means the geographic area that, at Annexation #8, was generally known as the Fahrens Park Plaza project and is specifically identified in Attachment 1 hereto as Improvement Area #32.

**“Improvement Area #33”** means the geographic area that, at Annexation #9, was generally known as the Mansionette Estates No. 5 project and is specifically identified in Attachment 1 hereto as Improvement Area #33.

**“Improvement Area #34”** means the geographic area that, at Annexation #10, was generally known as the Northview Professional Center project and is specifically identified in Attachment 1 hereto as Improvement Area #34.

**“Improvement Area #35”** means the geographic area that, at Annexation #11, was generally known as the Compass Pointe Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #35.

**“Improvement Area #36”** means the geographic area that, at Annexation #12, was generally known as the Merced Station project and is specifically identified in Attachment 1 hereto as Improvement Area #36.

**“Index or Indices”** means the Consumer Price Index (CPI) for the San Francisco All Urban Wage Earners Category and the National CPI.

**“Industrial Property”** means any Developed Property for which a building permit was issued for construction of a building that will be used primarily for warehousing, distribution, manufacturing, processing, or related activities, as determined by the Administrator using reasonable and established City zoning and other land use standards.

**“Maximum Special Tax”** means the greatest amount of Special Tax that can be levied in any Fiscal Year determined under this Rate and Method.

**“Multi-Family Residential Property”** means all Assessor Parcels of Developed Property for which a building permit was issued for construction of a residential structure with multiple Units, all of which are offered for rent to the general public and are not available for sale to individual owners.

**“Office Property”** means any Developed Property for which a building permit was issued for construction of a building that will be divided primarily into individual offices (including cubicles or other modular office space) for use by companies to conduct business, as determined by the Administrator using reasonable and established City zoning and other land use standards.

**“Other Property”** means any Developed Property that is not Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, or Industrial Property. Developed Property within Improvement Area #31 shall be categorized as Other Property.

**“Proportionately”** means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor Parcels of Developed Property.

**“Public Property”** means any CFD Assessor Parcels owned by or irrevocably offered for dedication to the United States of America, the State of California, the County, the City, or other local governments or public agencies.

**“Rate and Method”** means this Amended Rate and Method of Apportionment of Special Tax.

**“Retail Property”** means any Developed Property for which a building permit was issued for construction of a building that will include primarily commercial establishments which sell general merchandise, hard goods, personal services, and other items directly to consumers, including but not limited to travel agencies, hardware stores, food stores, automotive dealers, service stations, home furnishing stores, restaurants, bars, banks, repair shops, movie theaters, day care centers, and art galleries, as determined by the Administrator using reasonable and established City zoning and other land use standards.

**“Services”** means the services authorized to be financed, in whole or in part, by the Special Taxes in the CFD.

**“Single Family Residential Property”** means any Developed Property for which a building permit was issued for construction of: (i) a Unit that does not share a common wall with another Unit; or (ii) two or more Units that share common walls and are initially offered for sale to individual owners, including condominiums as defined under California Civil Code 1351.

**“Special Tax”** means any tax levied in the CFD pursuant to the Rate and Method.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay the cost of the Services; (ii) create a sinking fund for Services that could not otherwise be funded in a given Fiscal Year; (iii) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; and (iv) pay Administrative Expenses.

**“Square Foot,” “Square Footage,” or “Square Feet”** means the floor area square footage reflected on the original construction building permit issued for construction of a Unit or a building of Retail Property, Office Property, Industrial Property, or Other Property and any Square Footage subsequently added to a Unit or a building of such Taxable Property after issuance of a building permit for expansion or renovation of such Unit or building.

**“Taxable Property”** means any Assessor Parcel within the CFD which is not exempt from the Special Tax by applicable law or Section F below.

**“Unit”** means a structure constructed primarily for human habitation, which may be an individual detached residential unit, an individual attached residential unit within a duplex, triplex, fourplex, townhome, or condominium structure, or an individual apartment unit.

## **SECTION B. DATA FOR ANNUAL ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor Parcel numbers of all Taxable Property. The Administrator shall also determine: (i) within which Improvement Area each Assessor Parcel is located; (ii) whether each Assessor Parcel is Developed Property; (iii) for Developed Property, which Assessor Parcels are Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, Industrial Property, and Other Property; (iv) also for Developed Property, the Unit or building Square Footage; and (v) the Special Tax Requirement.

## **SECTION C. MAXIMUM SPECIAL TAX**

### **1. *Special Tax Rates, Improvement Area #1 – Bellevue Ranch East (Phases 1 & 2)***

Table 1 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #1 of the CFD.

**TABLE 1  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #1 – BELLEVUE RANCH EAST (PHASES 1 & 2)**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$548 per Unit
Multi-Family Residential Property	\$476 per Unit
Retail Property	\$64 per 1,000 Square Feet of Building
Office Property	\$59 per 1,000 Square Feet of Building
Industrial Property	\$40 per 1,000 Square Feet of Building
Other Property	\$64 per 1,000 Square Feet of Building

2. *Special Tax Rates, Improvement Area #2 – Compass Pointe*

Table 2 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #2 of the CFD.

**TABLE 2**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #2 – COMPASS POINTE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$644 per Unit
Multi-Family Residential Property	\$539 per Unit
Retail Property	\$110 per 1,000 Square Feet of Building
Office Property	\$103 per 1,000 Square Feet of Building
Industrial Property	\$68 per 1,000 Square Feet of Building
Other Property	\$110 per 1,000 Square Feet of Building

3. *Special Tax Rates, Improvement Area #3 - Sandcastle*

Table 3 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #3 of the CFD.

**TABLE 3**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #3 - SANDCASTLE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$593 per Unit
Multi-Family Residential Property	\$512 per Unit
Retail Property	\$80 per 1,000 Square Feet of Building
Office Property	\$76 per 1,000 Square Feet of Building
Industrial Property	\$48 per 1,000 Square Feet of Building
Other Property	\$80 per 1,000 Square Feet of Building

4. *Special Tax Rates, Improvement Area #4 – Bright Development*

Table 4 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #4 of the CFD.

**TABLE 4**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #4 – BRIGHT DEVELOPMENT**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$609 per Unit
Multi-Family Residential Property	\$520 per Unit
Retail Property	\$89 per 1,000 Square Feet of Building
Office Property	\$84 per 1,000 Square Feet of Building
Industrial Property	\$54 per 1,000 Square Feet of Building
Other Property	\$89 per 1,000 Square Feet of Building

5. *Special Tax Rates, Improvement Area #5 - Renaissance*

Table 5 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #5 of the CFD.

**TABLE 5**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #5 - RENAISSANCE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$489 per Unit
Multi-Family Residential Property	\$429 per Unit
Retail Property	\$43 per 1,000 Square Feet of Building
Office Property	\$37 per 1,000 Square Feet of Building
Industrial Property	\$29 per 1,000 Square Feet of Building
Other Property	\$43 per 1,000 Square Feet of Building

6. *Special Tax Rates, Improvement Area #6 – Big Valley*

Table 6 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #6 of the CFD.

**TABLE 6**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #6 – BIG VALLEY**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$524 per Unit
Multi-Family Residential Property	\$474 per Unit
Retail Property	\$40 per 1,000 Square Feet of Building
Office Property	\$40 per 1,000 Square Feet of Building
Industrial Property	\$22 per 1,000 Square Feet of Building
Other Property	\$40 per 1,000 Square Feet of Building

7. *Special Tax Rates, Improvement Area #7 – Bellevue Ranch West*

Table 7 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #7 of the CFD.

**TABLE 7**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #7 – BELLEVUE RANCH WEST**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$701 per Unit
Multi-Family Residential Property	\$600 per Unit
Retail Property	\$116 per 1,000 Square Feet of Building
Office Property	\$115 per 1,000 Square Feet of Building
Industrial Property	\$67 per 1,000 Square Feet of Building
Other Property	\$116 per 1,000 Square Feet of Building



8. *Special Tax Rates, Improvement Area #8 – Intentionally Excluded*

9. *Special Tax Rates, Improvement Area #9 – University Park Residential*

Table 9 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #9 of the CFD.

**TABLE 9**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #9 – UNIVERSITY PARK RESIDENTIAL**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$643 per Unit
Multi-Family Residential Property	\$544 per Unit
Retail Property	\$105 per 1,000 Square Feet of Building
Office Property	\$99 per 1,000 Square Feet of Building
Industrial Property	\$64 per 1,000 Square Feet of Building
Other Property	\$105 per 1,000 Square Feet of Building

**10. Special Tax Rates, Improvement Area #10 – Tuscany**

Table 10 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #10 of the CFD.

**TABLE 10  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #10 – TUSCANY**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$480 per Unit
Multi-Family Residential Property	\$427 per Unit
Retail Property	\$35 per 1,000 Square Feet of Building
Office Property	\$31 per 1,000 Square Feet of Building
Industrial Property	\$23 per 1,000 Square Feet of Building
Other Property	\$35 per 1,000 Square Feet of Building

**11. Special Tax Rates, Improvement Area #11 - Provance**

Table 11 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #11 of the CFD.

**TABLE 11  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #11 - PROVANCE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$638 per Unit
Multi-Family Residential Property	\$542 per Unit
Retail Property	\$101 per 1,000 Square Feet of Building
Office Property	\$96 per 1,000 Square Feet of Building
Industrial Property	\$61 per 1,000 Square Feet of Building
Other Property	\$101 per 1,000 Square Feet of Building

**12. Special Tax Rates, Improvement Area #12 – Promenade**

Table 12 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #12 of the CFD.

**TABLE 12  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #12 – PROMENADE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$438 per Unit
Multi-Family Residential Property	\$401 per Unit
Retail Property	\$14 per 1,000 Square Feet of Building
Office Property	\$12 per 1,000 Square Feet of Building
Industrial Property	\$10 per 1,000 Square Feet of Building
Other Property	\$14 per 1,000 Square Feet of Building

**13. Special Tax Rates, Improvement Area #13 – Alfarata Ranch Unit 2**

Table 13 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #13 of the CFD.

**TABLE 13  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #13 – ALFARATA RANCH UNIT 2**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$593 per Unit
Multi-Family Residential Property	\$471 per Unit
Retail Property	\$116 per 1,000 Square Feet of Building
Office Property	\$100 per 1,000 Square Feet of Building
Industrial Property	\$80 per 1,000 Square Feet of Building
Other Property	\$116 per 1,000 Square Feet of Building

**14. Special Tax Rates, Improvement Area #14 – Franco**

Table 14 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #14 of the CFD.

**TABLE 14**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #14 – FRANCO**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$504 per Unit
Multi-Family Residential Property	\$430 per Unit
Retail Property	\$57 per 1,000 Square Feet of Building
Office Property	\$49 per 1,000 Square Feet of Building
Industrial Property	\$40 per 1,000 Square Feet of Building
Other Property	\$57 per 1,000 Square Feet of Building

**15. Special Tax Rates, Improvement Area #15 – Cottages**

Table 15 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #15 of the CFD.

**TABLE 15**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #15 – COTTAGES**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$631 per Unit
Multi-Family Residential Property	\$548 per Unit
Retail Property	\$87 per 1,000 Square Feet of Building
Office Property	\$86 per 1,000 Square Feet of Building
Industrial Property	\$50 per 1,000 Square Feet of Building
Other Property	\$87 per 1,000 Square Feet of Building

**16. Special Tax Rates, Improvement Area #16 – Tuscany East**

Table 16 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #16 of the CFD.

**TABLE 16**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #16 – TUSCANY EAST**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$572 per Unit
Multi-Family Residential Property	\$486 per Unit
Retail Property	\$77 per 1,000 Square Feet of Building
Office Property	\$70 per 1,000 Square Feet of Building
Industrial Property	\$50 per 1,000 Square Feet of Building
Other Property	\$77 per 1,000 Square Feet of Building

**17. Special Tax Rates, Improvement Area #17 – Hartley Crossings**

Table 17 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #17 of the CFD.

**TABLE 17**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #17 – HARTLEY CROSSINGS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$528 per Unit
Multi-Family Residential Property	\$438 per Unit
Retail Property	\$73 per 1,000 Square Feet of Building
Office Property	\$61 per 1,000 Square Feet of Building
Industrial Property	\$52 per 1,000 Square Feet of Building
Other Property	\$73 per 1,000 Square Feet of Building

**18. Special Tax Rates, Improvement Area #18 – The Crossing at River Oaks**

Table 18 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #18 of the CFD.

**TABLE 18**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #18 – THE CROSSING AT RIVER OAKS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$639 per Unit
Multi-Family Residential Property	\$529 per Unit
Retail Property	\$110 per 1,000 Square Feet of Building
Office Property	\$100 per 1,000 Square Feet of Building
Industrial Property	\$71 per 1,000 Square Feet of Building
Other Property	\$110 per 1,000 Square Feet of Building

**19. Special Tax Rates, Improvement Area #19 – Mohamed Apartments**

Table 19 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #19 of the CFD.

**TABLE 19**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #19 – MOHAMED APARTMENTS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$433 per Unit
Multi-Family Residential Property	\$408 per Unit
Retail Property	Not Applicable
Office Property	Not Applicable
Industrial Property	Not Applicable
Other Property	Not Applicable

**20. Special Tax Rates, Improvement Area #20 – Sunnyview Apartments**

Table 20 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #20 of the CFD.

**TABLE 20**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #20 – SUNNYVIEW APARTMENTS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$433 per Unit
Multi-Family Residential Property	\$408 per Unit
Retail Property	Not Applicable
Office Property	Not Applicable
Industrial Property	Not Applicable
Other Property	Not Applicable

**21. Special Tax Rates, Improvement Area #21 – University Park II**

Table 21 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #21 of the CFD.

**TABLE 21**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #21 – UNIVERSITY PARK II**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$691 per Unit
Multi-Family Residential Property	\$548 per Unit
Retail Property	\$149 per 1,000 Square Feet of Building
Office Property	\$133 per 1,000 Square Feet of Building
Industrial Property	\$98 per 1,000 Square Feet of Building
Other Property	\$149 per 1,000 Square Feet of Building

22. *Special Tax Rates, Improvement Area #22 – Moraga of Merced Lakemont Homes*

Table 22 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #22 of the CFD.

**TABLE 22**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #22 – MORAGA OF MERCED LAKEMONT HOMES**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$752 per Unit
Multi-Family Residential Property	\$623 per Unit
Retail Property	\$147 per 1,000 Square Feet of Building
Office Property	\$140 per 1,000 Square Feet of Building
Industrial Property	\$89 per 1,000 Square Feet of Building
Other Property	\$147 per 1,000 Square Feet of Building

23. *Special Tax Rates, Improvement Area #23 – Mission Ranch*

Table 23 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #23 of the CFD.

**TABLE 23**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #23 – MISSION RANCH**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$774 per Unit
Multi-Family Residential Property	\$595 per Unit
Retail Property	\$194 per 1,000 Square Feet of Building
Office Property	\$174 per 1,000 Square Feet of Building
Industrial Property	\$128 per 1,000 Square Feet of Building
Other Property	\$194 per 1,000 Square Feet of Building



**24. Special Tax Rates, Improvement Area #24 – Cypress Terrace (Phases 6 and 7)**

Table 24 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #24 of the CFD.

**TABLE 24**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #24 – CYPRESS TERRACE (PHASES 6 AND 7)**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$728 per Unit
Multi-Family Residential Property	\$606 per Unit
Retail Property	\$137 per 1,000 Square Feet of Building
Office Property	\$130 per 1,000 Square Feet of Building
Industrial Property	\$83 per 1,000 Square Feet of Building
Other Property	\$137 per 1,000 Square Feet of Building

**25. Special Tax Rates, Improvement Area #25 – Cypress Terrace East**

Table 25 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #25 of the CFD.

**TABLE 25**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #25 – CYPRESS TERRACE EAST**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$914 per Unit
Multi-Family Residential Property	\$737 per Unit
Retail Property	\$218 per 1,000 Square Feet of Building
Office Property	\$209 per 1,000 Square Feet of Building
Industrial Property	\$131 per 1,000 Square Feet of Building
Other Property	\$218 per 1,000 Square Feet of Building

26. *Special Tax Rates, Improvement Area #26 – The Meadows*

Table 26 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #26 of the CFD.

**TABLE 26**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #26 – THE MEADOWS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$947 per Unit
Multi-Family Residential Property	\$743 per Unit
Retail Property	\$225 per 1,000 Square Feet of Building
Office Property	\$215 per 1,000 Square Feet of Building
Industrial Property	\$135 per 1,000 Square Feet of Building
Other Property	\$225 per 1,000 Square Feet of Building

27. *Special Tax Rates, Improvement Area #27 – Lantana Estates South*

Table 27 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #27 of the CFD.

**TABLE 27**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #27 – LANTANA ESTATES SOUTH**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$834 per Unit
Multi-Family Residential Property	\$700 per Unit
Retail Property	\$166 per 1,000 Square Feet of Building
Office Property	\$164 per 1,000 Square Feet of Building
Industrial Property	\$95 per 1,000 Square Feet of Building
Other Property	\$166 per 1,000 Square Feet of Building

28. *Special Tax Rates, Improvement Area #28 – The Meadows #2*

Table 28 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #28 of the CFD.

**TABLE 28**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #28 – THE MEADOWS #2**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$947 per Unit
Multi-Family Residential Property	\$743 per Unit
Retail Property	\$225 per 1,000 Square Feet of Building
Office Property	\$215 per 1,000 Square Feet of Building
Industrial Property	\$135 per 1,000 Square Feet of Building
Other Property	\$225 per 1,000 Square Feet of Building

29. *Special Tax Rates, Improvement Area #29 – Paseo*

Table 29 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #29 of the CFD.

**TABLE 29**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #29 – PASEO**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$1,008 per Unit
Multi-Family Residential Property	\$762 per Unit
Retail Property	\$294 per 1,000 Square Feet of Building
Office Property	\$271 per 1,000 Square Feet of Building
Industrial Property	\$186 per 1,000 Square Feet of Building
Other Property	\$294 per 1,000 Square Feet of Building

**30. Special Tax Rates, Improvement Area #30 – Highland Park**

Table 30 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #30 of the CFD.

**TABLE 30  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #30 – HIGHLAND PARK**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$650 per Unit
Multi-Family Residential Property	\$557 per Unit
Retail Property	\$97 per 1,000 Square Feet of Building
Office Property	\$93 per 1,000 Square Feet of Building
Industrial Property	\$58 per 1,000 Square Feet of Building
Other Property	\$97 per 1,000 Square Feet of Building

**31. Special Tax Rates, Improvement Area #31 – Mercy Hospital**

Table 31 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #31 of the CFD.

**TABLE 31  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #31 – MERCY HOSPITAL**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$172 per Unit
Multi-Family Residential Property	\$139 per Unit
Retail Property	\$59 per 1,000 Square Feet of Building
Office Property	\$62 per 1,000 Square Feet of Building
Industrial Property	\$30 per 1,000 Square Feet of Building
Other Property	\$59 per 1,000 Square Feet of Building

32. *Special Tax Rates, Improvement Area #32 – Fahrens Park Plaza*

Table 32 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #32 of the CFD.

**TABLE 32**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #32 – FAHRENS PARK PLAZA**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$988 per Unit
Multi-Family Residential Property	\$889 per Unit
Retail Property	\$161 per 1,000 Square Feet of Building
Office Property	\$181 per 1,000 Square Feet of Building
Industrial Property	\$71 per 1,000 Square Feet of Building
Other Property	\$181 per 1,000 Square Feet of Building

33. *Special Tax Rates, Improvement Area #33 – Mansionette Estates No. 5*

Table 33 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #33 of the CFD.

**TABLE 33**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #33 – MANSIONETTE ESTATES NO. 5**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$1,130 per Unit
Multi-Family Residential Property	\$957 per Unit
Retail Property	\$252 per 1,000 Square Feet of Building
Office Property	\$260 per 1,000 Square Feet of Building
Industrial Property	\$133 per 1,000 Square Feet of Building
Other Property	\$260 per 1,000 Square Feet of Building

**34. Special Tax Rates, Improvement Area #34 – Northview Professional Center**

Table 34 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #34 of the CFD.

**TABLE 34**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #34 – NORTHVIEW PROFESSIONAL CENTER**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$850 per Unit
Multi-Family Residential Property	\$742 per Unit
Retail Property	\$146 per 1,000 Square Feet of Building
Office Property	\$152 per 1,000 Square Feet of Building
Industrial Property	\$75 per 1,000 Square Feet of Building
Other Property	\$152 per 1,000 Square Feet of Building

**35. Special Tax Rates, Improvement Area #35 – Compass Pointe Apartments**

Table 35 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #35 of the CFD.

**TABLE 35**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #35 – COMPASS POINTE APARTMENTS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$543 per Unit
Multi-Family Residential Property	\$479 per Unit
Retail Property	\$53 per 1,000 Square Feet of Building
Office Property	\$50 per 1,000 Square Feet of Building
Industrial Property	\$33 per 1,000 Square Feet of Building
Other Property	\$53 per 1,000 Square Feet of Building

**36. Special Tax Rates, Improvement Area #36 – Merced Station**

Table 36 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #36 of the CFD.

**TABLE 36**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #36 – MERCED STATION**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$580 per Unit
Multi-Family Residential Property	\$483 per Unit
Retail Property	\$89 per 1,000 Square Feet of Building
Office Property	\$78 per 1,000 Square Feet of Building
Industrial Property	\$59 per 1,000 Square Feet of Building
Other Property	\$89 per 1,000 Square Feet of Building

<sup>1</sup> *The Maximum Special Taxes will be more than the amounts listed in the tables above due to the annual CPI adjustment identified in Section C.37.*

**37. Special Tax Increases**

In January 2004, and each January thereafter, all figures shown in Tables 1 through 15 above shall be adjusted by applying the Average Increase, if any, in the Indices. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1.

In January 2006, and each January thereafter, all figures shown in Tables 16 through 36 above shall be adjusted by applying the Average Increase, if any, in the Indices. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1.

**SECTION D. METHOD OF LEVY**

Each Fiscal Year, the Special Tax shall be levied on all Assessor Parcels of Developed Property, separately for each Improvement Area, according to the steps outlined below.

**Step 1:** Determine for an Improvement Area the Special Tax Requirement, as defined in Section A above, for the Fiscal Year in which the Special Tax will be collected;

- Step 2:** Calculate the total Special Tax revenues that could be collected from Developed Property in the Improvement Area based on application of the Maximum Special Tax rates determined pursuant to Section C above;
- Step 3:** If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax on all Assessor Parcels of Developed Property in the Improvement Area;
- Step 4:** If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax Proportionately on each Assessor Parcel of Developed Property in the Improvement Area so the amount of the Special Tax levy equals the Special Tax Requirement for that Fiscal Year.

## **SECTION E. COLLECTION**

Except as may be provided by the CFD or the City, and for delinquencies, the Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes. The Special Tax obligation applicable to an Assessor Parcel in the CFD may not be prepaid and the obligation of the Assessor Parcel to pay the Special Tax may not be permanently satisfied.

## **SECTION F. EXEMPTIONS**

Notwithstanding any other provision of this Rate and Method, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

## **SECTION G. INTERPRETATION**

The Administrator may interpret this Rate and Method as necessary to clarify any inconsistency, vagueness, or ambiguity.

## **SECTION H. APPEALS**

Appeals of any claim of incorrect computation of Special Tax or application of this Rate and Method may be made by the owner of an Assessor Parcel or such owner's duly-authorized representative by filing a written notice of appeal with the Administrator not later than thirty (30) days after having paid the disputed Special Tax. The Administrator shall promptly review the appeal and, if necessary, meet with the property owner (or representative), consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator's decision, the owner may then file a written appeal with the Council, whose decision shall be final. If the decision of the Administrator or the Council requires the Special Tax to be modified or changed in favor of the property owner,



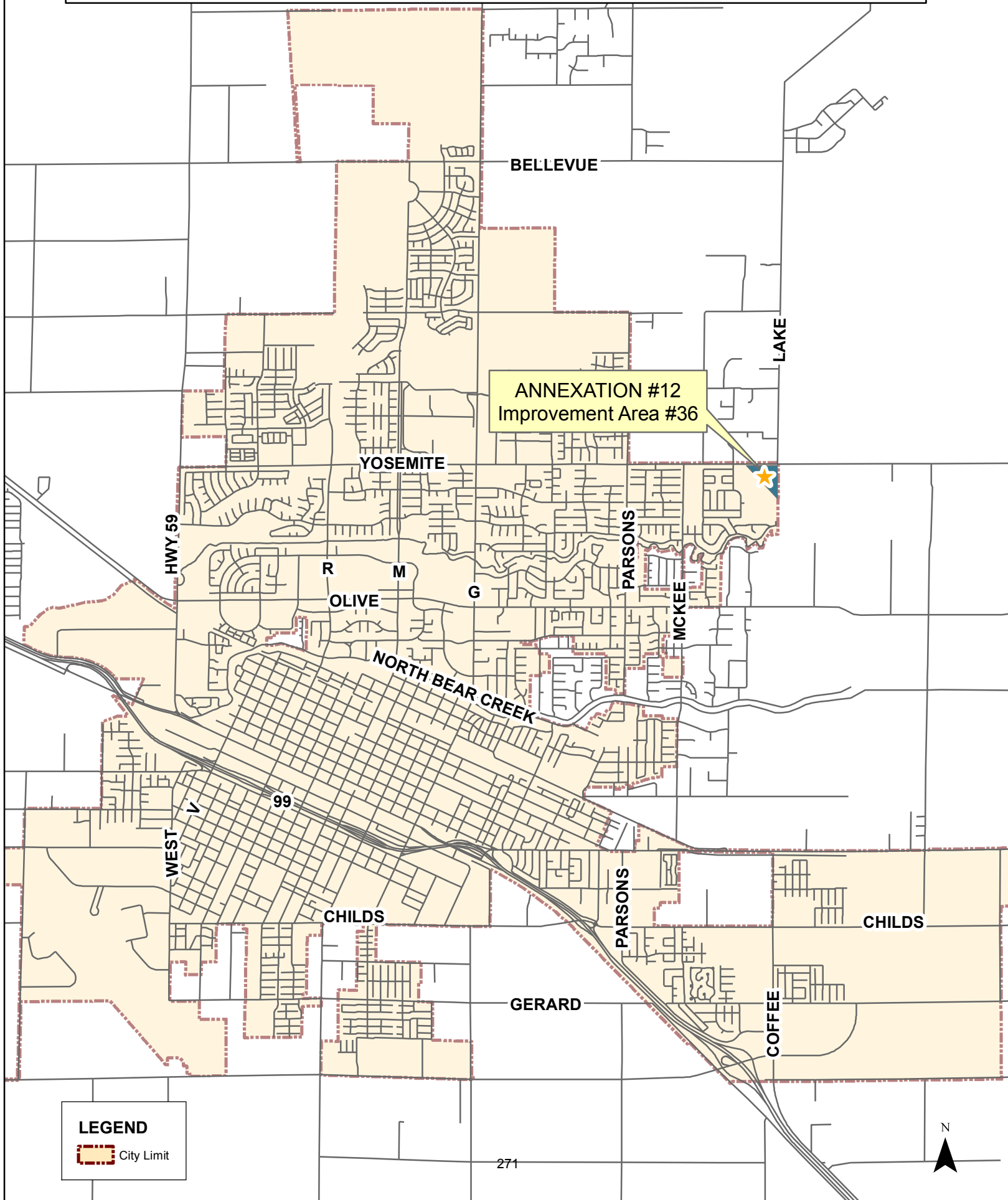
no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies) as appropriate. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**ATTACHMENT 1**

**BOUNDARY MAP  
AND IMPROVEMENT AREAS OF  
CITY OF MERCED  
COMMUNITY FACILITIES DISTRICT NO. 2003-2  
(SERVICES)**

**(to come from City)**

# COMMUNITY FACILITIES DISTRICT 2003-2 (SERVICES) IMPROVEMENT AREAS



**Table 1**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Project Land Use and Services Data**

Land Use	Merced Station
<hr/>	
<u>Residential (Dwelling Units)</u>	
Single Family	0
Multi-Family	225
<u>Non-Residential (Square Feet)</u>	
Retail	6,600
Office	0
Industrial	0
<u>Other</u>	
Full Landscaped Acres	0.28
Basin/Partial Landscaped Acres	0.00
Storm Drainage Miles	0.14
Bike Path Square Footage	0
Street Lights	4

Sources: City of Merced; Goodwin Consulting Group, Inc.

3/14/2018

**Table 2**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**City Cost and Allocation Data**

	Landscaping Maintenance	Storm Drainage Maintenance
<b>Expenditures /1</b>	\$341,749	\$464,196
<b>Dwelling Unit Equivalents (DUEs)</b>		
<u>Residential DUEs (per Dwelling Unit)</u>		
Single Family	1.00	1.00
Multi-Family	0.88	0.33
<u>Non-Residential DUEs (per 1,000 SF)</u>		
Retail	0.28	0.77
Office	0.32	0.64
Industrial	0.12	0.55
<b>Cost Factors /2</b>		
Landscaped Acres	17	
Storm Drainage Miles		36
Annual Cost per Acre (Full Landscape)	\$26,134	
Annual Cost per Storm Drainage Mile		\$16,763
<b>Additional Cost Factors /2</b>		
Annual Cost per Acre (Basin/Partial Landscape) /3	\$19,600	
Annual Bike Path Maintenance Cost per Square Foot	\$0.25	
Annual Street Light Maintenance Cost per Street Light	\$136	
Annual Storm Pump Maintenance Cost		\$17,680
Annual Basin Maintenance Cost		\$5,200

/1 Expenditures include costs associated with the following budget categories: personnel, supplies and services, non-capital acquisitions, administrative, and interdepartmental services.

/2 A 30% factor is added to each cost to account for the effects of prevailing wage.

/3 Equals 75% of the cost per full landscaped acre.

Sources: City of Merced 2005-06 Annual Budget; City of Merced; City of Merced Public Facilities Financing Plan; DPGF; Goodwin Consulting Group, Inc.

3/14/2018

**Table 3**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Landscaping, Street Light, and Basin Maintenance**

	Merced Station
<hr/>	
<b>Land Uses &amp; DUEs</b>	
<u>Residential (Dwelling Units)</u>	
Single Family	0
Multi-Family	225
<u>Non-Residential (Square Feet)</u>	
Retail	6,600
Office	0
Industrial	0
Dwelling Unit Equivalents	200
<hr/>	
<b>Annual Costs</b>	
Full Landscape	\$7,391
Street Light Maintenance	\$542
Basin/Partial Landscape	\$0
Bike Path Maintenance	\$0
<b>Total Cost</b>	<hr/> \$7,934
<b>Cost per DUE</b>	\$40
<b>Special Tax Rates</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$40
Multi-Family	\$35
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$11
Office	\$13
Industrial	\$5
<hr/>	
<b>Annual Special Tax Revenue</b>	
<u>Residential</u>	
Single Family	\$0
Multi-Family	\$7,860
<u>Non-Residential</u>	
Retail	\$73
Office	\$0
Industrial	<hr/> \$0
<b>Total Revenue</b>	\$7,934

**Table 4**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Storm Drainage Maintenance**

	Merced Station
<b>Land Uses &amp; DUEs</b>	
<u>Residential (Dwelling Units)</u>	
Single Family	0
Multi-Family	225
<u>Non-Residential (Square Feet)</u>	
Retail	6,600
Office	0
Industrial	0
Dwelling Unit Equivalents	78
<b>Annual Costs</b>	
Storm Drain Maintenance	\$2,299
Share of Summer Creek Storm Pump & Moraga Basin /1	\$3,794
<b>Total Cost</b>	<b>\$6,092</b>
<b>Total Cost per DUE</b>	<b>\$78</b>
<b>Special Tax Rates</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$78
Multi-Family	\$25
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$60
Office	\$50
Industrial	\$43
<b>Annual Special Tax Revenue</b>	
<u>Residential</u>	
Single Family	\$0
Multi-Family	\$5,698
<u>Non-Residential</u>	
Retail	\$395
Office	\$0
Industrial	\$0
<b>Total Revenue</b>	<b>\$6,092</b>

/1 14.8% of the storm pump maintenance cost and 22.7% of the basin maintenance cost is associated with University Village at Lake.

**Table 5**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Total Special Taxes (FY 2005-06)**

Land Use	Merced Station
<b>Citywide Services</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$433
Multi-Family	\$408
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$0
Office	\$0
Industrial	\$0
<b>Project-Specific Services /1</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$147
Multi-Family	\$75
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$89
Office	\$78
Industrial	\$59
<b>Total - All Services</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$580
Multi-Family	\$483
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$89
Office	\$78
Industrial	\$59

/1 A 25% factor is added to each project specific special tax to account for a cost contingency and a sinking fund component to build a reserve for equipment and facility replacement, as well as annual administration.



## **EXHIBIT B**

### **SAMPLE BALLOT**

#### **COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED**

#### **ANNEXATION NO. 11**

#### **SPECIAL TAX ELECTION May 21, 2018**

To vote, mark an “X” in the voting square after the word “YES” or after the word “NO.” All marks otherwise made are forbidden.

This ballot represents \_\_\_\_\_ votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Merced at 678 West 18<sup>th</sup> Street, Merced, California 95340.

**PROPOSITION:** Shall the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “CFD”), annex property known as Annexation No. 12 to the CFD and be authorized to levy special taxes within Annexation No. 12 to the CFD pursuant to the amended rate and method of apportionment of special taxes (the “Special Tax Formula”) set forth in that certain resolution adopted on April 16, 2018 by the City Council of the City of Merced, acting as the legislative body of the CFD, to finance the authorized services and administrative expenses, all as provided in the Special Tax Formula?

YES	
NO	

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MERCED ACTING AS THE LEGISLATIVE BODY OF THE  
COMMUNITY FACILITIES DISTRICT NO. 2003-2  
(SERVICES) OF THE CITY OF MERCED CANVASSING THE  
RESULTS OF THE ELECTION HELD WITHIN ANNEXATION  
NO. 12 OF SAID DISTRICT**

WHEREAS, the City Council of the City of Merced, California (the “Council”), acting as the legislative body of the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “District”), has previously conducted proceedings pertaining to the annexation of certain property to the District (“Annexation No. 12”), the levying of a special tax pursuant to an amended rate and method of apportionment to finance the cost of providing certain public services and maintenance within Annexation No. 12 and the calling of an election in regard to the foregoing; and

WHEREAS, on May 21, 2018, an election was held within Annexation No. 12 of the District regarding annexing the property within Annexation No. 12 to the District, and the levying of the proposed special tax pursuant to the amended rate and method of apportionment of such proposed special tax; and

WHEREAS, at such election the annexation of Annexation No. 12 to the District, and the proposal for the amended rate and method of apportionment and the manner of levying and collecting the special tax for Annexation No. 12 were approved by the qualified electors of Annexation No. 12;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED, AS FOLLOWS:

Section 1. It is hereby determined that the election conducted within Annexation No. 12 of the District was duly and validly conducted.

Section 2. The Council, acting as the legislative body of the District, is authorized to annex Annexation No. 12 to the District and to levy the special tax on behalf of the District on nonexempt property within Annexation No. 12.



[illegible]

I, \_\_\_\_\_, Deputy City Clerk of the City of Merced, do hereby certify that the foregoing Resolution was duly adopted by the Council of said City, acting as the legislative body of Community Facilities District No. 2003-2 of the City of Merced, at a regular or adjourned regular meeting thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

By: \_\_\_\_\_  
Deputy City Clerk of the City of Merced

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MERCED, ACTING AS THE LEGISLATIVE BODY OF THE  
COMMUNITY FACILITIES DISTRICT NO. 2003-2  
(SERVICES) OF THE CITY OF MERCED, ANNEXING  
ANNEXATION NO. 12 TO SAID DISTRICT AND  
AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN  
SAID ANNEXATION NO. 12**

WHEREAS, on April 16, 2018, the City Council (the “City Council”) of the City of Merced, California (the “City”), acting as the legislative body of the Community Facilities District No. 2003-2 (Services) of the City of Merced (the “District”), adopted Resolution No. 2018-22 stating its intention to annex certain property (“Annexation No. 12”) into the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”); and

WHEREAS, notice was published as required by law relative to the intention of the City Council to annex into the District Annexation No. 12; and

WHEREAS, on May 21, 2018, this City Council held a duly noticed public hearing as required by law relative to the determination to proceed with the annexation into the District of Annexation No. 12, and the amended rate and method of apportionment and manner of collection of the special tax to be levied within Annexation No. 12 to finance certain public services; and

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the annexation into the District of Annexation No. 12 were heard and a full and fair hearing was held; and

WHEREAS, the City Council subsequent to said hearing adopted a resolution determining the validity of prior proceedings relative to the annexation into the District of Annexation No. 12 and the authorization of the levy of a special tax within Annexation No. 12 and called an election within Annexation No. 12 for May 21, 2018 on the proposition of annexing into the District and the levying of a special tax; and

WHEREAS, on May 21, 2018, an election was held within Annexation No. 12 in which the eligible electors approved by more than two-thirds vote the

proposition of annexing into the District and the levying of a special tax within Annexation No. 12; and

WHEREAS, this Legislative Body, by the adoption of Ordinance No. 2144 (the “Ordinance”), as authorized by Section 53340 of the Act, has authorized the levy of such special taxes within the District and any annexations, including Annexation No. 12;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF MERCED, ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES) OF THE CITY OF MERCED, AS FOLLOWS:

Section 1. The above recitals are all true and correct.

Section 2. Annexation No. 12 is hereby annexed into the District and hereafter all references to the District shall include Annexation No. 12.

Section 3. A special tax shall be levied within the boundaries of Annexation No. 12 pursuant to the amended rate and method of apportionment set forth in Exhibit “A” attached hereto and incorporated by reference (the “Special Tax Formula”), in an amount necessary to finance all or a portion of the cost of providing certain public services and maintenance that are in addition to those provided in the territory within Annexation No. 12 prior to the annexation to the District, periodic costs, and costs of the tax levy and collection.

Section 4. This resolution shall constitute a Resolution of Annexation within the meaning of the Ordinance and Annexation No. 12 shall be subject to the terms of the Ordinance.

Section 5. The Special Tax Formula supercedes the previously approved rate and method of apportionment and shall constitute the rate and method of apportionment of special taxes within the District until such special tax may be modified or amended from time to time by a resolution of change or a resolution of annexation adopted pursuant to the provisions of the Act.

Section 6. This resolution shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2018.


COMMUNITY FACILITIES DISTRICT  
NO. 2003-2 (SERVICES) OF THE CITY  
OF MERCED

By \_\_\_\_\_  
Mayor of the City of Merced  
Acting as the Legislative Body of the  
Community Facilities District No 2003-2  
(Services) of the City of Merced

ATTEST:

\_\_\_\_\_  
Deputy City Clerk of the City of Merced  
Acting as the Legislative Body of the  
Community Facilities District No 2003-2  
(Services) of the City of Merced

APPROVED AS TO FORM

  
\_\_\_\_\_  
City Attorney of the City of Merced

STATE OF CALIFORNIA     )  
  )ss.  
COUNTY OF MERCED     )

I, \_\_\_\_\_, Deputy City Clerk of the City of Merced, do hereby certify that the foregoing Resolution was duly adopted by the City Council of said City, acting as the Legislative Body of the City of Merced, at a regular or adjourned regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2018, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_  
Deputy City Clerk of the City of Merced



**EXHIBIT A**

**AMENDED RATE AND METHOD OF APPORTIONMENT  
OF SPECIAL TAX**

## EXHIBIT A

### CITY OF MERCED COMMUNITY FACILITIES DISTRICT NO. 2003-2 (SERVICES)

#### AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX (as of April 16, 2018)

A Special Tax applicable to each Assessor Parcel in the City of Merced Community Facilities District No. 2003-2 (Services) shall be levied and collected according to the tax liability determined by the City of Merced or its designee, through the application of this Amended Rate and Method of Apportionment of Special Tax. All of the property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless otherwise provided for the annexed property.

#### SECTION A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** means the land area of an Assessor Parcel as shown on an Assessor Parcel map, or if the land area is not shown on an Assessor Parcel map, the land area shown on the applicable final map or other parcel map recorded with the County.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“Administrative Expenses”** means any or all of the following: the expenses of the CFD or the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, costs related to annexing property into the CFD, and all other costs and expenses of the CFD or the City in any way related to the establishment or administration of the CFD.

**“Administrator”** means the person or firm designated by the CFD or the City to administer the Special Tax according to the Rate and Method.

**“Annexation #1”** means the date the owners of Assessor Parcels in Improvement Area #3 and Improvement Areas #9 through #15 elected to annex into the CFD.

**“Annexation #2”** means the date the owners of Assessor Parcels in Improvement Area #7 elected to annex into the CFD.

**“Annexation #3”** means the date the owners of Assessor Parcels in Improvement Areas #16 through #22 elected to annex into the CFD.

**“Annexation #4”** means the date the owners of Assessor Parcels in Improvement Areas #23 through #25 and Improvement Area #27 elected to annex into the CFD.

**“Annexation #5”** means the date the owners of Assessor Parcels in Improvement Area #26 elected to annex into the CFD.

**“Annexation #6”** means the date the owners of Assessor Parcels in Improvement Area #28 elected to annex into the CFD.

**“Annexation #7”** means the date the owners of Assessor Parcels in Improvement Areas #29 through #31 elected to annex into the CFD.

**“Annexation #8”** means the date the owners of Assessor Parcels in Improvement Area #32 elected to annex into the CFD.

**“Annexation #9”** means the date the owners of Assessor Parcels in Improvement Area #33 elected to annex into the CFD.

**“Annexation #10”** means the date the owners of Assessor Parcels in Improvement Area #34 elected to annex into the CFD.

**“Annexation #11”** means the date the owners of Assessor Parcels in Improvement Area #35 elected to annex into the CFD.

**“Annexation #12”** means the date the owners of Assessor Parcels in Improvement Area #36 elected to annex into the CFD.

**“Assessor Parcel”** means a lot or parcel with an assigned County Assessor’s Parcel number shown on a County Assessor’s Parcel map.

**“Average Increase”** means the annual average increase in the Indices that shall be applied to escalate the Maximum Special Tax each Fiscal Year. The Average Increase shall be calculated in January of each year by (1) referencing the Bureau of Labor Statistics Data to identify the annual percentage increase in each Index as of the end of the prior year, and (2) taking the average of these two percentages. If either Index decreases from one year to the next, the percentage change from the prior year shall be assumed to be zero for purposes of calculating the Average Increase.

**“CFD”** means the City of Merced Community Facilities District No. 2003-2.

**“CFD Formation”** means the date the owners of Assessor Parcels in Improvement Areas #1 through #6 elected to form the CFD.

**“City”** means the City of Merced.

**“City Council”** means the council of the City of Merced, acting as the legislative body of the CFD.

**“County”** means the County of Merced.

**“Developed Property”** means all Taxable Property in the CFD for which a building permit for new construction was issued by the City prior to May 1 of the preceding Fiscal Year.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Improvement Area”** means one of the thirty-six (36) mutually exclusive geographic areas defined below and identified in Attachment 1 of this Rate and Method, and any subsequent Improvement Areas created to contain property annexed into the CFD after CFD Formation.

**“Improvement Area #1”** means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Bellevue Ranch East (Phases 1 and 2) project and is specifically identified in Attachment 1 hereto as Improvement Area #1.

**“Improvement Area #2”** means the geographic area that, at CFD Formation, was generally known as the Compass Pointe project and is specifically identified in Attachment 1 hereto as Improvement Area #2.

**“Improvement Area #3”** means the geographic area that, at CFD Formation, Annexation #1, and Annexation #3, was generally known as the Sandcastle project and is specifically identified in Attachment 1 hereto as Improvement Area #3.

**“Improvement Area #4”** means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Bright Development project and is specifically identified in Attachment 1 hereto as Improvement Area #4.

**“Improvement Area #5”** means the geographic area that, at CFD Formation and Annexation #2, was generally known as the Renaissance project and is specifically identified in Attachment 1 hereto as Improvement Area #5.

**“Improvement Area #6”** means the geographic area that, at CFD Formation, was generally known as the Big Valley project and is specifically identified in Attachment 1 hereto as Improvement Area #6.

**“Improvement Area #7”** means the geographic area that, at Annexation #2, was generally known as the Bellevue Ranch West project and is specifically identified in Attachment 1 hereto as Improvement Area #7.

**“Improvement Area #8”** is intentionally excluded.

**“Improvement Area #9”** means the geographic area that, at Annexation #1, was generally known as the University Park Residential project and is specifically identified in Attachment 1 hereto as Improvement Area #9.

**“Improvement Area #10”** means the geographic area that, at Annexation #1, was generally known as the Tuscany project and is specifically identified in Attachment 1 hereto as Improvement Area #10.

**“Improvement Area #11”** means the geographic area that, at Annexation #1, was generally known as the Provance project and is specifically identified in Attachment 1 hereto as Improvement Area #11.

**“Improvement Area #12”** means the geographic area that, at Annexation #1, was generally known as the Promenade project and is specifically identified in Attachment 1 hereto as Improvement Area #12.

**“Improvement Area #13”** means the geographic area that, at Annexation #1, was generally known as the Alfarata Ranch Unit 2 project and is specifically identified in Attachment 1 hereto as Improvement Area #13.

**“Improvement Area #14”** means the geographic area that, at Annexation #1 and Annexation #2, was generally known as the Franco project and is specifically identified in Attachment 1 hereto as Improvement Area #14.

**“Improvement Area #15”** means the geographic area that, at Annexation #1, was generally known as the Cottages project and is specifically identified in Attachment 1 hereto as Improvement Area #15.

**“Improvement Area #16”** means the geographic area that, at Annexation #3, was generally known as the Tuscany East project and is specifically identified in Attachment 1 hereto as Improvement Area #16.

**“Improvement Area #17”** means the geographic area that, at Annexation #3, was generally known as the Hartley Crossings project and is specifically identified in Attachment 1 hereto as Improvement Area #17.

**“Improvement Area #18”** means the geographic area that, at Annexation #3, was generally known as The Crossing at River Oaks project and is specifically identified in Attachment 1 hereto as Improvement Area #18.

**“Improvement Area #19”** means the geographic area that, at Annexation #3, was generally known as the Mohamed Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #19.

**“Improvement Area #20”** means the geographic area that, at Annexation #3, was generally known as the Sunnyview Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #20.

**“Improvement Area #21”** means the geographic area that, at Annexation #3, was generally known as the University Park II project and is specifically identified in Attachment 1 hereto as Improvement Area #21.

**“Improvement Area #22”** means the geographic area that, at Annexation #3, was generally known as the Moraga of Merced Lakemont Homes project and is specifically identified in Attachment 1 hereto as Improvement Area #22.

**“Improvement Area #23”** means the geographic area that, at Annexation #4, was generally known as the Mission Ranch project and is specifically identified in Attachment 1 hereto as Improvement Area #23.

**“Improvement Area #24”** means the geographic area that, at Annexation #4, was generally known as the Cypress Terrace (Phases 6 and 7) project and is specifically identified in Attachment 1 hereto as Improvement Area #24.

**“Improvement Area #25”** means the geographic area that, at Annexation #4, was generally known as the Cypress Terrace East project and is specifically identified in Attachment 1 hereto as Improvement Area #25.

**“Improvement Area #26”** means the geographic area that, at Annexation #5, was generally known as The Meadows project and is specifically identified in Attachment 1 hereto as Improvement Area #26.

**“Improvement Area #27”** means the geographic area that, at Annexation #4, was generally known as the Lantana Estates South project and is specifically identified in Attachment 1 hereto as Improvement Area #27.

**“Improvement Area #28”** means the geographic area that, at Annexation #6, was generally known as The Meadows #2 project and is specifically identified in Attachment 1 hereto as Improvement Area #28.

**“Improvement Area #29”** means the geographic area that, at Annexation #7, was generally known as the Paseo project and is specifically identified in Attachment 1 hereto as Improvement Area #29.

**“Improvement Area #30”** means the geographic area that, at Annexation #7, was generally known as the Highland Park project and is specifically identified in Attachment 1 hereto as Improvement Area #30.

**“Improvement Area #31”** means the geographic area that, at Annexation #7, was generally known as the Mercy Hospital project and is specifically identified in Attachment 1 hereto as Improvement Area #31.

**“Improvement Area #32”** means the geographic area that, at Annexation #8, was generally known as the Fahrens Park Plaza project and is specifically identified in Attachment 1 hereto as Improvement Area #32.

**“Improvement Area #33”** means the geographic area that, at Annexation #9, was generally known as the Mansionette Estates No. 5 project and is specifically identified in Attachment 1 hereto as Improvement Area #33.

**"Improvement Area #34"** means the geographic area that, at Annexation #10, was generally known as the Northview Professional Center project and is specifically identified in Attachment 1 hereto as Improvement Area #34.

**"Improvement Area #35"** means the geographic area that, at Annexation #11, was generally known as the Compass Pointe Apartments project and is specifically identified in Attachment 1 hereto as Improvement Area #35.

**"Improvement Area #36"** means the geographic area that, at Annexation #12, was generally known as the Merced Station project and is specifically identified in Attachment 1 hereto as Improvement Area #36.

**"Index or Indices"** means the Consumer Price Index (CPI) for the San Francisco All Urban Wage Earners Category and the National CPI.

**"Industrial Property"** means any Developed Property for which a building permit was issued for construction of a building that will be used primarily for warehousing, distribution, manufacturing, processing, or related activities, as determined by the Administrator using reasonable and established City zoning and other land use standards.

**"Maximum Special Tax"** means the greatest amount of Special Tax that can be levied in any Fiscal Year determined under this Rate and Method.

**"Multi-Family Residential Property"** means all Assessor Parcels of Developed Property for which a building permit was issued for construction of a residential structure with multiple Units, all of which are offered for rent to the general public and are not available for sale to individual owners.

**"Office Property"** means any Developed Property for which a building permit was issued for construction of a building that will be divided primarily into individual offices (including cubicles or other modular office space) for use by companies to conduct business, as determined by the Administrator using reasonable and established City zoning and other land use standards.

**"Other Property"** means any Developed Property that is not Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, or Industrial Property. Developed Property within Improvement Area #31 shall be categorized as Other Property.

**"Proportionately"** means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor Parcels of Developed Property.

**"Public Property"** means any CFD Assessor Parcels owned by or irrevocably offered for dedication to the United States of America, the State of California, the County, the City, or other local governments or public agencies.

**“Rate and Method”** means this Amended Rate and Method of Apportionment of Special Tax.

**“Retail Property”** means any Developed Property for which a building permit was issued for construction of a building that will include primarily commercial establishments which sell general merchandise, hard goods, personal services, and other items directly to consumers, including but not limited to travel agencies, hardware stores, food stores, automotive dealers, service stations, home furnishing stores, restaurants, bars, banks, repair shops, movie theaters, day care centers, and art galleries, as determined by the Administrator using reasonable and established City zoning and other land use standards.

**“Services”** means the services authorized to be financed, in whole or in part, by the Special Taxes in the CFD.

**“Single Family Residential Property”** means any Developed Property for which a building permit was issued for construction of: (i) a Unit that does not share a common wall with another Unit; or (ii) two or more Units that share common walls and are initially offered for sale to individual owners, including condominiums as defined under California Civil Code 1351.

**“Special Tax”** means any tax levied in the CFD pursuant to the Rate and Method.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay the cost of the Services; (ii) create a sinking fund for Services that could not otherwise be funded in a given Fiscal Year; (iii) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; and (iv) pay Administrative Expenses.

**“Square Foot,” “Square Footage,” or “Square Feet”** means the floor area square footage reflected on the original construction building permit issued for construction of a Unit or a building of Retail Property, Office Property, Industrial Property, or Other Property and any Square Footage subsequently added to a Unit or a building of such Taxable Property after issuance of a building permit for expansion or renovation of such Unit or building.

**“Taxable Property”** means any Assessor Parcel within the CFD which is not exempt from the Special Tax by applicable law or Section F below.

**“Unit”** means a structure constructed primarily for human habitation, which may be an individual detached residential unit, an individual attached residential unit within a duplex, triplex, fourplex, townhome, or condominium structure, or an individual apartment unit.



## SECTION B. DATA FOR ANNUAL ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor Parcel numbers of all Taxable Property. The Administrator shall also determine: (i) within which Improvement Area each Assessor Parcel is located; (ii) whether each Assessor Parcel is Developed Property; (iii) for Developed Property, which Assessor Parcels are Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, Industrial Property, and Other Property; (iv) also for Developed Property, the Unit or building Square Footage; and (v) the Special Tax Requirement.

## SECTION C. MAXIMUM SPECIAL TAX

### 1. *Special Tax Rates, Improvement Area #1 – Bellevue Ranch East (Phases 1 & 2)*

Table 1 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #1 of the CFD.

**TABLE 1**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #1 – BELLEVUE RANCH EAST (PHASES 1 & 2)**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$548 per Unit
Multi-Family Residential Property	\$476 per Unit
Retail Property	\$64 per 1,000 Square Feet of Building
Office Property	\$59 per 1,000 Square Feet of Building
Industrial Property	\$40 per 1,000 Square Feet of Building
Other Property	\$64 per 1,000 Square Feet of Building

2. *Special Tax Rates, Improvement Area #2 – Compass Pointe*

Table 2 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #2 of the CFD.

**TABLE 2**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #2 – COMPASS POINTE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$644 per Unit
Multi-Family Residential Property	\$539 per Unit
Retail Property	\$110 per 1,000 Square Feet of Building
Office Property	\$103 per 1,000 Square Feet of Building
Industrial Property	\$68 per 1,000 Square Feet of Building
Other Property	\$110 per 1,000 Square Feet of Building

3. *Special Tax Rates, Improvement Area #3 - Sandcastle*

Table 3 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #3 of the CFD.

**TABLE 3**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #3 - SANDCASTLE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$593 per Unit
Multi-Family Residential Property	\$512 per Unit
Retail Property	\$80 per 1,000 Square Feet of Building
Office Property	\$76 per 1,000 Square Feet of Building
Industrial Property	\$48 per 1,000 Square Feet of Building
Other Property	\$80 per 1,000 Square Feet of Building

4. *Special Tax Rates, Improvement Area #4 – Bright Development*

Table 4 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #4 of the CFD.

**TABLE 4**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #4 – BRIGHT DEVELOPMENT**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$609 per Unit
Multi-Family Residential Property	\$520 per Unit
Retail Property	\$89 per 1,000 Square Feet of Building
Office Property	\$84 per 1,000 Square Feet of Building
Industrial Property	\$54 per 1,000 Square Feet of Building
Other Property	\$89 per 1,000 Square Feet of Building

5. *Special Tax Rates, Improvement Area #5 - Renaissance*

Table 5 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #5 of the CFD.

**TABLE 5**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #5 - RENAISSANCE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$489 per Unit
Multi-Family Residential Property	\$429 per Unit
Retail Property	\$43 per 1,000 Square Feet of Building
Office Property	\$37 per 1,000 Square Feet of Building
Industrial Property	\$29 per 1,000 Square Feet of Building
Other Property	\$43 per 1,000 Square Feet of Building

6. *Special Tax Rates, Improvement Area #6 – Big Valley*

Table 6 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #6 of the CFD.

**TABLE 6**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #6 – BIG VALLEY**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$524 per Unit
Multi-Family Residential Property	\$474 per Unit
Retail Property	\$40 per 1,000 Square Feet of Building
Office Property	\$40 per 1,000 Square Feet of Building
Industrial Property	\$22 per 1,000 Square Feet of Building
Other Property	\$40 per 1,000 Square Feet of Building

7. *Special Tax Rates, Improvement Area #7 – Bellevue Ranch West*

Table 7 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #7 of the CFD.

**TABLE 7**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #7 – BELLEVUE RANCH WEST**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$701 per Unit
Multi-Family Residential Property	\$600 per Unit
Retail Property	\$116 per 1,000 Square Feet of Building
Office Property	\$115 per 1,000 Square Feet of Building
Industrial Property	\$67 per 1,000 Square Feet of Building
Other Property	\$116 per 1,000 Square Feet of Building

8. *Special Tax Rates, Improvement Area #8 – Intentionally Excluded*

9. *Special Tax Rates, Improvement Area #9 – University Park Residential*

Table 9 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #9 of the CFD.

**TABLE 9**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #9 – UNIVERSITY PARK RESIDENTIAL**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$643 per Unit
Multi-Family Residential Property	\$544 per Unit
Retail Property	\$105 per 1,000 Square Feet of Building
Office Property	\$99 per 1,000 Square Feet of Building
Industrial Property	\$64 per 1,000 Square Feet of Building
Other Property	\$105 per 1,000 Square Feet of Building

**10. Special Tax Rates, Improvement Area #10 – Tuscany**

Table 10 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #10 of the CFD.

**TABLE 10  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #10 – TUSCANY**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$480 per Unit
Multi-Family Residential Property	\$427 per Unit
Retail Property	\$35 per 1,000 Square Feet of Building
Office Property	\$31 per 1,000 Square Feet of Building
Industrial Property	\$23 per 1,000 Square Feet of Building
Other Property	\$35 per 1,000 Square Feet of Building

**11. Special Tax Rates, Improvement Area #11 - Provance**

Table 11 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #11 of the CFD.

**TABLE 11  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #11 - PROVANCE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$638 per Unit
Multi-Family Residential Property	\$542 per Unit
Retail Property	\$101 per 1,000 Square Feet of Building
Office Property	\$96 per 1,000 Square Feet of Building
Industrial Property	\$61 per 1,000 Square Feet of Building
Other Property	\$101 per 1,000 Square Feet of Building

**12. Special Tax Rates, Improvement Area #12 – Promenade**

Table 12 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #12 of the CFD.

**TABLE 12  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #12 – PROMENADE**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$438 per Unit
Multi-Family Residential Property	\$401 per Unit
Retail Property	\$14 per 1,000 Square Feet of Building
Office Property	\$12 per 1,000 Square Feet of Building
Industrial Property	\$10 per 1,000 Square Feet of Building
Other Property	\$14 per 1,000 Square Feet of Building

**13. Special Tax Rates, Improvement Area #13 – Alfarata Ranch Unit 2**

Table 13 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #13 of the CFD.

**TABLE 13  
MAXIMUM SPECIAL TAXES  
IMPROVEMENT AREA #13 – ALFARATA RANCH UNIT 2**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$593 per Unit
Multi-Family Residential Property	\$471 per Unit
Retail Property	\$116 per 1,000 Square Feet of Building
Office Property	\$100 per 1,000 Square Feet of Building
Industrial Property	\$80 per 1,000 Square Feet of Building
Other Property	\$116 per 1,000 Square Feet of Building

**14. Special Tax Rates, Improvement Area #14 – Franco**

Table 14 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #14 of the CFD.

**TABLE 14**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #14 – FRANCO**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$504 per Unit
Multi-Family Residential Property	\$430 per Unit
Retail Property	\$57 per 1,000 Square Feet of Building
Office Property	\$49 per 1,000 Square Feet of Building
Industrial Property	\$40 per 1,000 Square Feet of Building
Other Property	\$57 per 1,000 Square Feet of Building

**15. Special Tax Rates, Improvement Area #15 – Cottages**

Table 15 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #15 of the CFD.

**TABLE 15**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #15 – COTTAGES**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2003-04<sup>1</sup></i>
Single Family Residential Property	\$631 per Unit
Multi-Family Residential Property	\$548 per Unit
Retail Property	\$87 per 1,000 Square Feet of Building
Office Property	\$86 per 1,000 Square Feet of Building
Industrial Property	\$50 per 1,000 Square Feet of Building
Other Property	\$87 per 1,000 Square Feet of Building



**16. Special Tax Rates, Improvement Area #16 – Tuscany East**

Table 16 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #16 of the CFD.

**TABLE 16**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #16 – TUSCANY EAST**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$572 per Unit
Multi-Family Residential Property	\$486 per Unit
Retail Property	\$77 per 1,000 Square Feet of Building
Office Property	\$70 per 1,000 Square Feet of Building
Industrial Property	\$50 per 1,000 Square Feet of Building
Other Property	\$77 per 1,000 Square Feet of Building

**17. Special Tax Rates, Improvement Area #17 – Hartley Crossings**

Table 17 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #17 of the CFD.

**TABLE 17**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #17 – HARTLEY CROSSINGS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$528 per Unit
Multi-Family Residential Property	\$438 per Unit
Retail Property	\$73 per 1,000 Square Feet of Building
Office Property	\$61 per 1,000 Square Feet of Building
Industrial Property	\$52 per 1,000 Square Feet of Building
Other Property	\$73 per 1,000 Square Feet of Building

**18. Special Tax Rates, Improvement Area #18 – The Crossing at River Oaks**

Table 18 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #18 of the CFD.

**TABLE 18**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #18 – THE CROSSING AT RIVER OAKS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$639 per Unit
Multi-Family Residential Property	\$529 per Unit
Retail Property	\$110 per 1,000 Square Feet of Building
Office Property	\$100 per 1,000 Square Feet of Building
Industrial Property	\$71 per 1,000 Square Feet of Building
Other Property	\$110 per 1,000 Square Feet of Building

**19. Special Tax Rates, Improvement Area #19 – Mohamed Apartments**

Table 19 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #19 of the CFD.

**TABLE 19**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #19 – MOHAMED APARTMENTS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$433 per Unit
Multi-Family Residential Property	\$408 per Unit
Retail Property	Not Applicable
Office Property	Not Applicable
Industrial Property	Not Applicable
Other Property	Not Applicable

**20. Special Tax Rates, Improvement Area #20 – Sunnyview Apartments**

Table 20 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #20 of the CFD.

**TABLE 20**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #20 – SUNNYVIEW APARTMENTS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$433 per Unit
Multi-Family Residential Property	\$408 per Unit
Retail Property	Not Applicable
Office Property	Not Applicable
Industrial Property	Not Applicable
Other Property	Not Applicable

**21. Special Tax Rates, Improvement Area #21 – University Park II**

Table 21 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #21 of the CFD.

**TABLE 21**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #21 – UNIVERSITY PARK II**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$691 per Unit
Multi-Family Residential Property	\$548 per Unit
Retail Property	\$149 per 1,000 Square Feet of Building
Office Property	\$133 per 1,000 Square Feet of Building
Industrial Property	\$98 per 1,000 Square Feet of Building
Other Property	\$149 per 1,000 Square Feet of Building

22. *Special Tax Rates, Improvement Area #22 – Moraga of Merced Lakemont Homes*

Table 22 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #22 of the CFD.

**TABLE 22**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #22 – MORAGA OF MERCED LAKEMONT HOMES**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$752 per Unit
Multi-Family Residential Property	\$623 per Unit
Retail Property	\$147 per 1,000 Square Feet of Building
Office Property	\$140 per 1,000 Square Feet of Building
Industrial Property	\$89 per 1,000 Square Feet of Building
Other Property	\$147 per 1,000 Square Feet of Building

23. *Special Tax Rates, Improvement Area #23 – Mission Ranch*

Table 23 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #23 of the CFD.

**TABLE 23**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #23 – MISSION RANCH**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$774 per Unit
Multi-Family Residential Property	\$595 per Unit
Retail Property	\$194 per 1,000 Square Feet of Building
Office Property	\$174 per 1,000 Square Feet of Building
Industrial Property	\$128 per 1,000 Square Feet of Building
Other Property	\$194 per 1,000 Square Feet of Building

**24. Special Tax Rates, Improvement Area #24 – Cypress Terrace (Phases 6 and 7)**

Table 24 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #24 of the CFD.

**TABLE 24**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #24 – CYPRESS TERRACE (PHASES 6 AND 7)**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$728 per Unit
Multi-Family Residential Property	\$606 per Unit
Retail Property	\$137 per 1,000 Square Feet of Building
Office Property	\$130 per 1,000 Square Feet of Building
Industrial Property	\$83 per 1,000 Square Feet of Building
Other Property	\$137 per 1,000 Square Feet of Building

**25. Special Tax Rates, Improvement Area #25 – Cypress Terrace East**

Table 25 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #25 of the CFD.

**TABLE 25**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #25 – CYPRESS TERRACE EAST**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$914 per Unit
Multi-Family Residential Property	\$737 per Unit
Retail Property	\$218 per 1,000 Square Feet of Building
Office Property	\$209 per 1,000 Square Feet of Building
Industrial Property	\$131 per 1,000 Square Feet of Building
Other Property	\$218 per 1,000 Square Feet of Building

26. *Special Tax Rates, Improvement Area #26 – The Meadows*

Table 26 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #26 of the CFD.

**TABLE 26**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #26 – THE MEADOWS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$947 per Unit
Multi-Family Residential Property	\$743 per Unit
Retail Property	\$225 per 1,000 Square Feet of Building
Office Property	\$215 per 1,000 Square Feet of Building
Industrial Property	\$135 per 1,000 Square Feet of Building
Other Property	\$225 per 1,000 Square Feet of Building

27. *Special Tax Rates, Improvement Area #27 – Lantana Estates South*

Table 27 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #27 of the CFD.

**TABLE 27**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #27 – LANTANA ESTATES SOUTH**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$834 per Unit
Multi-Family Residential Property	\$700 per Unit
Retail Property	\$166 per 1,000 Square Feet of Building
Office Property	\$164 per 1,000 Square Feet of Building
Industrial Property	\$95 per 1,000 Square Feet of Building
Other Property	\$166 per 1,000 Square Feet of Building

28. *Special Tax Rates, Improvement Area #28 – The Meadows #2*

Table 28 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #28 of the CFD.

**TABLE 28**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #28 – THE MEADOWS #2**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$947 per Unit
Multi-Family Residential Property	\$743 per Unit
Retail Property	\$225 per 1,000 Square Feet of Building
Office Property	\$215 per 1,000 Square Feet of Building
Industrial Property	\$135 per 1,000 Square Feet of Building
Other Property	\$225 per 1,000 Square Feet of Building

29. *Special Tax Rates, Improvement Area #29 – Paseo*

Table 29 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #29 of the CFD.

**TABLE 29**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #29 – PASEO**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$1,008 per Unit
Multi-Family Residential Property	\$762 per Unit
Retail Property	\$294 per 1,000 Square Feet of Building
Office Property	\$271 per 1,000 Square Feet of Building
Industrial Property	\$186 per 1,000 Square Feet of Building
Other Property	\$294 per 1,000 Square Feet of Building

**30. Special Tax Rates, Improvement Area #30 – Highland Park**

Table 30 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #30 of the CFD.

**TABLE 30**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #30 – HIGHLAND PARK**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$650 per Unit
Multi-Family Residential Property	\$557 per Unit
Retail Property	\$97 per 1,000 Square Feet of Building
Office Property	\$93 per 1,000 Square Feet of Building
Industrial Property	\$58 per 1,000 Square Feet of Building
Other Property	\$97 per 1,000 Square Feet of Building

**31. Special Tax Rates, Improvement Area #31 – Mercy Hospital**

Table 31 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #31 of the CFD.

**TABLE 31**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #31 – MERCY HOSPITAL**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$172 per Unit
Multi-Family Residential Property	\$139 per Unit
Retail Property	\$59 per 1,000 Square Feet of Building
Office Property	\$62 per 1,000 Square Feet of Building
Industrial Property	\$30 per 1,000 Square Feet of Building
Other Property	\$59 per 1,000 Square Feet of Building



32. *Special Tax Rates, Improvement Area #32 – Fahrens Park Plaza*

Table 32 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #32 of the CFD.

**TABLE 32**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #32 – FAHRENS PARK PLAZA**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$988 per Unit
Multi-Family Residential Property	\$889 per Unit
Retail Property	\$161 per 1,000 Square Feet of Building
Office Property	\$181 per 1,000 Square Feet of Building
Industrial Property	\$71 per 1,000 Square Feet of Building
Other Property	\$181 per 1,000 Square Feet of Building

33. *Special Tax Rates, Improvement Area #33 – Mansionette Estates No. 5*

Table 33 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #33 of the CFD.

**TABLE 33**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #33 – MANSIONETTE ESTATES NO. 5**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$1,130 per Unit
Multi-Family Residential Property	\$957 per Unit
Retail Property	\$252 per 1,000 Square Feet of Building
Office Property	\$260 per 1,000 Square Feet of Building
Industrial Property	\$133 per 1,000 Square Feet of Building
Other Property	\$260 per 1,000 Square Feet of Building

**34. Special Tax Rates, Improvement Area #34 – Northview Professional Center**

Table 34 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #34 of the CFD.

**TABLE 34**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #34 – NORTHVIEW PROFESSIONAL CENTER**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$850 per Unit
Multi-Family Residential Property	\$742 per Unit
Retail Property	\$146 per 1,000 Square Feet of Building
Office Property	\$152 per 1,000 Square Feet of Building
Industrial Property	\$75 per 1,000 Square Feet of Building
Other Property	\$152 per 1,000 Square Feet of Building

**35. Special Tax Rates, Improvement Area #35 – Compass Pointe Apartments**

Table 35 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #35 of the CFD.

**TABLE 35**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #35 – COMPASS POINTE APARTMENTS**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$543 per Unit
Multi-Family Residential Property	\$479 per Unit
Retail Property	\$53 per 1,000 Square Feet of Building
Office Property	\$50 per 1,000 Square Feet of Building
Industrial Property	\$33 per 1,000 Square Feet of Building
Other Property	\$53 per 1,000 Square Feet of Building

**36. Special Tax Rates, Improvement Area #36 – Merced Station**

Table 36 below identifies the Maximum Special Taxes for Taxable Property within Improvement Area #36 of the CFD.

**TABLE 36**  
**MAXIMUM SPECIAL TAXES**  
**IMPROVEMENT AREA #36 – MERCED STATION**

<i>Type of Property</i>	<i>Maximum Special Tax Fiscal Year 2005-06<sup>1</sup></i>
Single Family Residential Property	\$580 per Unit
Multi-Family Residential Property	\$483 per Unit
Retail Property	\$89 per 1,000 Square Feet of Building
Office Property	\$78 per 1,000 Square Feet of Building
Industrial Property	\$59 per 1,000 Square Feet of Building
Other Property	\$89 per 1,000 Square Feet of Building

<sup>1</sup> *The Maximum Special Taxes will be more than the amounts listed in the tables above due to the annual CPI adjustment identified in Section C.37.*

**37. Special Tax Increases**

In January 2004, and each January thereafter, all figures shown in Tables 1 through 15 above shall be adjusted by applying the Average Increase, if any, in the Indices. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1.

In January 2006, and each January thereafter, all figures shown in Tables 16 through 36 above shall be adjusted by applying the Average Increase, if any, in the Indices. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1.

**SECTION D. METHOD OF LEVY**

Each Fiscal Year, the Special Tax shall be levied on all Assessor Parcels of Developed Property, separately for each Improvement Area, according to the steps outlined below.

**Step 1:** Determine for an Improvement Area the Special Tax Requirement, as defined in Section A above, for the Fiscal Year in which the Special Tax will be collected;

- Step 2:** Calculate the total Special Tax revenues that could be collected from Developed Property in the Improvement Area based on application of the Maximum Special Tax rates determined pursuant to Section C above;
- Step 3:** If the amount determined in Step 1 is greater than or equal to the amount calculated in Step 2, levy the Maximum Special Tax on all Assessor Parcels of Developed Property in the Improvement Area;
- Step 4:** If the amount determined in Step 1 is less than the amount calculated in Step 2, levy the Special Tax Proportionately on each Assessor Parcel of Developed Property in the Improvement Area so the amount of the Special Tax levy equals the Special Tax Requirement for that Fiscal Year.

## **SECTION E. COLLECTION**

Except as may be provided by the CFD or the City, and for delinquencies, the Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes. The Special Tax obligation applicable to an Assessor Parcel in the CFD may not be prepaid and the obligation of the Assessor Parcel to pay the Special Tax may not be permanently satisfied.

## **SECTION F. EXEMPTIONS**

Notwithstanding any other provision of this Rate and Method, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

## **SECTION G. INTERPRETATION**

The Administrator may interpret this Rate and Method as necessary to clarify any inconsistency, vagueness, or ambiguity.

## **SECTION H. APPEALS**

Appeals of any claim of incorrect computation of Special Tax or application of this Rate and Method may be made by the owner of an Assessor Parcel or such owner's duly-authorized representative by filing a written notice of appeal with the Administrator not later than thirty (30) days after having paid the disputed Special Tax. The Administrator shall promptly review the appeal and, if necessary, meet with the property owner (or representative), consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator's decision, the owner may then file a written appeal with the Council, whose decision shall be final. If the decision of the Administrator or the Council requires the Special Tax to be modified or changed in favor of the property owner,

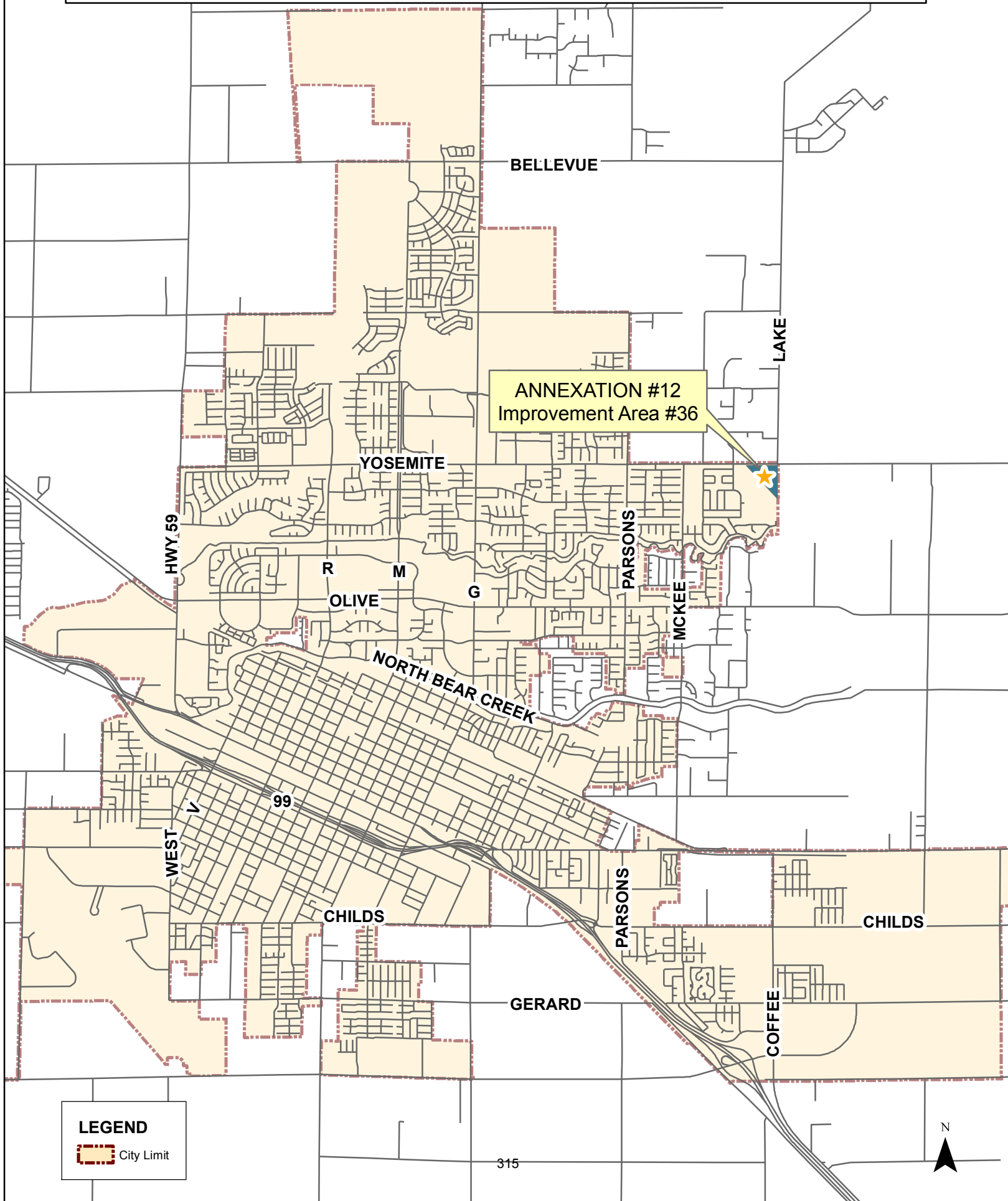
no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies) as appropriate. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**ATTACHMENT 1**

**BOUNDARY MAP  
AND IMPROVEMENT AREAS OF  
CITY OF MERCED  
COMMUNITY FACILITIES DISTRICT NO. 2003-2  
(SERVICES)**

**(to come from City)**

# COMMUNITY FACILITIES DISTRICT 2003-2 (SERVICES) IMPROVEMENT AREAS



**Table 1**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Project Land Use and Services Data**

Land Use	Merced Station
<hr/>	
<u>Residential (Dwelling Units)</u>	
Single Family	0
Multi-Family	225
<u>Non-Residential (Square Feet)</u>	
Retail	6,600
Office	0
Industrial	0
<u>Other</u>	
Full Landscaped Acres	0.28
Basin/Partial Landscaped Acres	0.00
Storm Drainage Miles	0.14
Bike Path Square Footage	0
Street Lights	4

Sources: City of Merced; Goodwin Consulting Group, Inc.

3/14/2018



**Table 2**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**City Cost and Allocation Data**

	Landscaping Maintenance	Storm Drainage Maintenance
<b>Expenditures /1</b>	\$341,749	\$464,196
<b>Dwelling Unit Equivalents (DUEs)</b>		
<u>Residential DUEs (per Dwelling Unit)</u>		
Single Family	1.00	1.00
Multi-Family	0.88	0.33
<u>Non-Residential DUEs (per 1,000 SF)</u>		
Retail	0.28	0.77
Office	0.32	0.64
Industrial	0.12	0.55
<b>Cost Factors /2</b>		
Landscaped Acres	17	
Storm Drainage Miles		36
Annual Cost per Acre (Full Landscape)	\$26,134	
Annual Cost per Storm Drainage Mile		\$16,763
<b>Additional Cost Factors /2</b>		
Annual Cost per Acre (Basin/Partial Landscape) /3	\$19,600	
Annual Bike Path Maintenance Cost per Square Foot	\$0.25	
Annual Street Light Maintenance Cost per Street Light	\$136	
Annual Storm Pump Maintenance Cost		\$17,680
Annual Basin Maintenance Cost		\$5,200

/1 Expenditures include costs associated with the following budget categories: personnel, supplies and services, non-capital acquisitions, administrative, and interdepartmental services.

/2 A 30% factor is added to each cost to account for the effects of prevailing wage.

/3 Equals 75% of the cost per full landscaped acre.

Sources: City of Merced 2005-06 Annual Budget; City of Merced; City of Merced Public Facilities Financing Plan; DPGF; Goodwin Consulting Group, Inc.

3/14/2018

**Table 3**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Landscaping, Street Light, and Basin Maintenance**

	Merced Station
<hr/>	
<b>Land Uses &amp; DUEs</b>	
<u>Residential (Dwelling Units)</u>	
Single Family	0
Multi-Family	225
<u>Non-Residential (Square Feet)</u>	
Retail	6,600
Office	0
Industrial	0
Dwelling Unit Equivalents	200
<hr/>	
<b>Annual Costs</b>	
Full Landscape	\$7,391
Street Light Maintenance	\$542
Basin/Partial Landscape	\$0
Bike Path Maintenance	\$0
<b>Total Cost</b>	<hr/> \$7,934
<b>Cost per DUE</b>	\$40
<b>Special Tax Rates</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$40
Multi-Family	\$35
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$11
Office	\$13
Industrial	\$5
<hr/>	
<b>Annual Special Tax Revenue</b>	
<u>Residential</u>	
Single Family	\$0
Multi-Family	\$7,860
<u>Non-Residential</u>	
Retail	\$73
Office	\$0
Industrial	<hr/> \$0
<b>Total Revenue</b>	\$7,934

**Table 4**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Storm Drainage Maintenance**

	Merced Station
<hr/>	
<b>Land Uses &amp; DUEs</b>	
<u>Residential (Dwelling Units)</u>	
Single Family	0
Multi-Family	225
<u>Non-Residential (Square Feet)</u>	
Retail	6,600
Office	0
Industrial	0
Dwelling Unit Equivalents	78
<hr/>	
<b>Annual Costs</b>	
Storm Drain Maintenance	\$2,299
Share of Summer Creek Storm Pump & Moraga Basin /1	\$3,794
<b>Total Cost</b>	<u>\$6,092</u>
<b>Total Cost per DUE</b>	\$78
<b>Special Tax Rates</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$78
Multi-Family	\$25
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$60
Office	\$50
Industrial	\$43
<hr/>	
<b>Annual Special Tax Revenue</b>	
<u>Residential</u>	
Single Family	\$0
Multi-Family	\$5,698
<u>Non-Residential</u>	
Retail	\$395
Office	\$0
Industrial	<u>\$0</u>
<b>Total Revenue</b>	\$6,092

/1 14.8% of the storm pump maintenance cost and 22.7% of the basin maintenance cost is associated with University Village at Lake.

**Table 5**  
**City of Merced Services CFD Annexation #12**  
**Project Specific Analysis**  
**Total Special Taxes (FY 2005-06)**

Land Use	Merced Station
<b>Citywide Services</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$433
Multi-Family	\$408
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$0
Office	\$0
Industrial	\$0
<b>Project-Specific Services /1</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$147
Multi-Family	\$75
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$89
Office	\$78
Industrial	\$59
<b>Total - All Services</b>	
<u>Residential (per Dwelling Unit)</u>	
Single Family	\$580
Multi-Family	\$483
<u>Non-Residential (per 1,000 SF)</u>	
Retail	\$89
Office	\$78
Industrial	\$59

/1 A 25% factor is added to each project specific special tax to account for a cost contingency and a sinking fund component to build a reserve for equipment and facility replacement, as well as annual administration.



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item J.1.**

Meeting Date: 5/21/2018

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*Report Prepared by: Stephanie Dietz, Assistant City Manager*

**SUBJECT:** Update on Goals and Priorities (3<sup>rd</sup> Quarter)

### **REPORT IN BRIEF**

Update on the City Council's goals and priorities for FY 2017-2018 3<sup>rd</sup> Quarter.

### **RECOMMENDATION**

For information only.

### **ATTACHMENTS**

1. Goals and Priorities Presentation

# Council Priorities

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FY 2017/18

# Future Growth Opportunity

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- Increase Job Growth Capacity
  - Update Economic Development Action Plan – Fall 2018
  - Evaluate industrial park locations – Site 7 outreach completed, report presented May 7<sup>th</sup>
- Airport Industrial Park
  - Hired Airport Manager – Martin Pehl
  - Engage with consultant to market property surrounding Airport
- High Speed Rail/ACE
  - Develop an Opportunity Plan for the proposed Downtown Station site – Spring 2018
- South Merced Grocery Store
  - Proposal pulled, pursuing independent operators
- Update Impact Fees
  - 5-year required update – Summer 2018

# City Administration – Ongoing

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- Succession Planning
- Economic Development
- Development Projects
- Code Enforcement/Sub-Standard Properties
- Downtown Projects
- Youth and recreation program enhancements
- Fireworks Task Force
- Redevelopment Agency (RDA) negotiations
- Financial Policy review
- Legislative Advocacy



# City Administration – Current Projects

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- Public Facilities Projects – Fall 2018
- Cannabis Implementation – Spring 2018
- Art Commission – Summer 2018
- Classification Study – Spring 2018
- Compensation Study – Fall 2018
- Disaster Council/EOC Training – On-going
- Labor Negotiations – Summer 2018
- Technology/Hardware Refresh
  - Enterprise Resource Planning (ERP) System Assessment & Implementation Plan
    - Needs Assessment Vendor awarded, kick-off May 2018
  - Desktop computer replacement – Regulatory compliance by 2020

# Intergovernmental Partnerships – Ongoing

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- UC Merced 2020 Plan
  - Parking Agreement – June 2018 for retro authority
  - Fire Services Discussions
- Merced College
  - Workforce Development
  - Public Safety Training/Academy
- Merced County
  - Permanent Supportive Housing
  - Regional Fast Water Rescue Team
  - Workforce Investment – temporary workers
  - IRWM - Black Rascal Detention Basin
- MID Collaboration on Groundwater Management
  - Merced Irrigation-Urban GSA (MIUGSA)
  - Merced Area Groundwater Pool Interests (MAGPI)/Groundwater Sustainability Plan (GSP) development
- San Joaquin Valley Rail Working Group
- MCAG
  - Pavement Management System – Summer 2018

# Infrastructure Planning

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- Sewer Master Plan

- EIR Completion – Spring 2019
- Assessment District formation – Spring 2019

- Local Roads – Summer 2018

- Complete Pavement Management System to evaluate needs of City roads and sidewalks
- Complete Alternative Transportation Plan to identify projects within the City
- Utilize to allocate Measure V, SB 1, RTP funding

- Speed Zone Study – Spring 2018

- Utility Rate Study – Spring/Summer 2018

- Water Rate Study – in progress
- Refuse Rate Study – Summer 2018

# Future Planning

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- CalPERS Discount Rate
  - Financial Advisory Services selected March 2018
  - Trust 115 to be evaluated in July
- Measure C Transition – ongoing
- Employee Recruitment & Retention – ongoing
- Fire Standards of Cover
  - Study completed – April 2018
  - Strategic Plan – Summer/Fall 2018
- Enterprise Resource Planning (ERP) System & Hardware Upgrades – Continued Funding
- On-going Operational Sustainability
  - Technology replacement program
  - Fleet replacement program
  - Facility maintenance
- Sign Ordinance Update – Spring 2019

# Council Priorities

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- Police Station/Fire Station/Public Works Yard/Park Restrooms
- Youth/Recreation Programs
- Quiet Zones/Railroad Safety
- Economic Development
- Campus Parkway
- Parks Maintenance
- Code Enforcement/Garbage/Blight
- Measure C Transition
- Employee Compensation
- Additional Police/Dispatch/Code Enforcement
- Homelessness/Pan Handling
- Local Roads/Sidewalks/Traffic
- Downtown Projects
- Public Art
- Housing Projects
- Welcome Signs



## ADMINISTRATIVE REPORT

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**Agenda Item J.2.**

Meeting Date: 5/21/2018

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*Report Prepared by: Mike Conway, Assistant to the City Manager*

**SUBJECT:** Direction on Establishing an Arts and Culture Advisory Commission with the City of Merced

### REPORT IN BRIEF

Provides the City Council with an update on the progress that has been made to establish a Public Arts and Culture Advisory Commission in the City of Merced.

### RECOMMENDATION

Provide staff with further direction as necessary on the creation and implementation of a City Arts Commission.

### AUTHORITY

Article VII, Sections 700, 702, 702.1, 707 and 708 of the Merced City Charter.

### CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

### DISCUSSION

On August 7, 2017, Council Member Martinez presented the concept of establishing an Arts Commission within the City of Merced. Council provided staff direction to explore the necessary steps to move forward. On November 6, 2017 staff presented the research that took place, including what other jurisdictions have done to establish and implement a local Arts Commission and the benefits to the community. Staff received direction from the Council to reach out to local partners and explore options.

Staff held three meetings with stakeholders: March 9, April 17 and May 4. The group discussed elements that were needed to draft an ordinance including: purpose, membership, duties and responsibilities and funding.

Council was given an update March 19, 2018 and further direction was provided to staff. The information from the Council was incorporated into the next meeting with the stakeholders on April 17, 2018, which was held after regular work hours.

After the first two stakeholder meetings staff created a draft ordinance forming an Arts Commission using the information and framework provided by the group and the Council. The proposed ordinance

was presented to the group at the May 4, 2018 meeting. The stakeholders reviewed the document and provided comments. They decided that arts and culture were inter-related and that the commission's scope should be broadened to encompass both. In addition, the group spent time focusing the responsibilities of the Commission to seven areas.

Staff is asking the Council to review the proposed ordinance and provide any feedback they may have on the document. Staff will incorporate any changes and send it to the City Attorney's Office for its review. The finished ordinance will be ready for first reading by early summer.

### **IMPACT ON CITY RESOURCES**

No appropriation of funds is needed.

### **ATTACHMENTS**

1. Proposed Draft of Arts Commission Resolution and Ordinance
2. Arts Commission Presentation

### Resolution Adopting the Ordinance

Whereas, The City Council believes that the arts serve an important role in establishing and enhancing the quality of life in the community; and

Whereas, the City Council believes that the arts instill in the community civic pride and a sense of cultural identity and serve to bring together the people of the city; and

Whereas, the City Council believes that the arts should be supported and sustained for the betterment of the community; and

Whereas, the City Council believes that public art and the performing arts have a multitude of benefits to the community and has supported public art and the performing arts through such projects as the Merced MultiCultural Arts Center, the murals on the MainPlace Merced Theatre, the murals on the G Street Undercrossing, the Merced Open Air Theatre and the Merced Theatre; and

Whereas, the City Council believes that the Merced County Arts Council has inspired and nurtured the arts in the community for four decades, and that the City of Merced Arts and Cultural Advisory Commission should work in collaboration with the Merced County Arts Council and other community arts groups; and

Whereas, the City Council believes that an Arts and Culture Advisory Commission can further the Council's goal of promoting public art and cultural activities within the City, provide oversight in public art and enrich the community's appreciation of arts and culture.

### Chapter – ARTS AND CULTURE ADVISORY COMMISSION

#### **Sections:**

##### **I. Purpose.**

The purpose of the Arts and Culture Advisory Commission is to serve as an advisory body to the City Council on matters having to do with public art, art projects, cultural program and activities and the promotions of the arts within the City of Merced. In forming the Arts and Culture Advisory Commission, it is the intent of the City Council to foster the arts in the City of Merced, and to help implement policy, programs, and standards for public art.

##### **II. Establishment.**

Pursuant to Section 700 of the Charter, there is hereby established an Arts and Culture Advisory Commission which shall consist of seven (7) voting members. Six (6) voting members of the commission shall be from the established City Council voting districts and the seventh member shall be appointed at large. All seven (7) voting members must be qualified electors of the City of Merced.



A. Members shall have knowledge, expertise or experience in one of more of the following areas:

1. Visual, performing, literary, music or other types of art
2. Planning, historical, preservation, architectural background
3. Economic development, business, marketing, public relations
4. Member of artistic, cultural, community organization
5. Educational partner

B. A majority of the voting members of the commission shall constitute a quorum.

C. In accordance with Section 702 of the Charter, members shall be appointed by at least four (4) affirmative votes of the City Council and subject to removal by motion of the City Council adopted by at least five (5) affirmative votes.

D. The City Council may appoint an additional four (4) members to sit on the commission as ex-officio, nonvoting members. Said ex-officio, nonvoting members may be non-city residents who live within the City of Merced's sphere of influence who demonstrate expertise in any number of art disciplines, or other areas of expertise or knowledge.

### III. Terms.

A. In accordance with Section 702 of the Charter, the Arts and Culture Advisory Commission members shall serve for a term of four (4) years and until their respective successors are appointed and qualified.

B. Notwithstanding subsection A of this section, the members of the Arts and Culture Advisory Commission shall, on the first meeting following the establishment of the commission, draw lots to determine the three (3) initial members that will serve for a term of two (2) years.

### IV. Meetings.

Regular Arts and Culture Advisory Commission meetings shall be held on \_\_\_\_\_ at \_\_\_\_\_ or as otherwise set by resolution of the City Council. The meetings shall be conducted in accordance with Section 704 of the Charter.

### V. Officials.

A. In accordance with Section 704 of the Charter, the members of the Arts and Culture Advisory Commission shall, as soon as practical following the first day of July, organize by electing two (2) of the seven (7) voting members to serve as chair and vice-chair at the pleasure of the commission.

B. Notwithstanding subsection A of this section, the members of the Arts and Culture Advisory Commission shall, on the first meeting held following the establishment of the commission, elect a chair and vice-chair to serve until their successor is elected following the first day of July.

#### VI. Jurisdiction of the Commission.

The Arts and Culture Advisory Commission shall have the responsibilities as provided below:

- A. Provide recommendations to the City Council and other appointed bodies and City departments for the following:
1. Displays of art within a public facility, or any public art within the City, or exterior space for outdoor visual art, or promote the arts for city beautification and to enhance the quality of life;
  2. Programs that promote art or enhance cultural development;
  3. Act as a resource to the community and local arts and culture for mentorship, internships, facilitating process, marketing and advocating;
  4. Coordinate and collaborate with the Merced County Arts Council, and other individuals and groups, both private and public, to support, promote, enhance and recognize artistic endeavors and cultural activities that are reflective of the community across all cultures, races and stages of life;
  5. Recommend funding options that maximize opportunities for sustainable projects that incorporate preventative maintenance for public arts projects and cultural activities throughout the City;
  6. Recommend the establishment of artistic standards across disciplines; and
  7. Such other duties as the City Council may proscribe.

# Art Commission Update

City of Merced

May 21, 2018

# Overview

- Council Member Martinez proposed the development of a Public Arts Commission – August 7, 2017
- Staff presented research and received direction to move forward – November 6, 2017 and March 19, 2018
- Stakeholder meetings to solicit input – March 9, April 17 and May 4, 2018

# Community Stakeholders

Arbor Gallery

Art Hop

Building Healthy Communities

Citizens for the Betterment of  
South Merced

Downtown Neighborhood  
Association

Main Street Association

Mariposa Art Company

Merced Chamber of Commerce

Merced City School District

Merced College

# Purpose

- Act in an advisory capacity to the City Council in the following areas:
  - Public art
  - Art projects
  - Cultural programs and activities
- Allow the City Council to do the following:
  - Foster arts within the City
  - Implement policy, programs and standards for public art

# Membership

A community-wide commission with 7 members (6 district, 1 at-large) of city residents who serve a 4-year term with knowledge, expertise, or experience in one or more of the following areas:

- Visual, performing, literary, music or other types of art
- Planning, historical, preservation, architectural background
- Economic development, business, marketing, public relations
- Member of artistic, cultural, community organization
- Educational partner

Establishes 4 ex-officio, non-voting members that maybe non-city residents, who live in the sphere of influence demonstrating an area of expertise needed by the Arts Commission

# Duties and Responsibilities

Provide recommendations to the City Council, other appointed bodies and City Departments for the following:

1. Displays of art within a public facility, or any public art within the City or exterior space for outdoor visual art, or promote the arts for city beautification and to enhance the quality of life;
2. Programs that promote art or enhance cultural development;
3. Act as a resource to the community and local arts and culture for mentorship, internships, facilitating process, marketing and advocating;



# Duties and Responsibilities

4. Coordinate and collaborate with the Merced County Arts Council, and other individuals and groups, both private and public, to support, promote, enhance and recognize artistic endeavors and cultural activities that are reflective of the community across all cultures, races and stages of life;
5. Recommend funding options that maximize opportunities for sustainable projects that incorporate preventative maintenance for public arts projects and cultural activities throughout the City;
6. Recommend the establishment of artistic standards across disciplines; and
7. Such other duties as the City Council may proscribe.

# Funding Options

- Grants
  - SB 5 potential opportunities and other grants
- Capital Improvement Projects
  - Develop policy to allocate 1% of CIPs to include artistic/cultural element
- Non-profit Partnership
  - Partner with community groups to raise funding for projects
  - Private donor proposals
- Impact Fees
  - Developer contribution to local art within the community
- General Fund
  - Council allocate funding through the budget process
    - Youth programs
    - Community Festivals

# Next Steps for Implementation

- City Attorney to format ordinance for Council consideration
- Provide notice to the public of the hearing
- Hold a Public Hearing introduction of Ordinance
- Second Reading of Ordinance
- 30 day effective period
- Discuss Council appointment process



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item J.3.**

Meeting Date: 5/21/2018

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*Report Prepared by: Steven S. Carrigan, City Manager*

**SUBJECT:** City of Merced Fiscal Year 2018-19 Budget

### **REPORT IN BRIEF**

Review of the City Manager's proposed FY 2018-19 Budget.

### **RECOMMENDATION**

For information and discussion only.

### **AUTHORITY**

Charter of the city of Merced, Section 1104

### **CITY COUNCIL PRIORITIES**

As provided for by the City Council during priority setting session.

### **DISCUSSION**

The City Council and the Public to be presented the City Manager's proposed FY 2018-19 budget.



# CITY OF MERCED

Merced Civic Center  
678 W. 18th Street  
Merced, CA 95340

## ADMINISTRATIVE REPORT

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**Agenda Item K.1.**

Meeting Date: 5/21/2018

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**SUBJECT:** Council Member Belluomini's Request to Form a Subcommittee to Review Informational Mailings for a November Ballot Measure

### REPORT IN BRIEF

This item is in response to Council Member Belluomini's request to discuss the informational mailings prepared by the City's elections consultant to educate the community regarding the need for a November ballot measure in support of the construction of a Police Station, Fire Stations, Public Works Facilities and the upgrade of park restrooms. It was requested that an ad hoc committee be formed of the Council to provide input on the mailings to the City's elections consultant.

### RECOMMENDATION

It is requested Council give staff direction on this item and select an ad hoc committee to review the mailers if it so desires.