City of Stockton

City Council/Successor Agency of the Redevelopment Agency/Public Financing Authority
Concurrent Agenda

Meeting Agenda - Final

Tuesday, June 25, 2013

Closed Session 4:00 | Regular Session 5:30

Council Chamber, City Hall, 425 N El Dorado Street

City Council

Anthony Silva, Mayor/Chair
Paul Canepa, Vice Mayor (District 3)
Elbert H. Holman Jr. (District 1)
Katherine M. Miller (District 2)
Moses Zapien (District 4)
Dyane Burgos (District 5)
Michael D. Tubbs (District 6)
1. CLOSED SESSION CALL TO ORDER/ROLL CALL

2. ADDITIONS TO CLOSED SESSION AGENDA

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 13-0489 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Five

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)

Name of Case: City of Stockton v. Marina Towers LLC, et al. (San Joaquin County Superior Court Case No. CV022054)

Name of Case: Richard Price, et al. v. City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern District Case No. CIV.S-02-0065 LKK JFM)

This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.

Department: City Attorney

3.2 13-0490 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Bob Deis

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

Department: City Attorney
3.3 13-0491 CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: Two

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(c).

Department: City Attorney

3.4 13-0492 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(b).

Department: City Attorney

4. PUBLIC COMMENT*

*Citizens may comment on any subject within the jurisdiction of the City Council/Successor Agency to the Redevelopment Agency, including items on the Agenda. Each speaker is limited to three minutes. Speakers must submit “Request to Speak” cards to the City Clerk, and be prepared to speak when called. No speaker cards will be received after the close of the Citizen’s Comments portion of the meeting.

5. RECESS TO CLOSED SESSION

6. REGULAR SESSION CALL TO ORDER/ROLL CALL

7. INVOCATION/PLEDGE TO FLAG

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

9. ADDITIONS TO REGULAR SESSION AGENDA**

**Additions to the Agenda - Government Code Section 54954.2(b)(2), allows members of the City Council present at the meeting to take immediate action, with either a two-thirds or unanimous vote, to place an item on the agenda that action must be taken and that the item came to the attention of the City subsequent to the agenda being posted.

10. PROCLAMATIONS, COMMENDATIONS, OR INVITATIONS

11. CITIZENS’ COMMENTS, ANNOUNCEMENTS, OR INVITATIONS*

12. CONSENT AGENDA

12.1 13-0326 CREATE A NEW UNCLASSIFIED/UNREPRESENTED CLASSIFICATION FOR THE COMMUNITY DEVELOPMENT
DEPARTMENT

RECOMMENDATION
It is recommended that the City Council adopt a Resolution creating the new unclassified/unrepresented classification, and establishing the salary range for Assistant Director of Community Development.

Department: Human Resources

12.2 13-0386 DEDICATION OF AN EMERGENCY VEHICLE ACCESS EASEMENT AND A MAINTENANCE EASEMENT TO STOCKTON UNIFIED SCHOOL DISTRICT THROUGH A PORTION OF BLOSSOM CIRCLE AT HORSETAIL DRIVE

RECOMMENDATION
It is recommended that the City Council adopt a resolution authorizing the grant of an emergency vehicle access easement and maintenance easement to Stockton Unified School District (“SUSD”) at the terminus of Blossom Circle at Horsetail Drive adjacent to S. L. Fong Park.

Department: Economic Development

12.3 13-0424 MOTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE POLICIES WITH METROPOLITAN LIFE FOR LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT BENEFITS AND RELIANCE FOR LONG TERM DISABILITY BENEFITS

RECOMMENDATION
It is recommended that the City Council approve a motion authorizing the City Manager to award bids and execute policies with Metropolitan Life (MetLife) as the City’s Life and Accidental Death and Dismemberment (AD&D) Benefit Provider and Reliance as the City’s Long Term Disability (LTD) vendor.

Department: Human Resources

12.4 13-0441 AMENDMENTS TO THE MEMORANDUMS OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE FIRE UNIT AND FIRE MANAGEMENT UNIT AND MODIFICATIONS TO THE UNREPRESENTED MANAGEMENT/CONFIDENTIAL AND LAW EMPLOYEES’ COMPENSATION PLAN

RECOMMENDATION
It is recommended that the City Council adopt by motion the attached Amendments to the Fire Unit and Fire Management Unit Memorandums of Understanding (MOU’s) expiring on June 30, 2013, and modifications to the Unrepresented Management/Confidential and Law Employees’
Compensation Plan. The City Council adoption will authorize the City Manager to execute the MOU amendments and compensation plan modifications and also authorizes the City Manager to take whatever actions are appropriate to carry out the implementation of these amendments.

**Department:** Human Resources

### 12.5 13-0449 COMPUTER SERVICES AGREEMENT FOR THE SAN JOAQUIN COUNTY CRIMINAL JUSTICE INFORMATION SYSTEM

**RECOMMENDATION**

It is recommended that City Council adopt a resolution authorizing an agreement with San Joaquin County for the City of Stockton Police Department’s access and use of the County Criminal Justice Information System, and authorizing the City Manager to execute the agreement in the amount of $54,218, for a one-year period.

**Department:** Police

### 12.6 13-0451 AUTHORIZATION TO PAY SAN JOAQUIN GENERAL HOSPITAL FOR SEXUAL ASSAULT EXAMINATIONS

**RECOMMENDATION**

It is recommended that City Council adopt a motion authorizing the payment to San Joaquin General Hospital for sexual assault examinations that under Penal Code section 13823.95, the City is obligated to pay.

**Department:** Police

### 12.7 13-0456 AWARD CONTRACT TO CALIFORNIA MATERIALS, INC. FOR TRUCK HAULING SERVICES FOR ASPHALT CONCRETE AND ASPHALT CONCRETE GRINDINGS FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-07

**RECOMMENDATION**

It is recommended that the City Council approve a motion adopting the specifications, and authorizing the City Manager to execute a one-year contract in the amount of $237,500 with California Materials, Inc. for Truck Hauling Services for Asphalt Concrete and Asphalt Concrete Grindings, Project No. 13-07, for fiscal year 2013-2014.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

**Department:** Public Works
12.8 13-0457  AWARD CONTRACT TO GEORGE REED, INC. FOR THE PURCHASE OF HOT MIX ASPHALT FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014, PROJECT NO. 13-06

RECOMMENDATION

It is recommended that the City Council approve a motion that approves the specifications, and authorizes the City Manager to execute a one-year contract in the amount of $610,500 with George Reed, Inc. for the Purchase of Hot Mix Asphalt for the period of July 1, 2013 through June 30, 2014, Project No. 13-06.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

Department: Public Works

12.9 13-0458  AWARD CONTRACT TO ANRAK CORPORATION FOR ASPHALT CONCRETE COLD PLANING FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-05

RECOMMENDATION

It is recommended that the City Council approve a motion adopting the specifications, and authorizing the City Manager to execute a one-year contract in the amount of $121,250 with Anrak Corporation for Asphalt Concrete Cold Planing, Project No. 13-05, for fiscal year 2013-2014.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

Department: Public Works

12.10 13-0460  LODI UNIFIED SCHOOL DISTRICT AFTER SCHOOL SAFETY PROGRAM CONTRACT

RECOMMENDATION

It is recommended that the City Council adopt a motion authorizing the City Manager to execute the Lodi Unified School District (LUSD) Services Agreement Contract (Attachment A) for the After School Safety and Enrichment Program. The School District is a grant recipient and wishes to contract with the City of Stockton to staff and administer after-school programs at thirteen (13) sites within LUSD Stockton for the 2013-14 fiscal year, for an amount not to exceed $469,716. It is further recommended that the motion authorize the City Manager to make any and all appropriations and transactions appropriate to carry out the
funding for the Program.

**Department:** Community Services

### 12.11 13-0463 SEWER PIPELINE CLEANING PROJECT M13012

**RECOMMENDATION**

It is recommended that the City Council approve a motion authorizing the City Manager to execute a service contract with Nor Cal Pipeline Services of Yuba City, California in the amount of $365,500 for Sewer Pipeline Cleaning Services (Project M13012) (Attachment A).

**Department:** Municipal Utilities

### 12.12 13-0546 COUNCIL AUDIT COMMITTEE MEETING OF JUNE 11, 2013

**RECOMMENDATION**

Motion to accept for filing the Audit Committee meeting minutes of June 11, 2013.

**Department:** City Council

### 12.13 13-0547 APPROVAL OF MINUTES

**RECOMMENDATION**

Motion approving the minutes of the Stockton City Council/Successor Agency to the Redevelopment Agency/Public Financing Authority Concurrent meeting of May 21, 2013; and, Special City Council Meetings of May 14, 2013 (Proposed Charter Amendment Study Session); June 3, 2013 (Budget Study Session); June 4, 2013 (Budget Study Session); and, June 18, 2013 (Closed Session).

**Department:** City Clerk

### 13. ADMINISTRATIVE MATTERS

### 14. UNFINISHED BUSINESS

### 15. NEW BUSINESS

#### 15.1 13-0429 MINOR AMENDMENT TO CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION AND THE CITY OF STOCKTON TO PROVIDE THE PROVISIONS OF RETIREMENT LAW SECTION 20475 (DIFFERENT LEVEL OF BENEFITS) TO POLICE SAFETY EMPLOYEES
RECOMMENDATION

It is recommended that the City Council adopt a Resolution of Intention to Approve an Amendment to its contract with the California Public Employees’ Retirement System (CalPERS), to establish a third tier of retirement benefits for new employees in the Stockton Police Management Association (SPMA), the Stockton Police Officers’ Association (SPOA), and unrepresented police safety employees, pursuant to the SPOA and SPMA Memoranda of Understanding and Government Code section 20475 (Different Level of Benefits).

Department: Human Resources

15.2  13-0549  FUNDING PROPOSAL FOR STOCKTON’S MARSHALL PLAN ON CRIME AND RECOVERY FROM BANKRUPTCY

RECOMMENDATION

Schedule a noticed public hearing and consideration of a tax measure on July 9, 2013, for placement before the voters at the regularly scheduled election of November 5, 2013. On July 9 it will be recommended that the Council adopt a Resolution declaring a fiscal emergency; calling for the election and approving an Ordinance establishing the specificity for a ¾ cent sales tax to be considered by the voters.

Department: City Manager

15.3  13-0495  FISCAL YEAR 2012-13 GENERAL FUND THIRD QUARTER BUDGET UPDATE AND YEAR END PROJECTION

RECOMMENDATION

This item is informational only and does not require City Council action.

Department: Administrative Services

15.4  13-0401  SMG BUSINESS PLAN FOR FISCAL YEAR 2013-2014

RECOMMENDATION

It is recommended that the City Council accept, by motion, the Fiscal Year 2013-2014 Business Plan submitted by SMG (Attachment A).

Department: City Manager

15.5  13-0540  CITY MANAGER SELECTION PROCESS

RECOMMENDATION

Staff recommends that the City Council through motion action: 1) approve a general recruitment and selection process for hiring a new
City Manager, and 2) appoint an ad hoc committee, one member of which is the Mayor, to manage that process.

**Department:** City Manager

15.6 13-0507 NOMINEES FOR THE CITIZENS ADVISORY COMMITTEE, CALIFORNIA CORRECTIONAL HEALTH CARE SERVICES

**RECOMMENDATION**

It is recommended that the City Council by motion action, approve the nomination of a minimum of three individuals from the applications received to be submitted to the California Correctional Health Care Services Facility for selection by the Warden of two representatives to serve on the Citizens’ Advisory Committee.

**Department:** City Clerk

16. HEARINGS***

***Speakers should hold comments on items listed as a Hearing until the Hearing is opened. If a large number of people desire to speak at a Hearing, the Mayor/Chair may reduce the amount of time allocated to each speaker to three (3) minutes.


**RECOMMENDATION**

It is recommended that the City Council adopt a resolution that:

- Adopts the Fiscal 2013-2014 Annual Budget as part of the City’s Pendency Plan (while under protection of the bankruptcy code), and also adopts the Proposed 2013-2018 Capital Improvement Program, the Proposed 2013-2014 Fee Schedule and the 2013-2014 Constitutional (Gann) Appropriations Limit.

And it is recommended that the Successor Agency to the former Stockton Redevelopment Agency (Successor Agency) approve a resolution that:

- Adopts the Fiscal 2013-2014 Annual Budget for the Successor Agency to the former Stockton Redevelopment Agency (Exhibit 1 to the resolution).

**Department:** Administrative Services
17. COUNCIL COMMENTS

18. ADJOURNMENT

INFORMATIONAL ITEMS

All proceedings before the City Council/Successor Agency to the Redevelopment Agency/Public Financing Authority are conducted in English. The City of Stockton does not furnish interpreters and, if one is needed, it shall be the responsibility of the person needing one. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the City Council/Successor Agency to the Redevelopment Agency/Public Financing Authority, please contact the Office of the City Clerk at (209) 937-8459 at least 48 hours prior to the meeting to enable the City/Agency to make reasonable arrangements to ensure accessibility.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the Office of the City Clerk located at 425 North El Dorado Street, Stockton, California 95202 during normal business hours or by calling (209) 937-8459. The Agenda is available on the City of Stockton Website: www.stocktongov.com

CHALLENGING CITY DECISIONS: The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred.

If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Stockton, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interest

13-0459 INFORMATIONAL ITEM - SUMMER PROGRAMS OFFERED BY CITY OF STOCKTON

RECOMMENDATION

This item is informational only and does not require City Council action.

Department: Community Services
CONSENT AGENDA

AGENDA ITEM 12.01
CREATE A NEW UNCLASSIFIED/UNREPRESENTED CLASSIFICATION FOR THE COMMUNITY DEVELOPMENT DEPARTMENT

RECOMMENDATION
It is recommended that the City Council adopt a Resolution creating the new unclassified/unrepresented classification, and establishing the salary range for Assistant Director of Community Development.

Summary
The Community Development Department is requesting the establishment of the new unclassified/unrepresented full-time classification of Assistant Director of Community Development. This single incumbent position will fulfill the ongoing need to re-engineer and change the culture of the community development function and co-manage the day-to-day operations of the City’s Permit Center, as well as to help provide coverage to seven boards, commissions and committees appointed by the City Council, to help serve as an ex-officio member on various neighborhood councils, and to attend and occasionally speak at public interest forums and interest group meetings. The incumbent will serve as Acting Director (in the absence of the Director) and Manager of the Business Operations Division.

DISCUSSION

Background
At the Stockton City Council Meeting of June 12, 2012, the City Manager’s Office brought forth a comprehensive review of the Community Development Department and the City’s Permit Center. Management Partners, Inc. conducted that nine-month long review process, resulting in the production of an Implementation Action Plan (IAP) that was widely endorsed by the City Council. Then on August 28, 2012, the City Manager’s Office brought forth a complementary set of recommendations as part of the Urban Land Institute’s report on Downtown Revitalization (ULI Report - endorsed by City Council). In essence, changes to the permit process and the way of doing business at the Permit Center would complement and incentivize private sector investment in the Downtown.

The item now before the City Council is a step towards realizing the recommendations of the IAP and the ULI Report. It would create an Assistant Director position within the Community Development Department, to build management capacity over the critical work of the Department, in both internal and external regards.
Present Situation

In recent months, the Director has recruited new Deputy Directors for the Planning & Engineering Division and the Building & Life Safety Division. The Director and his new management team have drafted a comprehensive reorganization plan that improves capacity to address mandates and anticipated issues now and over the next few years. These efforts are in addition to permit process changes, workflow changes, professional growth training, organizational development activities, and an overhaul of the Permit Center to make it customer friendly.

The recommended position, Assistant Director of Community Development, has direct and indirect cost savings. The cost of retaining expert consultants will be reduced as the Director is available to represent the City’s interests at various hearings, meetings and internal reviews. The Assistant Director, once staffed, will complete the balance of the re-engineering of the Department and the Permit Center (an inside function), freeing-up the Director to engage in his role as the City’s liaison or representative to regional boards (an outside function).

The level and scope of the duties warrant that the Assistant Director of Community Development will be excluded from Civil Service, placed in the Unrepresented Management unit, and be exempt (administrative) from the provisions of the Fair Labor Standards Act. It is recommended that the monthly salary be set in accordance with the salary range for Assistant Director of Municipal Utilities, which is 14.22% lower than the Director of Community Development and 5.68% higher than the Deputy Director - Building and Life Safety.

Staff recommends the salary range for Assistant Director of Community Development be set as follows:

<table>
<thead>
<tr>
<th>Assistant Director of Community Development /Unit MV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclassified/Unrepresented</td>
</tr>
<tr>
<td>Monthly</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>$9,380.80</td>
</tr>
<tr>
<td>Annual</td>
</tr>
</tbody>
</table>

FINANCIAL SUMMARY

Funding and position allocation for staffing this position is included in the Department’s budget request for Fiscal Year 2013-14 in Community Development Administration account 048-1810-510. Recruitment or appointment to the position will not commence until the Council authorizes that funding as a part of the overall Budget process.
RESOLUTION CREATING A NEW UNCLASSIFIED/UNREPRESENTED CLASSIFICATION AND ALLOCATING THE SALARY RANGE FOR ASSISTANT DIRECTOR OF COMMUNITY DEVELOPMENT

It is necessary to establish an additional class to provide an Assistant Director in the Community Development Department; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The unclassified/unrepresented classification of Assistant Director of Community Development is hereby created and excluded from the competitive service with the salary approved as follows:

<table>
<thead>
<tr>
<th>Assistant Director of Community Development / Unit MV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclassified/Unrepresented</td>
</tr>
<tr>
<td>Monthly</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>$9,380.80</td>
</tr>
<tr>
<td>Annual</td>
</tr>
<tr>
<td>$112,569.60</td>
</tr>
</tbody>
</table>

2. The Director of Human Resources is hereby directed to prepare the appropriate class specification in accordance with section 2.36.080 of the Stockton Municipal Code.

3. The City Manager is hereby authorized and directed to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED _______June 25, 2013_________.

________________________________
ANTHONY SILVA, Mayor
of the City of Stockton

ATTEST:

________________________________
BONNIE PAIGE,
City Clerk of the City of Stockton
DEDICATION OF AN EMERGENCY VEHICLE ACCESS EASEMENT AND A MAINTENANCE EASEMENT TO STOCKTON UNIFIED SCHOOL DISTRICT THROUGH A PORTION OF BLOSSOM CIRCLE AT HORSETAIL DRIVE

RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the grant of an emergency vehicle access easement and maintenance easement to Stockton Unified School District ("SUSD") at the terminus of Blossom Circle at Horsetail Drive adjacent to S. L. Fong Park.

Summary

The City of Stockton previously abandoned a portion of Blossom Circle south of Horsetail Drive and adjacent to the KB Home subdivision known as Riverbend (Attachment A - Resolution 08-0137). That abandonment closed an unnecessary access point which SUSD now requires for an emergency vehicle access easement and a maintenance easement in connection with the development of Peyton Elementary School. The dedication area for the subject easement interests is adjacent to S. L. Fong Park (Attachment B - Vicinity Map and Attachment C - Aerial Map). SUSD has paid the necessary fees to process the dedication.

DISCUSSION

KB Home previously applied for abandonment of a portion of Blossom Circle at Horsetail Drive as a condition of developing its Riverbend subdivision. KB Home’s project south of Blossom Circle will ultimately result in the development of 585 single-family homes and the Public Works Department agreed with the original abandonment for this segment of the Blossom Circle right-of-way. As part of the Riverbend development, SUSD built Peyton Elementary School. After the school was built, the need for an additional emergency vehicle access point arose. Staff has now determined that the remnant of property from the abandonment can be used as an alternative access point for emergency vehicles in the event primary access points are blocked.

Title to the area of proposed dedication is vested in the City of Stockton. Also included in this proposed action is a Maintenance Easement, which will allow SUSD to maintain the subject area. SUSD has agreed to this condition which will remove the burden of maintenance from the City of Stockton.

Notification

The City Charter requires the publication of a notice at least ten days prior to Council Action to grant or convey an interest in real property. Therefore, a "Notice of Intention to Grant or Sell Real Property
ENVIRONMENTAL CLEARANCE

It has been determined by the Community Development Department that this action/project is exempt from the requirements of the California Environmental Quality Act (CEQA) as specified in Section(s) 15301, Class 1 of the State CEQA Guidelines.

In accordance with Section 65402 of the Government Code, the Community Development Department further determined that this project or action conforms to the City’s General Plan designation for the site and with the General Plan Policy Document, as amended.

FINANCIAL SUMMARY

The applicant, Stockton Unified School District, has paid the necessary fees to process the dedication. There is no financial impact to the City.

Attachment A - Resolution 08-0137
Attachment B - Vicinity Map
Attachment C - Aerial Map
RESOLUTION AUTHORIZING SUMMARY VACATION AND
ABANDONMENT OF A PORTION OF BLOSSOM CIRCLE AT
HORSETAIL DRIVE AND RESERVING PUBLIC UTILITY EASEMENTS,
MORE PARTICULARLY DESCRIBED HEREINAFTER

WHEREAS, the portion of Blossom Circle (more particularly described in the map
and legal description attached as Exhibits A & B and incorporated by this reference), which
is to be abandoned through this resolution, are vested in the City of Stockton; and

WHEREAS, the proposed abandonment area is eligible for consideration as a
summary vacation pursuant to Streets and Highways Code Section 8334 without the
requirement of a public hearing; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS
FOLLOWS:

1. This action is taken pursuant to Chapter 4 of Part 3 of the California Streets
and Highways Code sections 8330, et seq., the Summary Vacation Procedure of the Public
Streets, Highways, and Service Easements Vacation Law.

2. It is hereby found and determined that the subject property meets the criteria
set forth in the Streets and Highways Code Section 8334:

   An excess right-of-way of a street or highway not required for street or
   highway purposes.

3. The summary vacation and abandonment of a portion of Blossom Circle and
reserving public utility easements, more particularly described in the attached Exhibits A &
B is authorized and approved and hereby declared abandoned.
4. Recordation of a certified copy of this resolution is hereby authorized, with the effective date of the vacation of the above-described area to be the date of recordation of the certified copy of this resolution in the land records office of San Joaquin County, and, on said date, the subject abandonment area shall no longer constitute a street pursuant to the provisions of the Streets and Highways Code Section 8336.

5. Fee title to the abandonment area is vested in:

THE CITY OF STOCKTON; and EUGENE K. PATT, IV, and YVETTE PATT

6. All City departments and local utilities have been notified and there are no objections to the proposed abandonment.

7. In accordance with Section 65402 of the Government Code, this project/activity has been determined to conform with the City's General Plan Policy Document, as amended.

8. This project is categorically exempt under the State CEQA Guidelines as specified in Section(s) 15305, Class 5 of the State CEQA Guidelines.

9. The City Manager is hereby authorized to execute the documents necessary, if any, to carry out the purposes hereof.

10. The applicant, KB Home, has paid the necessary fees to process this abandonment.

PASSED, APPROVED and ADOPTED APR - 8 2008

EDWARD J. CHAVEZ, Mayor of the City of Stockton

ATTEST:

KATHERINE GONG III, C.E.
City Clerk of the City of Stockton
EXHIBIT A
LEGAL DESCRIPTION

DESCRIPTION FOR THE ABANDONMENT OF A PORTION OF BLOSSOM CIRCLE
(EAST PORTION OF BLOSSOM CIRCLE)

All that portion of Blossom Circle as dedicated to the public for public use on the map of "Blossom Ranch, Unit No. 4" as filed in Book 34 of Maps and Plats, at Page 22, San Joaquin County Records, in the City of Stockton, San Joaquin County, California and being a portion of Section 41 of the C.M. Weber Grant, being more particularly described as follows:

Beginning at the southwest corner of Lot 153 as shown on said map of "Blossom Ranch, Unit No. 4"; thence, along the southerly line of said "Blossom Ranch, Unit No. 4", South 68°36'10" West 30.00 feet, to the southwest corner of said "Blossom Ranch, Unit No. 4"; thence, along the westerly line of said "Blossom Ranch, Unit No. 4", North 21°23'50" West 105.50 feet, to the beginning of a non-tangent curve to the left, from which a radial line bears North 03°58'47" East, having a radius of 70.00 feet, a central angle of 32°33'25", and a chord bearing and distance of North 77°42'05" East 39.24 feet; thence, along the arc of said curve, 39.78 feet, to the beginning of a reverse curve to the right, from which a radial line bears South 28°34'38" East, having a radius of 90.00 feet, a central angle of 07°10'48", and a chord bearing and distance of North 65°00'46" East 11.27 feet; thence, along the arc of said curve, 11.28 feet, to the northwesterly corner of said Lot 153; thence, along the westerly line of said Lot 153, South 23°36'10" West 28.28 feet; thence, continuing along the westerly line of said Lot 153, South 21°23'50" East 80.00 feet, to the point of beginning.

Said abandonment containing a total of 3216 square feet, more or less.

Reserving an easement for public utilities over and across a portion of the above described land, being more particularly described as follows:

Beginning at the northwesterly corner of said Lot 153, thence South 23°36'10" West 28.28 feet, along the westerly line of said Lot 153; thence, leaving the westerly line of said Lot 153, North 21°23'50" West 18.74 feet, to the beginning of a non-tangent curve to the left, from which a radial line bears North 21°23'50" West, having a radius of 70.00 feet, a central angle of 07°10'48", and a chord bearing and distance of
North 65°00'46" East 8.77 feet; thence, along the arc of said curve, 8.77 feet, to the beginning of a reverse curve to the right, from which a radial line bears South 28°34'38" East, having a radius of 90.00 feet, a central angle of 07°10'48", and a chord bearing and distance of North 65°00'46" East 11.27 feet; thence, along the arc of said curve, 11.28 feet, to the point of beginning.

Said reservation containing a total of 188 square feet more or less.
EXHIBIT A
LEGAL DESCRIPTION

DESCRIPTION FOR THE ABANDONMENT OF A PORTION OF BLOSSOM CIRCLE
(WEST PORTION OF BLOSSOM CIRCLE)

All that portion of Blossom Circle as dedicated to the public
for public use in Official Records as Instrument Number
99124154, San Joaquin County Records, lying in the City of
Stockton, San Joaquin County, California, and being a portion of
Section 41 of the C.M. Weber Grant, being more particularly
described as follows:

Beginning at the southeast corner of Parcel 2 as shown in Book
20 of Parcel Maps, at Page 56, San Joaquin County Records;
thence, along the southerly line of said Parcel 2,
South 68°36'10" West 30.00 feet, to a point on the westerly line
of said Blossom Circle; thence, along the westerly line of said
Blossom Circle, North 21°23'50" West 132.69 feet; thence, to the
beginning of a non-tangent curve to the left, from which a
radial line bears North 37°36'00" East, having a radius of
70.00 feet, a central angle of 33°37'13", and a chord bearing
and distance of South 69°12'36" East 40.49 feet; thence, along
the arc of said curve, 41.08 feet, to a point on the easterly
line of said Parcel 2; thence, along the easterly line of said
Parcel 2, South 21°23'50" East 105.50 feet, to the point of
beginning.

Containing a total of 3492 square feet, more or less.

Reserving an easement for public utilities over and across all
of the above described land.
CURVE TABLE

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<th>RADIUS</th>
<th>LENGTH</th>
<th>CHORD</th>
<th>CH BEARING</th>
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<td>70.00'</td>
<td>41.08'</td>
<td>40.49'</td>
<td>S69°12'36&quot;E</td>
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</table>

SCALE: 1" = 40'
RESOLUTION AUTHORIZING THE DEDICATION OF AN EMERGENCY VEHICLE ACCESS EASEMENT AND A MAINTENANCE EASEMENT TO STOCKTON UNIFIED SCHOOL DISTRICT THROUGH A PORTION OF BLOSSOM CIRCLE AT HORSETAIL DRIVE ADJACENT TO S. L. FONG PARK

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The grant of the easements (emergency vehicle access and maintenance) to Stockton Unified School District through a portion of Blossom Drive adjacent to S. L. Fong Park via an Easement Deed from the City of Stockton, is hereby authorized and approved, more particularly described in the map and legal description attached hereto as Exhibits “1 and 2” hereto and incorporated herein by this reference.

2. These easements will provide emergency vehicle access and maintenance access to Stockton Unified School District through a portion of Blossom Drive adjacent to S. L. Fong Park.

3. Pursuant to the requirements of Article V, Section 510, of the Stockton City Charter, a “Notice of Intention to Grant or Sell Real Property Interest” was published on June 11, 2013.

4. Publication of the notice was paid for by Stockton Unified School District.

5. The City Manager is hereby authorized and directed to execute all documents necessary to carry out the purposes hereof, and to cause recordation of the appropriate documents herewith.

6. The City Manager is also authorized and directed to take whatever actions are appropriate and necessary to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED June 25, 2013.

ANTHONY SILVA, Mayor

ATTEST:

BONNIE PAIGE
City Clerk of the City of Stockton
MONTEZUMA ELEMENTARY SCHOOL
APN 173-040-32

THIS DEDICATION CONTAINS
2,588 + SQUARE FEET

POINT OF BEGINNING

FARMINGTON ROAD

FARMINGTON ROAD
RIGHT-OF-WAY DEDICATION
APN 173-040-32

CITY OF STOCKTON
DEPARTMENT OF PUBLIC WORKS

APPROVED BY:

DEPARTMENT OF PUBLIC WORKS

PROJECT SITE
VICINITY MAP
(NO SCALE)

CITY OF STOCKTON
DEPARTMENT OF PUBLIC WORKS
DESCRIPTION OF
FARMINGTON ROAD
RIGHT-OF-WAY DEDICATION
APN 173-040-32

A portion of Section Forty-six (46) of the C.M. Weber Grant "El Rancho del Campo de los Franceses", City of Stockton, San Joaquin County, California being more particularly described as follows:

Beginning at the southwesterly corner of that certain 1.26 acre tract of land as shown on County Survey No. 3947 on file in the Office of the County Surveyor of San Joaquin County California, also being a point on the northerly line of 80-foot wide Farmington Road (formally known as Sonora Road); thence North 16°55'00" West, along the westerly line of said 1.26 acre tract of land 11.00 feet; thence North 73°05'00" East, parallel with the northerly right-of-way line of said Farmington Road, 203.82 feet; thence along a 96.57-foot radius curve to the right, having a central angle of 20°46'40", an arc length of 35.02 feet and a long chord that bears North 83°28'20" East, 34.83 feet to a point of reverse curve; thence along a 72.57-foot radius curve to the left, having a central angle of 20°46'40", an arc length of 26.32 feet and a long chord that bears North 83°28'20" East, 26.17 feet to a point of tangency on the northerly right-of-way line on said Farmington Road; thence South 73°05'00" West, along said right-of-way line, 263.82 feet to the Point of Beginning.

Containing 2,588 square feet, more or less.

This description was prepared by me or under my direction this 2nd day of June 2010.

David W. Lanphear,
Licensed Land Surveyor No. 7520
License expires December 31, 2011
MOTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE POLICIES WITH METROPOLITAN LIFE FOR LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT BENEFITS AND RELIANCE FOR LONG TERM DISABILITY BENEFITS

RECOMMENDATION

It is recommended that the City Council approve a motion authorizing the City Manager to award bids and execute policies with Metropolitan Life (MetLife) as the City’s Life and Accidental Death and Dismemberment (AD&D) Benefit Provider and Reliance as the City’s Long Term Disability (LTD) vendor.

SUMMARY

The City requested bids from firms to provide Life, AD&D, and LTD benefits to the City’s employees through Bid PUR-12-024. Through this process, five bids were received and one was deemed non-responsive and rejected for not providing all required documents. Because of the nature of the bid, the award for any qualified bidder would be based on the lowest cost. The City’s Healthcare Consultant, The Segal Company, has calculated the estimated cost based upon the current volume of insurance for the Life, AD&D, and LTD coverage. The bid award to Metropolitan Life (MetLife) for Life and AD&D benefits and Reliance for LTD is based on the lowest cost to the City.

The proposed policies (Attachments A and B) with each vendor will be effective on July 1, 2013, both with an initial term and rate guarantee of three (3) years.

DISCUSSION

Background

Since 1979, the City of Stockton’s provider for Life, AD&D, and LTD insurance has been The Standard Insurance Company (“Standard”). Although the City has been satisfied with Standard’s benefits and services, the current carrier has been a long-standing vendor working under an evergreen agreement. In accordance with the City Council’s Strategic Initiatives, Human Resources has been evaluating all long-standing benefits vendor contracts/policies and evergreen clauses, requesting bids or proposals to ensure the best possible service and competitive market rates. The bid for these services was issued on March 7, 2013, and was posted in the Stockton Record on March 9. The bid closed on April 3, 2013. Five bids were received for consideration.
Present Situation

The City currently provides life insurance to approximately 1,280 employees, AD&D coverage to 368 employees, and LTD benefits to approximately 790 employees. Benefit offerings are established through the collective bargaining process and differ per bargaining group.

The total premium costs for life, AD&D, and LTD premiums for fiscal year 2012/2013 are expected to be $610,000. Life insurance premiums are approximately 28%, or $169,000/yr. and AD&D accounts for less than 1%, or $5,000/yr. The majority of the premium expense, 71% or $436,000/yr., is for LTD benefits. These costs and ratios are consistent each year and only vary slightly due to plan participation fluctuation.

Through the bid process, five (5) providers submitted bids:

- MetLife
- Minnesota Life
- Reliance
- The Standard (current provider)
- Unum

The City’s Procurement Office rejected Unum’s bid as it did not provide all the required documents, and was subsequently removed from further consideration as having submitted a non-compliant proposal.

Segal performed a technical and financial review of the bids submitted and accepted. Through this process, Segal determined that MetLife submitted the lowest bid for the Life and AD&D coverage. Segal also determined that the City could save additional money by eliminating the “Waiver of Premium” provision, a provision which is part of the life insurance policy purchases through our current vendor.

The “Waiver of Premium” provision stipulates that the City’s obligation (as the policy holder) to pay premiums for a participant, is waived if the participant becomes disabled. This provision increases the monthly premium cost to build and maintain a reserve for periods of disability non-payment of premium by the City. Segal recommends that the City discontinue the Waiver of Premium provision, which would save approximately $17,700/year based on the lowest cost Life and AD&D bid. If there is no Waiver of Premium provision, the City would continue to pay a lower monthly premium for the life insurance benefit while an employee is disabled. Segal estimates that this will result in overall lower premium costs to the City and makes no benefit changes for employees.

The MetLife bid matches all the current Life and AD&D benefits and has a benefit improvement on an accelerated benefit. Accelerated benefits are life insurance benefits paid, in advance of the employee’s death when the employee is diagnosed with a terminal illness, as defined by the insurance certificate. MetLife provides up to 80% of coverage compared to the current benefit of up to 75% of coverage. MetLife has also earned an “A+” financial rating from A.M. Best Rating Service, a full-service credit rating organization dedicated to serving the insurance industry.

Segal also performed a technical and financial review of the LTD benefit and found that Reliance
submitted the lowest bid. Reliance matched all the current LTD benefits and with a benefit improvement on the guarantee issue amount. Guarantee issue is the amount of insurance that will become effective, without any information on the health condition or health background being submitted. Reliance provides up to $15,000 of monthly earnings compared to the current guarantee issue amount of up to $12,000. Additionally, according to A.M. Best Rating Service, Reliance has earned an “A” financial rating.

The bid was structured so that firms could submit premium rates based on three scenarios: Insuring Life and AD&D coverage only; Insuring LTD coverage only; and Insuring Life, AD&D, and LTD coverage. The financial summaries of the bids, prepared by Segal, are presented in Attachments C, D, and E:

- Attachment C: Rates for insuring Life and AD&D Coverage only
- Attachment D: Rates for insuring LTD benefits only
- Attachment E: Rates for insuring Life, AD&D, and LTD coverage

MetLife’s bid for Life and AD&D coverage provides an estimated annual savings of $42,700 (24%) from the current Life and AD&D contract. Without the Waiver of Premium provision, MetLife’s bid provides an additional annual savings of $17,700 for a total annual savings of $60,400 (35%). Based upon Segal’s review of the submitted and qualified bids, we recommend removing the Wavier of Premium provision for the Life and AD&D insurance, which brings the bid to $0.165 ($0.142 basic life and $0.023 AD&D)/per $1,000 of benefit through MetLife. These rates are noted in Attachment C.

The Reliance bid for LTD provides an estimated annual savings of $142,000 (33%) from the current vendor. We also recommend the lowest bid of 0.58% of insured earnings for LTD benefits through Reliance. This rate is noted on Attachment D.

The policies for both MetLife (Attachment A) and Reliance (Attachment B) will become effective July 1, 2013, for an initial three-year term through June 30, 2016. Staff and the City’s Healthcare consultant have reviewed the policies and are in agreement with the terms and conditions.

**FINANCIAL SUMMARY**

The total projected costs for the Life, AD&D, and LTD benefits for Fiscal Year 2013/2014 will be approximately $409,000. Sufficient funds are budgeted for Fiscal Year 2013/2014 in the LTD and Life Insurance Internal Service Fund account numbers 557-5930-571 (Life and AD&D) and 557-5920-571 (LTD). Executing these policies will result in savings in all 2013/2014 department employee services budgets with approximately 43% occurring in the General Fund.

Attachment A - MetLife Policy
Attachment B - Reliance Policy
Attachment C - Rate table for insuring Life and AD&D coverage only
Attachment D - Rate table for insuring LTD benefits only
Attachment E - Rate table for insuring Life, AD&D, and LTD coverage
Metropolitan Life Insurance Company ("MetLife"), a stock company, will pay the benefits specified in the Exhibits of this policy subject to the terms and provisions of this policy. The Schedule of Exhibits lists each Exhibit to this policy, to whom it applies and its effective date.

**Policyholder:** City of Stockton  
**Group Policy No.:** 151631-1-G

**EFFECTIVE DATE**

This policy will take effect on July 1, 2013.

**POLICY ANNIVERSARIES**

Policy anniversaries will be July 1, 2014 and each subsequent July 1.

**PREMIUM PAYMENTS**

This policy is issued in return for the payment by the Policyholder of required Premiums. Premiums are payable at the home office of MetLife or to its authorized agent. The first Premium is due on and must be paid by this policy’s effective date. Any later Premiums are due monthly in advance on the first day of each Policy Month. These dates are the Premium Due Dates.

**POLICY SITUS**

This policy is issued for delivery in and governed by the laws of California.

Signed as of this policy’s effective date at MetLife’s home office in New York, New York.

Christine M. DeBiase  
Vice President and Secretary

Steven A. Kandarian  
Chairman of the Board, President and Chief Executive Officer

Signed by ___________________  
(A MetLife licensed agent or resident agent as required by law.)

Date __________

THIS POLICY IS NOT IN LIEU OF AND DOES NOT AFFECT ANY REQUIREMENTS FOR WORKERS' COMPENSATION INSURANCE.
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DEFINITIONS

As used in this policy, the terms listed below will have the meanings defined below. When defined terms are used in this policy, they will appear with initial capitalization. The plural use of a term defined in the singular will share the same meaning.

**Contribution** means the amount the Policyholder may require the Member to pay towards the total Premium that MetLife charges for the insurance provided by this policy.

**Contributory Insurance** means insurance for which the Policyholder may require the Member to pay at least part of the Premium.

**Covered Person** means a Member and/or a Dependent as set forth in the Exhibit which applies to the Member.

**Employer** means the Policyholder shown on page 1.

**Member** is described in the Exhibit which applies to the Member.

**Noncontributory Insurance** means insurance for which the Policyholder may not require the Member to pay any part of the Premium.

**Policy Anniversary** is defined on page 1.

**Policy Month.** The first Policy Month will begin on the effective date shown on page 1. Subsequent Policy Months will begin on the same day of each subsequent calendar month.

**Premium** means the amount the Policyholder must pay to MetLife for all the insurance provided under this policy.

**Premium Due Date** is defined on page 1.

**Signed** means any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law.

**Written or Writing** means a record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.
SCHEDULE OF INSURANCE

The Schedules of Insurance which apply under this policy are set forth in the Exhibits.

ELIGIBILITY AND EFFECTIVE DATES OF INSURANCE

The Eligibility and Effective Dates of Insurance provisions that apply under this policy are set forth in the Exhibits.

CONTRIBUTIONS

The Policyholder will not require a Member to contribute to the cost of Noncontributory Insurance.

PREMIUM RATE(S)

Initial Rate(s)

The initial Premium rate(s) are shown in Exhibit 1.

Frequency of Premium Payment

Premiums for this policy will be paid as shown on page 1. MetLife and the Policyholder may agree that payment be made in advance every 3, 6 or 12 months.

Computation of Premium

The Premium due on any Premium Due Date is determined by the total amount of insurance provided by this policy on such Premium Due Date, multiplied by the appropriate Premium rate(s) which are then in effect subject to any Premium adjustments, if applicable.

MetLife may use any reasonable method to compute Premiums due under this policy.

Premiums for Changes in Insurance

For insurance that takes effect after the first day of a Policy Month, Premium will be charged from the first day of the next Policy Month. However, if a policy amendment or evidence of good health is required for such insurance, Premium will be charged as of the date such insurance takes effect.

If this policy ends, or if insurance ends for a class of persons, Premium will be charged to the date insurance ends. If insurance ends for other reasons, Premium will be charged to the end of the Policy Month in which insurance ends.
PREMIUM RATES (Continued)

Right to Change Premium Rates

MetLife may change Premium rates for changes which materially affect the risk assumed for the insurance provided by this policy, as follows:

1. when this policy is amended or endorsed;

2. when a class of eligible persons is added to or deleted from this policy for any reason including corporate restructuring, acquisition, spin-off or similar situations;

3. when a Policyholder’s subsidiary, affiliate, division, branch or other similar entity is added to or deleted from this policy for any reason including corporate restructuring, acquisition, spin-off or similar situations;

4. when there is a significant change in the geographic distribution of insured Members;

5. when applicable law requires a change in:
   a. the insurance provided by this policy; and/or
   b. the class of persons eligible for insurance under this policy; or

6. when a Premium Due Date coincides with or next follows:
   a. a change greater than 10% in the number of Covered Persons since the later of the policy Effective Date and the last date Premium rates were changed; or
   b. a change greater than 10% in the amount of insurance provided by this policy since the later of the policy Effective Date and the last date Premium rates were changed.

In addition, MetLife may change Premium rates:

1. except as may be stated in Exhibit 1, on any date on or after the first Policy Anniversary; this will be done no more frequently than every 12 months and only if MetLife notifies the Policyholder, in Writing, at least 31 days before such change; and

2. on any other date agreed to by MetLife and the Policyholder.

The new Premium rates will apply only to Premiums due on or after the date the rate change takes effect.
GRACE PERIOD

Each Premium due after the effective date of this policy may be paid up to 60 days after its Premium Due Date. This period is the grace period. The insurance provided by this policy will stay in effect during this period. MetLife will notify the Policyholder in Writing that, if the Premium is not paid by the end of the grace period, this policy will end at the end of the last day of the grace period. If MetLife fails to give Written notice to the Policyholder, this policy will continue in effect until the date such notice is given.

Policyholder's intent to end this policy during the grace period. The Policyholder may notify MetLife in Writing prior to the end of the grace period of its intent to end this policy before the end of the grace period. In this case, this policy will end on the later of:

1. the date stated in the notice; or
2. the date MetLife receives the notice.

If the Policyholder replaces this policy with another group insurance policy but does not give MetLife notice of intent to end this policy, the grace period provisions will apply.

Grace period extensions. MetLife may extend the grace period by giving Written notice to the Policyholder. Such notice will state the date this policy will end if the Premium remains unpaid.

Premiums must be paid for a grace period, any extension of such period and any period insurance under this policy was in effect for which Premium was not paid.

END OF INSURANCE PROVIDED BY THIS POLICY

The Policyholder can end this policy by giving 60 days advance Written notice to MetLife. The policy will end on the later of:

1. the date stated in the notice; or
2. the date MetLife receives the notice.

MetLife can end this policy as follows:

1. on the date Premium is not paid when due, subject to the Grace Period provisions; or
2. on any Premium Due Date, by giving the Policyholder 31 days advance Written notice, if less than:
   a. 75% of persons eligible under this policy are insured for Contributory Insurance;
   b. 100% of persons eligible under this policy are insured for Noncontributory Insurance; or
   c. 50 Members are insured by this Policy;
3. on any Premium Due Date, by giving the Policyholder 60 days advance Written notice, if the Policyholder fails to provide information on a timely basis or perform any obligations required by this policy or any applicable law; or
END OF INSURANCE PROVIDED BY THIS POLICY (Continued)

4. on any Policy Anniversary, except during a Rate Guarantee Period as may be provided in Exhibit 1, by giving the Policyholder 31 days advance Written notice.

This policy will end on the date on which the last certificate in effect under this policy ends.

If this policy ends, all Premiums due must be paid. If MetLife accepts Premium after the date this policy ends, such acceptance will not act to reinstate the policy. MetLife will refund any unearned Premium.

REINSTATEMENT

The Policyholder may request to reinstate this policy within one year from the date it ended. The request must be in Writing and it must provide MetLife with information that MetLife requires to consider such request. If MetLife approves the request, the policy will be reinstated on the date stated in Writing by MetLife.

GENERAL PROVISIONS

Entire Contract. The entire contract is made up of the following:

1. this policy, including its Exhibits;
2. the Policyholder's application; and
3. the amendments and endorsements to this policy, if any.

Policy Changes or Waivers. The terms and provisions of this policy may be changed, at any time, without the consent of the Covered Persons or anyone else with a beneficial interest in it. MetLife will issue amendments or endorsements to effect such changes. MetLife will only make changes that are consistent with applicable law. An amendment or endorsement will not affect the insurance provided under certificates issued before the effective date of the change, unless retroactivity is consistent with applicable law.

An officer of MetLife must approve in Writing any change or waiver of the terms and provisions of this policy. A sales representative, or other MetLife employee, who is not an officer of MetLife does not have MetLife's authority to approve such changes or waivers. A change or waiver will be evidenced by an amendment Signed by an officer of MetLife and the Policyholder or an endorsement Signed by an officer of MetLife. A copy of the amendment or endorsement will be provided to the Policyholder for attachment to this policy.

Incontestability: Statements Made by the Policyholder. Any statement made by the Policyholder will be considered a representation and not a warranty. MetLife will not use such statement to avoid insurance, reduce benefits or defend a claim unless it is contained in a Written application. MetLife will not use such statement to contest life insurance after it has been in force for 2 years from its effective date, or date of last reinstatement.

Incontestability: Statements Made by Covered Persons. Any statement made by a Covered Person will be considered a representation and not a warranty. MetLife will not use such statement to avoid insurance, reduce benefits or defend a claim unless the following requirements are met:

1. the statement is in a Written application or enrollment form;
2. the Covered Person has Signed the application or enrollment form; and
3. a copy of the application or enrollment form has been given to the Covered Person or his beneficiary.

MetLife will not use a Covered Person's statements which relate to insurability to contest life insurance after it has been in force for 2 years during his life. In addition, MetLife will not use such statements to contest an increase or benefit addition to such insurance after the increase or benefit has been in force for 2 years during his life.
Certificates. MetLife will issue individual certificates to the Policyholder for delivery to each Covered Person, as appropriate. Such certificate will describe the Covered Person's benefits and rights under this policy. "Certificate" includes any of MetLife's insurance riders, notices or other attachments to the certificate.

Assignment. The rights and benefits under this policy are not assignable prior to a claim for benefits, except as required by law or as permitted by MetLife.

Data Needed. The Policyholder will provide MetLife with all the data needed to compute Premiums and carry out the terms of this policy. MetLife may examine such data at any reasonable time. If MetLife or the Policyholder make a clerical error in keeping the data, the Premium and/or benefits will be adjusted according to the correct data. An error will not end insurance validly in effect, nor will it continue insurance validly ended.

Misstatement of Age. If a Covered Person's age is misstated, the correct age will be used to determine if insurance is in effect and, as appropriate, adjust the Premium and/or benefits.

Non-Dividend Paying. This policy does not pay dividends.

Conformity with Law. If the terms and provisions of this policy do not conform to any applicable law, this policy shall be interpreted to so conform.
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<td>Certificate Forms</td>
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DATE: July 1, 2013
EXHIBIT 1

SCHEDULE OF PREMIUM RATES

The initial monthly Premium rates for the insurance provided by this policy are as follows:

Rate Guarantee Period

Subject to the Right to Change Premium Rates provision on page 6, the Life Insurance and Accidental Death and Dismemberment Insurance Premium rates will be in effect for the 36 month period which begins on July 1, 2013.

Basic Life Insurance for Employees: - $0.142 per $1,000 of Basic Life Insurance in force hereunder.

Accidental Death and Dismemberment Insurance for Employees: - $0.023 per $1,000 of the Full Amount of Accidental Death and Dismemberment Insurance for Employees.
## EXHIBIT 2

### CERTIFICATE FORMS

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</tbody>
</table>
This notice provides a brief summary regarding the protections provided to policyholders by the California Life and Health Insurance Guarantee Association ("the Association"). The purpose of the Association is to assure that policyholders will be protected, within certain limits, in the unlikely event that a member insurer of the Association becomes financially unable to meet its obligations. Insurance companies licensed in California to sell life insurance, health insurance, annuities and structured settlement annuities are members of the Association. The protection provided by the Association is not unlimited and is not a substitute for consumers' care in selecting insurers. This protection was created under California law, which determines who and what is covered and the amounts of coverage.

Below is a brief summary of the coverages, exclusions and limits provided by the Association. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations or the rights or obligations of the Association.

**COVERAGE**

- **Persons Covered**

  Generally, an individual is covered by the Association if the insurer was a member of the Association and the individual lives in California at the time the insurer is determined by a court to be insolvent. Coverage is also provided to policy beneficiaries, payees or assignees, whether or not they live in California.

- **Amounts of Coverage**

  The basic coverage protections provided by the Association are as follows.

  - **Life Insurance, Annuities and Structured Settlement Annuities**

    For life insurance policies, annuities and structured settlement annuities, the Association will provide the following:

    - **Life Insurance**
      - 80% of death benefits but not to exceed $300,000
      - 80% of cash surrender or withdrawal values but not to exceed $100,000

    - **Annuities and Structured Settlement Annuities**
      - 80% of the present value of annuity benefits, including net cash withdrawal and net cash surrender values but not to exceed $250,000

    The maximum amount of protection provided by the Association to an individual, for all life insurance, annuities and structured settlement annuities is $300,000, regardless of the number of policies or contracts covering the individual.

- **Health Insurance**

  The maximum amount of protection provided by the Association to an individual, as of April 1, 2011, is $470,125. This amount will increase or decrease based upon changes in the health care cost component of the consumer price index to the date on which an insurer becomes an insolvent insurer.
COVERAGE LIMITATIONS AND EXCLUSIONS FROM COVERAGE

The Association may not provide coverage for this policy. Coverage by the Association generally requires residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

The following policies and persons are among those that are excluded from Association coverage:

- A policy or contract issued by an insurer that was not authorized to do business in California when it issued the policy or contract
- A policy issued by a health care service plan (HMO), a hospital or medical service organization, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society
- If the person is provided coverage by the guaranty association of another state.
- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which do not guaranty annuity benefits to an individual
- Employer and association plans, to the extent they are self-funded or uninsured
- A policy or contract providing any health care benefits under Medicare part C or Part D
- An annuity issued by an organization that is only licensed to issue charitable gift annuities
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as certain investment elements of a variable life insurance policy or a variable annuity contract
- Any policy of reinsurance unless an assumption certificate was issued
- Interest rate yields (including implied yields) that exceed limits that are specified in Insurance Code Section 1607.02(b)(2)(C).

NOTICES

Insurance companies or their agents are required by law to give or send you this notice. Policyholders with additional questions should first contact their insurer or agent. To learn more about coverages provided by the Association, please visit the Association's website at www.califega.org, or contact with the following:

California Life and Health Insurance Guarantee Association
P.O. Box 16860,
Beverly Hills, CA 90209-3319
(323) 782-0182

California Department of Insurance
Consumer Communications Bureau
300 South Spring Street
Los Angeles, CA 90013
(800) 927-4357

Insurance companies and agents are not allowed by California law to use the existence of the Association or its coverage to solicit, induce or encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and California law, then California law will control.
June 5, 2013
City of Stockton, California
22 East Weber Avenue, Suite 150
Stockton, CA 95202

Attn: Greg Borboa

Re: City of Stockton Group Life Insurance and Accidental Death and Dismemberment Insurance

Dear Greg:

Pursuant to Request for Sealed Bids (PUR 12-024) by the City of Stockton, California ("City") (the "Request") and Metropolitan Life Insurance Company's ("MetLife") response thereto (the "Response"), City selected MetLife to provide Group Life Insurance and Group Accidental Death and Dismemberment Insurance.

In the Response, MetLife advised that it was unable to agree to Section 1.12 ("Hold Harmless Defense Clause") of the Request as written, but if selected as the carrier, MetLife agreed to negotiate a mutually acceptable indemnification provision. As MetLife has now been selected as the carrier to provide Group Life Insurance and Group Accidental Death and Dismemberment Insurance, MetLife agrees to the following indemnification provision:

1.12 HOLD HARMLESS DEFENSE CLAUSE

MetLife agrees to indemnify, defend and hold harmless the City and the City's officers, directors, employees and permitted assigns from and against all claims, damages, losses, costs, demands, and expenses, including reasonable attorneys' fees arising out of the performance of the work described herein, caused by or arising solely from MetLife's negligent acts or omissions. The obligations to indemnify and hold harmless set forth in this section shall survive the expiration of any agreement between MetLife and the City.

In addition, MetLife agrees to maintain insurance coverage as set forth in Exhibit 1 attached hereto.
If the foregoing is acceptable to City, please sign where indicated below and return the signed letter to Shelly O'Brien.

Sincerely,

Maria Yette  
Assistant Vice President

Accepted and Agreed to by:

City of Stockton

By: ____________________________

Print Name:  
Title:  
Date:
EXHIBIT 1

INSURANCE REQUIREMENTS

MetLife shall procure and maintain for the duration of the group insurance policy or policies issued by MetLife to City pursuant to the Request (collectively, the “Group Contract”), insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services by MetLife, its agents or employees with respect to the Group Contract as set forth below.

1. INSURANCE During the duration of the Group Contract, MetLife shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner or otherwise authorized to do business in the State of California and rated not less than “A=: VII” in Best Insurance Key Rating Guide, the following policies of insurance:

   A. COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY insurance, endorsed for “any auto” with combined single limits of liability of not less than $1,000,000 each occurrence.

   B. WORKERS’ COMPENSATION insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than $1,000,000 per accident/injury/disease.

   C. COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE;

   FOR ADDITIONAL REQUIREMENT(S):

   (i) COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY insurance which shall include Contractual Liability, Products and Completed Operations coverage’s, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than $2,000,000 per occurrence, and if written on an Aggregate basis, $4,000,000 Aggregate limit.

   (ii) CRIME COVERAGE, Not less than $1,000,000 per occurrence.

The policy(s) shall also provide the following:

1. The Commercial General Liability insurance shall be written on an ISO approved occurrence form.

2. All insurance required by this agreement shall be with a company reasonably acceptable to the City and issued and executed by an insurer admitted or authorized to transact insurance business in the State of California. Unless otherwise specified herein, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date MetLife completes its performance of services under the Group Contract.
3. MetLife shall provide the City with notification of any cancellation of coverage.

4. MetLife shall furnish the City with the Certificates for all required insurance, upon written request.

5. Proper address for mailing certificates, endorsements and notices shall be:

   City of Stockton, Risk Services
   425 N. El Dorado St.
   Stockton, CA 95202

6. Upon notification of receipt by the City of a Notice of Cancellation, MetLife shall promptly file with the City, upon written request, a certified copy of the required new or renewal certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the City’s Risk Manager (209) 937-8682. Fax is (209) 937-8833.

If at any time during the duration of the Group Contract, MetLife fails to maintain the required insurance in full force and effect, MetLife shall immediately discontinue all work. Any failure to maintain the required insurance shall be sufficient cause for the City to terminate the Group Contract.
Tami Matuska, Benefits  
City of Stockton  
425 North El Dorado Street  
Stockton, CA 95202

Re: Metropolitan Life Insurance Company - Policy Number(s): 151631-1-G  
Certificate(s) effective July 1, 2013

Dear Tami Matuska:

To ensure our new customers receive the necessary information regarding coverage under their MetLife group insurance policy(ies), we are sending under separate cover a supply of certificates for you to distribute to all covered employees.

In addition to the certificates, you may also want us to send your company an electronic version of the group insurance certificate information. In this case, the terms and conditions contained in the attached form will apply to your company's use of the electronic version of the certificate information.

If you have any questions, please call me at (630) 978-6188.

Sincerely,

Karene Lindsay  
Account Manager  
Employee Benefits Sales  
Metropolitan Life Insurance Company  
177 South Commons Drive, Aurora, IL 60504  
Tel (630) 978-6188  Fax (908) 552-2252

cc. Aneesa Haider, Account Executive

May 31, 2013
Customer Letter G1

Request for Electronic Version of Certificate Information
(Check below if applicable and sign and return a copy to MetLife)

City of Stockton shall not modify in any manner, and shall maintain the integrity of, the electronic version of the certificate information and the notice to insureds, which is included with the electronic version. This notice advises all who view the electronic version that: (i) City of Stockton maintains the group policy (which includes the certificate of insurance), (ii) the group policy can be reviewed and copied, and (iii) the group policy controls, in all respects, as to the terms and conditions of insurance.

City of Stockton will indemnify MetLife from any and all claims, damages, and liability that occurs as a result of any failure to comply with the terms of this paragraph.

It is requested that an electronic version of the group insurance certificate information be sent by MetLife for City of Stockton to use in accordance with the terms and conditions outlined above.

By: __________________________

Signature: ______________________

Title: __________________________

Date: __________________________
Quantity and Delivery Instructions

Certificate Title (i.e. Life Class I) ____________________________________________

Quantity ____________

Contact Name ____________________________________________________________

Company _________________________________________________________________

Address 1 (Cannot be a PO Box) _____________________________________________

Address 2 __________________________________________________________________

City, State, Zip ____________________________________________________________

Telephone Number ________________________________

Certificate Title (i.e. Life Class I) ____________________________________________

Quantity ____________

Contact Name ____________________________________________________________

Company _________________________________________________________________

Address 1 (Cannot be a PO Box) _____________________________________________

Address 2 __________________________________________________________________

City, State, Zip ____________________________________________________________

Telephone Number ________________________________

Certificate Title (i.e. Life Class I) ____________________________________________

Quantity ____________

Contact Name ____________________________________________________________

Company _________________________________________________________________

Address 1 (Cannot be a PO Box) _____________________________________________

Address 2 __________________________________________________________________

City, State, Zip ____________________________________________________________

Telephone Number ________________________________

For more than three locations or certificates, please attach additional copies of this form or an excel spreadsheet with the information shown above.
POLICYHOLDER: The RSL Group and Blanket Insurance Trust

EFFECTIVE DATE: August 1, 1986

ANNIVERSARY DATES: July 1, 2014 and each July 1st thereafter.

PREMIUM DUE DATES: The first Premium is due on the Participating Unit’s Effective Date. Further Premiums are due monthly, in advance, on the first day of each month.

This Policy is delivered in Rhode Island and is governed by its laws and/or the Employee Retirement Income Security Act of 1974 (“ERISA”) as amended, where applicable.

Reliance Standard Life Insurance Company is referred to as "we", "our" or "us" in this Policy.

The Policyholder and any subsidiaries, divisions or affiliates are referred to as "you", "your" or "yours" in this Policy.

We agree to provide insurance to you in exchange for the payment of Premium and a signed Application. This Policy provides income replacement benefits for Total Disability from Sickness or Injury. It insures those Eligible Persons for the Monthly Benefit shown on the Schedule of Benefits. The insurance is subject to the terms and conditions of this Policy.

The Effective Date of this Policy is shown above. This Policy stays in effect as long as Premium is paid when due. The "TERMINATION OF THIS POLICY" section of the GENERAL PROVISIONS explains when the insurance terminates.

This Policy is signed by our President and Secretary.

Countersigned

Licensed Resident Agent:

GROUP LONG TERM DISABILITY INSURANCE
NON-PARTICIPATING

THIS FORM PROVIDES A DESCRIPTION OF THE BENEFITS CHOSEN BY YOU FOR YOUR EMPLOYEES UNDER THE GROUP POLICY ISSUED TO THE RSL GROUP AND BLANKET INSURANCE TRUST.
REQUEST FOR PARTICIPATION IN
THE RSL GROUP AND BLANKET INSURANCE TRUST

Effective as of July 1, 2013, the Participating Unit named below requests that it be approved as a participant in the The RSL Group and Blanket Insurance Trust in order to provide insurance for its employees, and hereby agrees to be bound by all terms and conditions of the Trust Agreement applicable to it. The Participating Unit acknowledges receipt of a description of coverage form which summarizes the coverages and limitations requested by the Participating Unit under Master Policy LSC 97,200.

Participating Unit: City of Stockton
Participating Unit Number: LTD 124176

This Agreement may not be altered or amended without consent of both parties in writing.

This Agreement is completed in duplicate, one copy to be attached to your copy of the Master Policy and the other returned to us.

ACCEPTED BY:

RELIANCE STANDARD LIFE INSURANCE COMPANY

BY: Charles Danci
Secretary
June 3, 2013

PARTICIPATING UNIT

BY: ________________________________

TITLE: ______________________________

DATE: ______________________________

Please sign and return.
REQUEST FOR PARTICIPATION IN
THE RSL GROUP AND BLANKET INSURANCE TRUST

Effective as of July 1, 2013, the Participating Unit named below requests that it be approved as a participant in the The RSL Group and Blanket Insurance Trust in order to provide insurance for its employees, and hereby agrees to be bound by all terms and conditions of the Trust Agreement applicable to it. The Participating Unit acknowledges receipt of a description of coverage form which summarizes the coverages and limitations requested by the Participating Unit under Master Policy LSC 97,200.

Participating Unit: City of Stockton
Participating Unit Number: LTD 124176

This Agreement may not be altered or amended without consent of both parties in writing.

This Agreement is completed in duplicate, one copy to be attached to your copy of the Master Policy and the other returned to us.

ACCEPTED BY:

RELIANCE STANDARD LIFE INSURANCE COMPANY

BY: Charles F. DeGarve
Secretary
June 3, 2013

PARTICIPATING UNIT

BY: __________________________________________

TITLE: _______________________________________

DATE: _______________________________________

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<td>DEFINITIONS</td>
<td>2.0</td>
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<td>PROVISIONS APPLICABLE TO PARTICIPATING UNITS</td>
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<td>CERTAIN RESPONSIBILITIES OF THE PARTICIPATING UNIT</td>
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<td>TRANSFER OF INSURANCE COVERAGE</td>
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<td>Conformity with State Laws</td>
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<td>Certificate of Insurance</td>
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<td>Termination of this Policy</td>
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<td>CLAIMS PROVISIONS</td>
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<td>Notice of Claim</td>
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<td>Claim Forms</td>
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<td>Written Proof of Total Disability</td>
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<td>Payment of Claims</td>
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<td>Arbitration of Claims</td>
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<td>Physical Examination and Autopsy</td>
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<td>Legal Actions</td>
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<td>INDIVIDUAL ELIGIBILITY, EFFECTIVE DATE AND TERMINATION</td>
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<td>General Group</td>
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<td>Eligibility Requirements</td>
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<td>Waiting Period</td>
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<td>Effective Date of Individual Insurance</td>
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<td>Termination of Individual Insurance</td>
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<td>Individual Reinstatement</td>
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<td>PREMIUMS</td>
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<td>BENEFIT PROVISIONS</td>
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<td>WORKSITE MODIFICATION PROVISION</td>
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<td>EXCLUSIONS</td>
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<td>LIMITATIONS</td>
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<td>SPECIFIC INDEMNITY BENEFIT</td>
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<td>SURVIVOR BENEFIT - LUMP SUM</td>
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<td>WORK INCENTIVE AND CHILD CARE BENEFITS</td>
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<td>17.0</td>
</tr>
<tr>
<td>SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)</td>
<td></td>
</tr>
</tbody>
</table>
EXTENDED DISABILITY BENEFIT

REHABILITATION BENEFIT
SCHEDULE OF BENEFITS

NAME OF SUBSIDIARIES, DIVISIONS OR AFFILIATES TO BE COVERED: NONE

ELIGIBLE CLASSES: Each Active, full-time salaried Chief of Police, Deputy Chief of Police and Non-Safety employee of City of Stockton (hereinafter referred to as the Participating Unit, or as "you", "your" or "yours" where applicable), under Participating Unit Number LTD 124176, effective July 1, 2013, except any person employed on a temporary or seasonal basis.

WAITING PERIOD: 90 days of continuous employment.

INDIVIDUAL EFFECTIVE DATE: The day immediately following completion of the Waiting Period.

INDIVIDUAL REINSTATEMENT: 6 months

MINIMUM PARTICIPATION REQUIREMENTS: Percentage: 100%   Number of Insureds: 10

LONG TERM DISABILITY BENEFIT

ELIMINATION PERIOD: The greater of: 90 days of Total Disability or the number of accumulated sick days applicable to the Insured.

MONTHLY BENEFIT: The Monthly Benefit is an amount equal to 66 2/3% of Covered Monthly Earnings, payable in accordance with the section entitled Benefit Amount.

MINIMUM MONTHLY BENEFIT: In no event will the Monthly Benefit payable to an Insured be less than $100.

MAXIMUM MONTHLY BENEFIT: $10,000 (this is equal to a maximum Covered Monthly Earnings of $14,999).

MAXIMUM DURATION OF BENEFITS: Benefits will not accrue beyond the longer of: the Duration of Benefits; or Normal Retirement Age; specified below:

<table>
<thead>
<tr>
<th>Age at Disablement</th>
<th>Duration of Benefits (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>61 or less</td>
<td>To Age 65</td>
</tr>
<tr>
<td>62</td>
<td>3 ½</td>
</tr>
<tr>
<td>63</td>
<td>3</td>
</tr>
<tr>
<td>64</td>
<td>2 ½</td>
</tr>
<tr>
<td>65</td>
<td>2</td>
</tr>
<tr>
<td>66</td>
<td>1 ¾</td>
</tr>
<tr>
<td>67</td>
<td>1 ½</td>
</tr>
<tr>
<td>68</td>
<td>1 ¼</td>
</tr>
<tr>
<td>69 or more</td>
<td>1</td>
</tr>
</tbody>
</table>

OR

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Normal Retirement Age as defined by the 1983 Amendments to the United States Social Security Act and determined by the Insured's year of birth, as follows:

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Normal Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937 or before</td>
<td>65 years</td>
</tr>
<tr>
<td>1938</td>
<td>65 years and 2 months</td>
</tr>
<tr>
<td>1939</td>
<td>65 years and 4 months</td>
</tr>
<tr>
<td>1940</td>
<td>65 years and 6 months</td>
</tr>
<tr>
<td>1941</td>
<td>65 years and 8 months</td>
</tr>
<tr>
<td>1942</td>
<td>65 years and 10 months</td>
</tr>
<tr>
<td>1943 thru 1954</td>
<td>66 years</td>
</tr>
<tr>
<td>1955</td>
<td>66 years and 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 years and 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 years and 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 years and 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 years and 10 months</td>
</tr>
<tr>
<td>1960 and after</td>
<td>67 years</td>
</tr>
</tbody>
</table>

**CHANGES IN MONTHLY BENEFIT:** Increases in the Monthly Benefit are effective on the date of the change, provided the Insured is Actively at Work on the effective date of the change. If the Insured is not Actively at Work on that date, the effective date of the increase in the benefit amount will be deferred until the date the Insured returns to Active Work. Decreases in the Monthly Benefit are effective on the date the change occurs.

**CONTRIBUTIONS:** Insured: 0%

Premium contributions will not be included in the Insured's gross income.

For purposes of filing the Insured's Federal Income Tax Return, this means that under the law as of the date this Policy was issued, the Insured's Monthly Benefit might be treated as taxable. It is recommended that the Insured contact his/her personal tax advisor.
DEFINITIONS

"Actively at Work" and "Active Work" mean actually performing on a Full-time basis the material duties pertaining to his/her job in the place where and the manner in which the job is normally performed. This includes approved time off such as vacation, jury duty and funeral leave, but does not include time off as a result of an Injury or Sickness.

"Any Occupation" means an occupation normally performed in the national economy for which an Insured is reasonably suited based upon his/her education, training or experience.

"Claimant" means an insured who makes a claim for benefits under this Policy for a loss covered by this Policy as a result of an Injury to or a Sickness of the Insured.

"Covered Monthly Earnings" means the Insured's monthly salary received from you on the day just before the date of Total Disability. Covered Monthly Earnings does not include commissions, overtime pay, bonuses, incentive pay or any other special compensation not received as Covered Monthly Earnings.

"Eligible Person" means a person who meets the Eligibility Requirements of this Policy.

"Elimination Period" means a period of consecutive days of Total Disability, as shown on the Schedule of Benefits page, for which no benefit is payable. It begins on the first day of Total Disability.

Interruption Period: If, during the Elimination Period, an Insured returns to Active Work for less than 30 days, then the same or related Total Disability will be treated as continuous. Days that the Insured is Actively at Work during this interruption period will not count towards the Elimination Period. This interruption of the Elimination Period will not apply to an Insured who becomes eligible under any other group long term disability insurance plan.

"Full-time" means working for you for a minimum of 40 hours during a person's regular work week.

"Hospital" or "Institution" means a facility licensed to provide care and Treatment for the condition causing the Insured's Total Disability.

"Injury" means bodily Injury resulting directly from an accident, independent of all other causes. The Injury must cause Total Disability which begins while insurance coverage is in effect for the Insured.

"Insured" means a person who meets the Eligibility Requirements of this Policy and is enrolled for this insurance.

"Physician" means a duly licensed practitioner who is recognized by the law of the state in which treatment is received as qualified to treat the type of Injury or Sickness for which claim is made. The Physician may not be the Insured or a member of his/her immediate family.

"Premium" means the amount of money needed to keep this Policy in force.

"Regular Care" means Treatment that is administered as frequently as is medically required according to guidelines established by nationally recognized authorities, medical research, healthcare organizations, governmental agencies or rehabilitative organizations. Care must be rendered personally by the Insured's Physician according to generally accepted medical standards in the Insured's locality, be of a demonstrable medical value and be necessary to meet his/her basic health needs.

"Regular Occupation" means the occupation the Insured is routinely performing when Total Disability begins. We will look at the Insured's occupation as it is normally performed in the national economy, and not the unique duties performed for a specific employer or in a specific locale.

"Retirement Benefits" mean money which the Insured is entitled to receive upon early or normal retirement or disability retirement under:

1. any plan of a state, county or municipal retirement system, if such pension benefits include any credit for employment with you;
2. Retirement Benefits under the United States Social Security Act of 1935, as amended or under any similar plan or act; or
3. an employer's retirement plan where payments are made in a lump sum or periodically and do not represent contributions made by an Insured.
Retirement Benefits do not include:
   (1) a federal government employee pension benefit;
   (2) a thrift plan;
   (3) a deferred compensation plan;
   (4) an individual retirement account (IRA);
   (5) a tax sheltered annuity (TSA);
   (6) a stock ownership plan; or
   (7) a profit sharing plan; or
   (8) section 401(k), 403(b) or 457 plans.

"Sickness" means illness or disease causing Total Disability which begins while insurance coverage is in effect for the Insured. Sickness includes pregnancy, childbirth, miscarriage or abortion, or any complications therefrom.

"Totally Disabled" and "Total Disability" mean, that as a result of an Injury or Sickness:
   (1) during the Elimination Period and for the first 24 months for which a Monthly Benefit is payable, an Insured cannot perform the material duties of his/her Regular Occupation;
      (a) "Partially Disabled" and "Partial Disability" mean that as a result of an Injury or Sickness an Insured is capable of performing the material duties of his/her Regular Occupation on a part-time basis or some of the material duties on a full-time basis. An Insured who is Partially Disabled will be considered Totally Disabled, except during the Elimination Period;
      (b) "Residual Disability" means being Partially Disabled during the Elimination Period. Residual Disability will be considered Total Disability; and
   (2) after a Monthly Benefit has been paid for 24 months, an Insured cannot perform the material duties of Any Occupation. We consider the Insured Totally Disabled if due to an Injury or Sickness he or she is capable of only performing the material duties on a part-time basis or part of the material duties on a Full-time basis.

If an Insured is employed by you and requires a license for such occupation, the loss of such license for any reason does not in and of itself constitute "Total Disability".

"Treatment" means care consistent with the diagnosis of the Insured's Injury or Sickness that has its purpose of maximizing the Insured's medical improvement. It must be provided by a Physician whose specialty or experience is most appropriate for the Injury or Sickness and conforms with generally accepted medical standards to effectively manage and treat the Insured's Injury or Sickness.
PROVISIONS APPLICABLE TO PARTICIPATING UNITS

DEFINITION: A "Unit" means any group eligible to participate in The RSL Group and Blanket Insurance Trust.

The following provisions apply to a Unit which becomes a Participating Unit under this Policy as a result of signing the Participating Unit Agreement. All other Policy terms not in conflict with the section apply to this Unit as well.

PREMIUMS: Premiums are payable by Participating Unit on or before the date they become due.

The Premium Rate for this insurance is based on the insurance coverage requested by the Participating Unit. We reserve the right to adjust the Premium Rate on any Premium Due Date:

1. after insurance has been in force thirty-six (36) month(s); or
2. when insurance is changed by amendment. We will notify the Participating Unit in writing at least thirty-one (31) days before a Premium Rate change is made to (1) above.

EFFECTIVE DATE OF PARTICIPATING UNIT: Any Unit will become a Participating Unit under this Policy on the later of:

1. the Effective Date of this Policy, if eligible to participate on that date; or
2. the date insurance is approved by us.

TERMINATION OF A PARTICIPATING UNIT: A Participating Unit will no longer be a Participating Unit under this Policy on the earliest of the following dates:

1. the date it no longer meets any of the requirements set out under the Definition provision shown above;
2. the date it stops or suspends active business operations or is placed in bankruptcy or receivership;
3. the date it loses its entity by means of dissolution, merger or otherwise;
4. the date at the end of the period for which the last Premium Payment has been made by the Participating Unit on its own behalf;
5. the date a Participating Unit’s insurance under this Policy is ended in accordance with the Provisions below; or
6. the date this Policy ends.

All insurance then in force on persons in any such Participating Unit will cease at once, except if otherwise set out on the Participating Unit’s Agreement.

A Participating Unit may end its insurance by giving us notice. This notice must be written and mailed or delivered to our authorized representative or to us at our Administrative Office. The termination will be effective on receipt of such notice by us, or on a later date if one is specified in the notice. In the event of termination at a date other than a Premium Due Date, the earned Premium will be computed, and we will promptly return the unearned portion of any Premium paid.

Upon notice, we may end the insurance of a Participating Unit after twelve (12) months of a Unit’s participation under this Policy or at any later time. This notice must be written and state when, not less than thirty-one (31) days later, the termination will be effective. The notice must be sent to the Participating Unit at the last address shown on our records.

We may end the insurance of a Participating Unit if payment of Premium on a Premium Due Date (other than Anniversary Date) is not received within the Grace Period provided by this Policy. The notice must be in writing and be sent to the Participating Unit’s last address shown in our records. It must state when, not earlier than the end of the Grace Period, the termination will be effective. Termination under this section will be effective only with respect to the insurance for which the Premium was due.

A Unit which ceases to be a Participating Unit under this Policy may again become a Participating Unit only if agreed to in writing between the Participating Unit and us.
CERTAIN RESPONSIBILITIES OF THE PARTICIPATING UNIT

For the purposes of this Policy, you act on your behalf or as the employee's agent. Under no circumstances will you be deemed our agent.

Compliance With Americans With Disabilities Act (ADA)

It is your responsibility to establish and maintain procedures which comply with the employer responsibilities of the Americans With Disabilities Act of 1990, as amended.

Compliance With The Employee Retirement Income Security Act (ERISA)

It is your responsibility to establish and maintain procedures which comply with the employer and/or Plan Administrator responsibilities of ERISA and the accompanying regulations, where applicable.

Distribution Of Certificates Of Insurance

A Certificate of Insurance will be provided to you for each Insured covered under this Policy. The Certificate will outline the insurance coverage, and explain the provisions, benefits and limitations of this Participation Agreement. It is your responsibility to distribute the appropriate Certificates and any updates or other notices from us to each Insured.

Maintenance Of Records

It is your responsibility to maintain sufficient records of each Insured's insurance, including additions, terminations and changes. We reserve the right to examine these records at the place where they are kept during normal business hours or at a place mutually agreeable to you and us. Such records must be maintained by you for at least 3 years after this Participation Agreement terminates.

Reporting Of Eligibility And Coverage Amounts

It is your responsibility to notify us on a timely basis of all individuals eligible for coverage under this Participation Agreement, of all individuals whose eligibility for coverage ends and of all changes in individual coverage amounts.

It is your responsibility to provide accurate census and salary information on all Insureds on or before each Anniversary Date, if we request such information.

Timely Payment Of Premiums

It is your responsibility to pay all premiums required under this Participation Agreement when due. Any change in the premium contribution basis must be approved by us.
TRANSFER OF INSURANCE COVERAGE

If an employee was covered under any group long term disability insurance plan maintained by you prior to this Participation Agreement's Effective Date, that employee will be insured under this Participation Agreement, provided that he/she is Actively At Work and meets all of the requirements for being an Eligible Person under this Participation Agreement on its Effective Date.

If an employee was covered under the prior group long term disability insurance plan maintained by you prior to this Participation Agreement's Effective Date, but was not Actively at Work due to Injury or Sickness on the Effective Date of this Participation Agreement and would otherwise qualify as an Eligible Person, coverage will be allowed under the following conditions:

(1) The employee must have been insured with the prior carrier on the date of the transfer; and

(2) Premiums must be paid; and

(3) Total Disability must begin on or after this Participation Agreement's Effective Date.

If an employee is receiving long term disability benefits, becomes eligible for coverage under another group long term disability insurance plan, or has a period of recurrent disability under the prior group long term disability insurance plan, that employee will not be covered under this Participation Agreement. If premiums have been paid on the employee's behalf under this Participation Agreement, those premiums will be refunded.

Pre-existing Conditions Limitation Credit

If an employee is an Eligible Person on the Effective Date of this Participation Agreement, any time used to satisfy the Pre-existing Conditions Limitation of the prior group long term disability insurance plan will be credited towards the satisfaction of the Pre-existing Conditions Limitation of this Participation Agreement.

Waiting Period Credit

If an employee is an Eligible Person on the Effective Date of this Participation Agreement, any time used to satisfy any Waiting Period of the prior group long term disability insurance plan will be credited towards the satisfaction of the Waiting Period of this Participation Agreement.
GENERAL PROVISIONS

ENTIRE CONTRACT: The entire contract between you and us is this Policy, your Application (a copy of which is attached at issue) and any attached amendments.

CHANGES: No agent has authority to change or waive any part of this Policy. To be valid, any change or waiver must be in writing, signed by either our President, a Vice President, or a Secretary. The change or waiver must also be attached to this Policy.

TIME LIMIT ON CERTAIN DEFENSES: After this Policy has been in force for two (2) years from its Effective Date, no statement made by you shall be used to void this Policy; and no statement by any Insured on a written application for insurance shall be used to reduce or deny a claim after the Insured's insurance coverage, with respect to which claim has been made, has been in effect for two (2) years.

RECORDS MAINTAINED: You must maintain records of all Insureds. Such records must show the essential data of the insurance, including new persons, terminations, changes, etc. This information must be reported to us regularly. We reserve the right to examine the insurance records maintained at the place where they are kept. This review will only take place during normal business hours.

CLERICAL ERROR: Clerical errors in connection with this Policy or delays in keeping records for this Policy, whether by you, us, or the Plan Administrator:

(1) will not terminate insurance that would otherwise have been effective; and
(2) will not continue insurance that would otherwise have ceased or should not have been in effect.

If appropriate, a fair adjustment of premium will be made to correct a clerical error.

MISSTATEMENT OF AGE: If an Insured's age is misstated, the Premium will be adjusted. If the Insured's benefit is affected by the misstated age, it will also be adjusted. The benefit will be changed to the amount the insured is entitled to at his/her correct age.

NOT IN LIEU OF WORKERS' COMPENSATION: This Policy is not a Workers' Compensation Policy. It does not provide Workers' Compensation benefits.

CONFORMITY WITH STATE LAWS: Any section of this Policy, which on its Effective Date, conflicts with the laws of the state in which this Policy is issued, is amended by this provision. This Policy is amended to meet the minimum requirements of those laws.

CERTIFICATE OF INSURANCE: We will send to you an individual certificate for each Insured. The certificate will outline the insurance coverage, state this Policy's provisions that affect the Insured, and explain to whom benefits are payable.

TERMINATION OF THIS POLICY: You may cancel this Policy at any time by giving us written notice. This Policy will be cancelled on the date we receive your notice or, if later, the date requested in your notice.

This Policy will terminate at the end of the Grace Period if Premium has not been paid by that date.

We may cancel this Policy within thirty-one (31) days of written notice prior to the date of cancellation, only:

(1) if the number of Insureds is less than the Minimum Participation Number shown on the Schedule of Benefits; or
(2) if the percentage of Eligible Persons insured is less than the Minimum Participation Percentage shown on the Schedule of Benefits.

You will still owe us any Premium that is not paid up to the date this Policy is cancelled. We will return, pro-rata, any part of the Premium paid beyond the date this Policy is cancelled.

Termination of this Policy will not affect any claim which was covered prior to termination, subject to the terms and conditions of this Policy.
CLAIMS PROVISIONS

NOTICE OF CLAIM: Written notice must be given to us within thirty-one (31) days after a Total Disability covered by this Policy occurs, or as soon as reasonably possible. The notice should be sent to us at our Administrative Office or to our authorized agent. The notice should include your name, the Policy Number, Participating Unit Number and the Insured's name.

CLAIM FORMS: When we receive the notice of claim, we will send the Claimant the claim forms to file with us. We will send them within fifteen (15) days after we receive notice. If we do not, then proof of Total Disability will be met by giving us a written statement of the type and extent of the Total Disability. The statement must be sent within ninety (90) days after the loss began.

WRITTEN PROOF OF TOTAL DISABILITY: For any Total Disability covered by this Policy, written proof must be sent to us within ninety (90) days after the Total Disability occurs. If written proof is not given in that time, the claim will not be invalidated nor reduced if it is shown that written proof was given as soon as was reasonably possible. In any event, proof must be given within one (1) year after the Total Disability occurs, unless the Claimant is legally incapable of doing so.

PAYMENT OF CLAIMS: When we receive written proof of Total Disability covered by this Policy, we will pay any benefits due. Benefits that provide for periodic payment will be paid for each period as we become liable.

We will pay benefits to the Insured, if living, or else to his/her estate.

If the Insured has died and we have not paid all benefits due, we may pay up to $1,000 to any relative by blood or marriage, or to the executor or administrator of the Insured's estate. The payment will only be made to persons entitled to it. An expense incurred as a result of the Insured's last illness, death or burial will entitle a person to this payment. The payments will cease when a valid claim is made for the benefit. We will not be liable for any payment we have made in good faith.

ARBITRATION OF CLAIMS: Any claim or dispute arising from or relating to our determination regarding the Insured's Total Disability may be settled by arbitration when agreed to by the Insured and us in accordance with the Rules for Health and Accident Claims of the American Arbitration Association or by any other method agreeable to the Insured and us. In the case of a claim under an Employee Retirement Income Security Act (hereinafter referred to as ERISA) Plan, the Insured's ERISA claim appeal remedies, if applicable, must be exhausted before the claim may be submitted to arbitration. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction over such awards.

Unless otherwise agreed to by the Insured and us, any such award will be binding on the Insured and us for a period of twelve (12) months after it is rendered assuming that the award is not based on fraudulent information and the Insured continues to be Totally Disabled. At the end of such twelve (12) month period, the issue of Total Disability may again be submitted to arbitration in accordance with this provision.

Any costs of said arbitration proceedings levied by the American Arbitration Association or the organization or person(s) conducting the proceedings will be paid by us.

PHYSICAL EXAMINATION AND AUTOPSY: We will, at our expense, have the right to have a Claimant interviewed and/or examined:

(1) physically;
(2) psychologically; and/or
(3) psychiatrically;

to determine the existence of any Total Disability which is the basis for a claim. This right may be used as often as it is reasonably required while a claim is pending.

We can have an autopsy made unless prohibited by law.

LEGAL ACTIONS: No legal action may be brought against us to recover on this Policy within sixty (60) days after written proof of loss has been given as required by this Policy. No action may be brought after three (3) years (Kansas, five (5) years; South Carolina, six (6) years) from the time written proof of loss is received.
INDIVIDUAL ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

GENERAL GROUP: The general group will be your employees and employees of any subsidiaries, divisions or affiliates named on the Schedule of Benefits page.

ELIGIBILITY REQUIREMENTS: A person is eligible for insurance under this Policy if he/she:

(1) is a member of an Eligible Class, as shown on the Schedule of Benefits page; and
(2) has completed the Waiting Period, as shown on the Schedule of Benefits page.

WAITING PERIOD: A person who is continuously employed on a Full-time basis with you for the period specified on the Schedule of Benefits page has satisfied the Waiting Period.

EFFECTIVE DATE OF INDIVIDUAL INSURANCE: If you pay the entire Premium due for an Eligible Person, the insurance for such Eligible Person will go into effect on the Individual Effective Date, as shown on the Schedule of Benefits page.

If an Eligible Person pays a part of the Premium, he/she must apply in writing for the insurance to go into effect. He/she will become insured on the latest of:

(1) the Individual Effective Date as shown on the Schedule of Benefits page, if he/she applies on or before that date;
(2) on the date he/she applies, if he/she applies within thirty-one (31) days from the date he/she first met the Eligibility Requirements; or
(3) on the date we approve any required proof of health acceptable to us. We require this proof if a person applies:
   (a) after thirty-one (31) days from the date he/she first met the Eligibility Requirements; or
   (b) after he/she terminated this insurance but remained in an Eligible Class as shown on the Schedule of Benefits page.

The insurance for an Eligible Person will not go into effect on a date he/she is not Actively at Work because of a Sickness or Injury. The insurance will go into effect after the person is Actively at Work for one (1) full day in an Eligible Class, as shown on the Schedule of Benefits page.

TERMINATION OF INDIVIDUAL INSURANCE: The insurance of an Insured will terminate on the first of the following to occur:

(1) the date this Policy terminates;
(2) the date the Insured ceases to meet the Eligibility Requirements;
(3) the end of the period for which Premium has been paid for the Insured;
(4) the date the Participating Unit ceases to be a Participating Unit under this Policy; or
(5) the date the Insured enters military service (not including Reserve or National Guard).

INDIVIDUAL REINSTATEMENT: The insurance of a terminated person may be reinstated if he/she returns to Active Work with you within the period of time as shown on the Schedule of Benefits page. He/she must also be a member of an Eligible Class, as shown on the Schedule of Benefits page, and have been:

(1) on a leave of absence approved by you; or
(2) on temporary lay-off.

The person will not be required to fulfill the Eligibility Requirements of this Policy again. The insurance will go into effect after he/she returns to Active Work for one (1) full day. If a person returns after having resigned or having been discharged, he/she will be required to fulfill the Eligibility Requirements of this Policy again. If a person returns after terminating insurance at his/her request or for failure to pay Premium when due, proof of health acceptable to us must be submitted before he/she may be reinstated.
PREMIUMS

PREMIUM PAYMENT: All Premiums are to be paid by you to us, or to an authorized agent, on or before the due date. The Premium Due Dates are stated on your face page.

PREMIUM RATE: The Premium due will be the rate per $100.00 of the entire amount of Covered Monthly Earnings then in force. We will furnish to you the Premium Rate on your Effective Date and when it is changed. We have the right to change the Premium Rate:

1. when the extent of coverage is changed by amendment;
2. on any Premium Due Date after the third Policy Anniversary; or
3. on any Premium Due Date on or after the first Policy Anniversary if your entire group's Covered Monthly Earnings changes by 15% or more from such group's Covered Monthly Earnings on this Policy's Effective Date.

We will not change the Premium Rate due to (2) or (3) above more than once in any twelve (12) month period. We will tell you in writing at least thirty-one (31) days before the date of a change due to (2) or (3) above.

GRACE PERIOD: You may pay the Premium up to thirty-one (31) days after the date it is due. This Policy stays in force during this time. If the Premium is not paid during the grace period, this Policy, with respect to you, will terminate. You will still owe us the Premium up to the date this Policy terminates.

WAIVER OF PREMIUM: No Premium is due us for an Insured while he/she is receiving Monthly Benefits from us. Once Monthly Benefits cease due to the end of his/her Total Disability, Premium payments must begin again if insurance is to continue.
BENEFIT PROVISIONS

INSURING CLAUSE: We will pay a Monthly Benefit if an Insured:
(1) is Totally Disabled as the result of a Sickness or Injury covered by this Policy;
(2) is under the regular care of a Physician;
(3) has completed the Elimination Period; and
(4) submits satisfactory proof of Total Disability to us.

BENEFIT AMOUNT: To figure the benefit amount payable:
(1) multiply an Insured's Covered Monthly Earnings by the benefit percentage(s), as shown on the Schedule of Benefits page;
(2) take the lesser of the amount:
   (a) of step (1) above; or
   (b) the Maximum Monthly Benefit, as shown on the Schedule of Benefits page; and
(3) subtract Other Income Benefits, as shown below, from step (2) above.

We will pay at least the Minimum Monthly Benefit, as shown on the Schedule of Benefits page.

OTHER INCOME BENEFITS: Other Income Benefits are:
(1) disability income benefits an Insured is eligible to receive because of his/her Total Disability under any group insurance plan(s);
(2) disability income benefits an Insured is eligible to receive because of his/her Total Disability under any governmental retirement system, except benefits payable under a federal government employee pension benefit;
(3) all benefits (except medical or death benefits) including any settlement made in place of such benefits (whether or not liability is admitted) an Insured is eligible to receive because of his/her Total Disability under:
   (a) Workers' Compensation Laws;
   (b) occupational disease law;
   (c) any other laws of like intent as (a) or (b) above; and
   (d) any compulsory benefit law;
(4) any of the following that the Insured is eligible to receive from you:
   (a) any formal salary continuance plan;
   (b) wages, salary or other compensation, excluding the amount allowable when engaged in Rehabilitative Employment; and
   (c) commissions or monies, including vested renewal commissions, but, excluding commissions or monies that the Insured earned prior to Total Disability which are paid after Total Disability has begun;
(5) that part of disability benefits paid for by you that an Insured is eligible to receive because of his/her Total Disability under a group retirement plan; and
(6) that part of Retirement Benefits paid for by you that an Insured is eligible to receive under a group retirement plan; and
(7) disability or Retirement Benefits under the United States Social Security Act, the Canadian pension plans, or any other government plan for which:
   (a) an Insured is eligible to receive because of his/her Total Disability or eligibility for Retirement Benefits; and
   (b) an Insured's dependents are eligible to receive due to (a) above.

Disability and early Retirement Benefits will be offset only if such benefits are elected by the Insured or do not reduce the amount of his/her accrued normal Retirement Benefits then funded.

Retirement Benefits under number (7) above will not apply to disabilities which begin after age 70 for those Insureds already receiving Social Security Retirement Benefits while continuing to work beyond age 70.

Benefits above will be estimated if the benefits:
(1) have not been applied for; or
(2) have been applied for and a decision is pending; or
(3) have been denied and the denial may be appealed.

The Monthly Benefit will be reduced by the estimated amount. If benefits have been estimated, the Monthly Benefit will be adjusted when we receive proof:
(1) of the amount awarded; or
(2) that benefits have been denied and the denial cannot be further appealed.
If we have underpaid any benefit for any reason, we will make a lump sum payment. If we have overpaid any benefit for any reason, the overpayment must be repaid to us. At our option, we may reduce the Monthly Benefit or ask for a lump sum refund. If we reduce the Monthly Benefit, the Minimum Monthly Benefit, if any, as shown on the Schedule of Benefits page, would not apply. Interest does not accrue on any underpaid or overpaid benefit unless required by applicable law.

For each day of a period of Total Disability less than a full month, the amount payable will be 1/30th of the Monthly Benefit.

**COST OF LIVING FREEZE:** After the initial deduction for any Other Income Benefits, the Monthly Benefit will not be further reduced due to any cost of living increases payable under these Other Income Benefits.

**LUMP SUM PAYMENTS:** If Other Income Benefits are paid in a lump sum, the sum will be prorated over the period of time to which the Other Income benefits apply. If no period of time is given, the sum will be prorated over sixty (60) months.

**TERMINATION OF MONTHLY BENEFIT:** The Monthly Benefit will stop on the earliest of:

1. the date the Insured ceases to be Totally Disabled;
2. the date the Insured dies;
3. the Maximum Duration of Benefits, as shown on the Schedule of Benefits page, has ended; or
4. the date the Insured fails to furnish the required proof of Total Disability.

**RECURRENT DISABILITY:** If, after a period of Total Disability for which benefits are payable, an Insured returns to Active Work for at least six (6) consecutive months, any recurrent Total Disability for the same or related cause will be part of a new period of Total Disability. A new Elimination Period must be completed before any further Monthly Benefits are payable.

If an Insured returns to Active Work for less than six (6) months, a recurrent Total Disability for the same or related cause will be part of the same Total Disability. A new Elimination Period is not required. Our liability for the entire period will be subject to the terms of this Policy for the original period of Total Disability.

This Recurrent Disability section will not apply to an Insured who becomes eligible for insurance coverage under any other group long term disability insurance plan.
WORKSITE MODIFICATION PROVISION

If an Insured is Totally Disabled, participating in a rehabilitation program and receiving a Monthly Benefit and he/she is able to return to Active Work should you make a modification to the Insured's worksite, then you may be eligible for Worksite Modification Reimbursement.

You will be reimbursed for 100% of the actual and reasonable expenses paid for eligible worksite modifications to accommodate the Insured's return to Active Work, up to a maximum reimbursement of $2,000.00.

Eligible worksite modifications include:

1. providing the Insured with a more accessible parking space or entrance; or
2. removing items from the worksite which represent barriers or hazards to the Insured; or
3. special seating, furniture or equipment for the Insured's work station; or
4. providing special training materials or translation services during the Insured's training; or
5. any other services that we deem necessary to help the Insured return to Active Work with you.

In order for this reimbursement to be payable, the Insured must have a Total Disability that results solely from the Insured's inability to perform his or her Regular Occupation at your worksite. The Insured must also have the physical and mental abilities needed to perform his or her Regular Occupation or another occupation at your worksite, but only with the help of the proposed worksite modification.

A worksite modification may first be proposed by either you, the Insured or his or her Physician, or by us. A written proposal must then be developed with input from you, the Insured or his or her Physician. The proposal must state the purpose of the proposed worksite modification, the times, dates and costs of the modifications. Any proposal must be in writing and is subject to our approval, your approval and the approval of the Insured prior to any reimbursement being paid.

Once the worksite modification has been approved in writing, you must make the worksite modification. Upon receipt of proof satisfactory to us that the modifications for the Insured have been made as approved and you have paid the person or organization that provided the worksite modification, we will then reimburse you up to the limit shown above.
EXCLUSIONS

We will not pay a Monthly Benefit for any Total Disability caused by:
(1) an act of war, declared or undeclared; or
(2) an intentionally self-inflicted Injury; or
(3) the insured committing a felony; or
(4) an injury or Sickness that occurs while the Insured is confined in any penal or correctional institution.
LIMITATIONS

MENTAL OR NERVOUS DISORDERS: Monthly Benefits for Total Disability caused by or contributed to by mental or nervous disorders will not be payable beyond an aggregate lifetime maximum duration of twenty-four (24) months unless the Insured is in a Hospital or Institution at the end of the twenty-four (24) month period. The Monthly Benefit will be payable while so confined, but not beyond the Maximum Duration of Benefits.

If an Insured was confined in a Hospital or Institution and:
   (1) Total Disability continues beyond discharge;
   (2) the confinement was during a period of Total Disability; and
   (3) the period of confinement was for at least fourteen (14) consecutive days;
then upon discharge, Monthly Benefits will be payable for the greater of:
   (1) the unused portion of the twenty-four (24) month period; or
   (2) ninety (90) days;
but in no event beyond the Maximum Duration of Benefits, as shown on the Schedule of Benefits page.

Mental or Nervous Disorders are defined to include disorders which are diagnosed to include a condition such as:
   (1) bipolar disorder (manic depressive syndrome);
   (2) schizophrenia;
   (3) delusional (paranoid) disorders;
   (4) psychotic disorders;
   (5) depressive disorders;
   (6) anxiety disorders;
   (7) somatoform disorders (psychosomatic illness);
   (8) eating disorders; or
   (9) mental illness.

SUBSTANCE ABUSE: Monthly Benefits for Total Disability due to alcoholism or drug addiction will be payable while the Insured is a participant in a Substance Abuse Rehabilitation Program. The Monthly Benefit will not be payable beyond twenty-four (24) months.

If, during a period of Total Disability due to Substance Abuse for which a Monthly Benefit is payable, an Insured is able to perform Rehabilitative Employment, the Monthly Benefit, less 50% of any of the money received from this Rehabilitative Employment will be paid until: (1) the Insured is performing all the material duties of his/her Regular Occupation on a full-time basis; or (2) the end of twenty-four (24) consecutive months from the date that the Elimination Period is satisfied, whichever is earlier. All terms and conditions of the Rehabilitation Benefit will apply to Rehabilitative Employment due to Substance Abuse.

"Substance Abuse" means the pattern of pathological use of a Substance which is characterized by:
   (1) impairments in social and/or occupational functioning;
   (2) debilitating physical condition;
   (3) inability to abstain from or reduce consumption of the Substance; or
   (4) the need for daily Substance use for adequate functioning.

"Substance" means alcohol and those drugs included on the Department of Health, Retardation and Hospitals' Substance Abuse list of addictive drugs, except tobacco and caffeine are excluded.

A Substance Abuse Rehabilitation Program means a program supervised by a Physician or a licensed rehabilitation specialist approved by us.

PRE-EXISTING CONDITIONS: Benefits will not be paid for a Total Disability:
   (1) caused by;
   (2) contributed to by; or
   (3) resulting from;
a Pre-existing Condition unless the Insured has been Actively at Work for one (1) full day following the end of twelve (12) consecutive months from the date he/she became an Insured.
"Pre-Existing Condition" means any Sickness or Injury for which the Insured received medical Treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines, during the three (3) months immediately prior to the Insured's effective date of insurance.
**SPECIFIC INDEMNITY BENEFIT**

If the Insured suffers any one of the Losses listed below from an accident resulting in an Injury, we will pay a guaranteed minimum number of Monthly Benefit payments, as shown below. However:

1. the Loss must occur within one hundred and eighty (180) days; and
2. the Insured must live past the Elimination Period.

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<tr>
<th>For Loss of:</th>
<th>Number of Monthly Benefit Payments:</th>
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<tbody>
<tr>
<td>Both Hands</td>
<td>46 Months</td>
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<tr>
<td>Both Feet</td>
<td>46 Months</td>
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<td>Entire Sight in Both Eyes</td>
<td>46 Months</td>
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<td>Hearing in Both Ears</td>
<td>46 Months</td>
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<td>One Foot and Entire Sight in One Eye</td>
<td>46 Months</td>
</tr>
<tr>
<td>One Arm</td>
<td>35 Months</td>
</tr>
<tr>
<td>One Leg</td>
<td>35 Months</td>
</tr>
<tr>
<td>One Hand</td>
<td>23 Months</td>
</tr>
<tr>
<td>One Foot</td>
<td>23 Months</td>
</tr>
<tr>
<td>Entire Sight in One Eye</td>
<td>15 Months</td>
</tr>
<tr>
<td>Hearing in One Ear</td>
<td>15 Months</td>
</tr>
</tbody>
</table>

"Loss(es)" with respect to:

1. hand or foot, means the complete severance through or above the wrist or ankle joint;
2. arm or leg, means the complete severance through or above the elbow or knee joint; or
3. sight, speech or hearing, means total and irrecoverable Loss thereof.

If more than one (1) Loss results from any one accident, payment will be made for the Loss for which the greatest number of Monthly Benefit payments is provided.

The amount payable is the Monthly Benefit, as shown on the Schedule of Benefits page, with no reduction from Other Income Benefits. The number of Monthly Benefit payments will not cease if the Insured returns to Active Work.

If death occurs after we begin paying Monthly Benefits, but before the Specific Indemnity Benefit has been paid according to the above schedule, the balance remaining at time of death will be paid to the Insured’s estate, unless a beneficiary is on record with us under this Policy.

Benefits may be payable longer than shown above as long as the Insured is still Totally Disabled, subject to the Maximum Duration of Benefits, as shown on the Schedule of Benefits page.
SURVIVOR BENEFIT - LUMP SUM

We will pay a benefit to an Insured's Survivor when we receive proof that the Insured died while:

(1) he/she was receiving Monthly Benefits from us; and
(2) he/she was Totally Disabled for at least one hundred and eighty (180) consecutive days.

The benefit will be an amount equal to 3 times the Insured's last Monthly Benefit. The last Monthly Benefit is the benefit the Insured was eligible to receive right before his/her death. It is not reduced by wages earned while in Rehabilitative Employment.

A benefit payable to a minor may be paid to the minor's legally appointed guardian. If there is no guardian, at our option, we may pay the benefit to an adult that has, in our opinion, assumed the custody and main support of the minor. We will not be liable for any payment we have made in good faith.

"Survivor" means an Insured's spouse; or a civil union partner or domestic partner where legally recognized under applicable state law. If the spouse, civil union partner or domestic partner dies before the Insured, or if the Insured was legally separated or the civil union or domestic partnership was no longer in effect, then the Insured's natural, legally adopted children, step-children, or children of a civil union or domestic partnership who are under age twenty-five (25) will be the Survivors. If there are no eligible Survivors, payment will be made to the Insured's estate, unless a beneficiary is on record with us under this Policy.
WORK INCENTIVE AND CHILD CARE BENEFITS

WORK INCENTIVE BENEFIT

During the first twelve (12) months of Rehabilitative Employment during which a Monthly Benefit is payable, we will not offset earnings from such Rehabilitative Employment until the sum of:

1. the Monthly Benefit prior to offsets with Other Income Benefits; and
2. earnings from Rehabilitative Employment;

exceed 100% of the Insured's Covered Monthly Earnings. If the sum above exceeds 100% of Covered Monthly Earnings, our Benefit Amount will be reduced by such excess amount until the sum of (1) and (2) above equals 100%.

CHILD CARE BENEFIT

We will allow a Child Care Benefit to an Insured if:

1. the Insured is receiving benefits under the Work Incentive Benefit;
2. the Insured's Child(ren) is (are) under 14 years of age;
3. the child care is provided by a non-relative; and
4. the charges for child care are documented by a receipt from the caregiver, including social security number or taxpayer identification number.

During the twelve (12) month period in which the Insured is eligible for the Work Incentive Benefit, an amount equal to actual expenses incurred for child care, up to a maximum of $250.00 per month, will be added to the Insured's Covered Monthly Earnings when calculating the Benefit Amount under the Work Incentive Benefit.

Child(ren) means: the Insured's unmarried child(ren), including any foster child, adopted child, step-child, or child of a civil union or domestic partnership where legally recognized under applicable state law who resides in the Insured's home and is financially dependent on the Insured for support and maintenance.
EXTENSION OF COVERAGE UNDER THE FAMILY AND MEDICAL LEAVE ACT AND UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Family and Medical Leave of Absence:

We will continue the Insured's coverage in accordance with your policies regarding leave under the Family and Medical Leave Act of 1993, as amended, or any similar state law, as amended, if:

(1) the premium for such Insured continues to be paid during the leave; and
(2) you have approved the Insured's leave in writing and provide a copy of such approval within thirty-one (31) days of our request.

As long as the above requirements are satisfied, we will continue coverage until the later of:

(1) the end of the leave period required by the Family and Medical Leave Act of 1993, as amended; or
(2) the end of the leave period required by any similar state law, as amended.

Military Services Leave of Absence:

We will continue the Insured's coverage in accordance with your policies regarding Military Services Leave of Absence under USERRA if the premium for such Insured continues to be paid during the leave.

As long as the above requirement is satisfied, we will continue coverage until the end of the period required by USERRA.

This Policy, while coverage is being continued under this Military Services Leave of Absence extension, does not cover any loss which occurs while on active duty in the military if such loss is caused by or arises out of such military service, including but not limited to war or any act of war, whether declared or undeclared.

While the Insured is on a Family and Medical Leave of Absence for any reason other than his or her own illness, injury or disability or Military Services Leave of Absence he or she will be considered Actively at Work. Any changes such as revisions to coverage due to age, class or salary changes, as applicable, will apply during the leave except that increases in the amount of insurance, whether automatic or subject to election, will not be effective for an Insured who is not considered Actively at Work until the Insured has returned to Active Work for one (1) full day.

A leave of absence taken in accordance with the Family and Medical Leave Act of 1993 or USERRA will run concurrently with any other applicable continuation of insurance provision in this Policy.

The Insured's coverage will cease under this extension on the earliest of:

(1) the date this Policy terminates; or
(2) the end of the period for which premium has been paid for the Insured; or
(3) the date such leave should end in accordance with your policies regarding Family and Medical Leave of Absence and Military Services Leave of Absence in compliance with the Family and Medical Leave Act of 1993, as amended and USERRA. Coverage will not be terminated for an Insured who becomes Totally Disabled during the period of the leave and who is eligible for benefits according to the terms of this Policy. Any Monthly Benefit which becomes payable will be based on the Insured's Covered Monthly Earnings immediately prior to the date of Total Disability.

Should you choose not to continue the Insured's coverage during a Family and Medical Leave of Absence and/or Military Services Leave of Absence, the Insured's coverage will be reinstated.
EXTENDED DISABILITY BENEFIT

We will pay an Extended Disability Benefit to an Insured if the Insured:

1. meets all the requirements of Total Disability of this Policy; and
2. is receiving a Total Disability Benefit under this Policy that will be exhausted because the Maximum Duration of Benefits has ended; and
3. is unable to function without another person's Direct Assistance or verbal direction due to:
   a. an inability to perform at least two Activities of Daily Living (ADL) as defined; or
   b. Cognitive Impairment as defined; and
4. is either:
   a. confined as an Inpatient in a Skilled Nursing Home, Rehabilitation Facility or Rehabilitation Hospital in which patients receive care from licensed medical professionals; or
   b. receiving Home Health Care or Hospice Care; and
5. makes a Written Request for this benefit within thirty (30) days after the Maximum Duration of Benefits has ended.

The Extended Disability Benefit:

1. will be an amount equal to 85% of the Monthly Benefit after offsets with Other Income Benefits which was payable prior to the Insured qualifying for the Extended Disability Benefit up to a maximum of $5,000 per month; and
2. is payable for a maximum of sixty (60) months measured from the date that the Maximum Duration of Benefits has ended.

Definitions:

"Activities of Daily Living (ADL)" means:

1. Bathing - the ability to wash oneself in the tub or shower or by sponge bath from a basin without Direct Assistance;
2. Dressing - the ability to change clothes without Direct Assistance, including fastening and unfastening any medically necessary braces or artificial limbs;
3. Eating/Feeding - the ability to eat without Direct Assistance, once food has been prepared and made available;
4. Transferring - the ability to move in and out of a chair or bed without Direct Assistance, except with the aid of equipment (including support and other mechanical devices); and
5. Toileting - the ability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene and to adjust clothing without Direct Assistance.

"Cognitively Impaired" and "Cognitive Impairment" means the Insured's confusion or disorientation due to organic changes in the brain resulting in a deterioration or loss in intellectual capacity as confirmed by cognitive or other tests satisfactory to us.

"Direct Assistance" means the Insured requires continuous help or oversight to be able to perform the Activity of Daily Living (ADL).

"Home Health Care" means medical and non-medical services, provided in an Insured's residence due to Injury or Sickness, including: visiting nurse services; physical, respiratory, occupational or speech therapy; nutritional counseling; and home health aide services. Home Health Care services must be: (1) prescribed by and provided under the supervision of a Physician; and (2) rendered by a licensed home health care provider who is not a member of the insured's immediate family. Home Health Care does not include: homemaker, companion and home delivered meal services; nor informal care services provided by family members of the insured.

"Hospice Care" means a program of care which coordinates the special needs of a person with a Terminal Illness. Hospice Care must be: (1) prescribed by and provided under the supervision of a Physician; and (2) rendered by a licensed hospice care provider who is not a member of the Insured's immediate family.
"Inpatient" means a person confined in a Skilled Nursing Home, Rehabilitation Facility or Rehabilitative Hospital, for whom a daily room and board charge is made.

"Pre-existing Condition" means with respect to the Extended Disability Benefit only, any Sickness or Injury for which the Insured received medical treatment, consultation, care or services, including diagnostic procedures, or took prescribed drugs or medicines, during the three (3) months immediately preceding the Insured's effective date of insurance.

"Rehabilitation Facility or Rehabilitative Hospital" means any facility or Hospital that is licensed in the state in which it is operating to provide rehabilitation services, therapy or retraining to the Insured to enable him or her to walk, communicate, and/or function as a member of society.

"Skilled Nursing Home" means a facility or part of a facility that is licensed or certified in the state in which it is operating to provide Skilled Nursing Care.

"Skilled Nursing Care" means that level of care which:

(1) requires the training and skills of a Registered Nurse;
(2) is prescribed by a Physician;
(3) is based on generally recognized and accepted standards of health care by the American Medical Association; and
(4) is appropriate for the diagnosis and treatment of the Insured's Sickness or Injury.

"Terminal Illness" means a Sickness or physical condition that is certified by a Physician in a written statement, on a form prescribed by us, to reasonably be expected to result in death in less than 12 months.

"Written Request" means a request made, in writing, by the Insured to us.

Pre-existing Conditions Limitation:

With respect to the Extended Disability Benefit only, benefits will not be paid for a Total Disability:

(1) caused by;
(2) contributed to by; or
(3) resulting from;

a Pre-existing Condition unless the Insured has been Actively at Work for one (1) full day following the end of twelve (12) consecutive months measured from the Insured's effective date of insurance with us.

No benefits will be paid under the Extended Disability Benefit if the Insured's Total Disability occurred before the Insured's effective date of insurance with us.

The Extended Disability Benefit will cease to be payable on the earliest of the following dates:

(1) the date the Insured dies; or
(2) the date the Insured no longer meets the requirements of Total Disability of this Policy; or
(3) the date the Insured:

(a) is no longer confined as an Inpatient in a Skilled Nursing Home, Rehabilitative Facility or Rehabilitation Hospital; or
(b) is no longer receiving Home Health Care or Hospice Care; or

(4) the date the Insured is no longer considered Cognitively Impaired; or
(5) the date the Insured is no longer unable to perform at least two Activities of Daily Living (ADL); or
(6) the date the Insured receives his or her sixtieth (60th) monthly Extended Disability Benefit payment.

The Extended Disability Benefit will not be payable for Total Disability which is caused by or results from conditions for which Monthly Benefits are specifically limited by this Policy such as Mental or Nervous Disorders, alcoholism, drug addiction, or other Substance Abuse, musculoskeletal and connective tissue disorders, chronic fatigue syndrome, Environmental Allergic or Reactive Illness, or Self-Reported Conditions.
If this Policy contains a Survivor Benefit, Activities of Daily Living Benefit (ADL), Catastrophic Care Benefit, Supplemental Pension Benefit, Living Benefit, Cost of Living Benefit or a Conversion Privilege, such benefits are not applicable when receiving benefits under the Extended Disability Benefit.
REHABILITATION BENEFIT

"Rehabilitative Employment" means work in Any Occupation for which the Insured's training, education or experience will reasonably allow. The work must be approved by a Physician or a licensed or certified rehabilitation specialist approved by us. Rehabilitative Employment includes work performed while Partially Disabled, but does not include performing all the material duties of his/her Regular Occupation on a full-time basis.

If an Insured is receiving a Monthly Benefit because he/she is considered Totally Disabled under the terms of this Policy and is able to perform Rehabilitative Employment, we will continue to pay the Monthly Benefit less an amount equal to 50% of earnings received through such Rehabilitative Employment.

If an Insured is able to perform Rehabilitative Employment when Totally Disabled due to Substance Abuse, we will continue to pay the Monthly Benefit less an amount equal to 50% of earnings received through such Rehabilitative Employment. This Monthly Benefit is payable for a maximum of twenty-four (24) consecutive months from the date the Elimination Period is satisfied.

An Insured will be considered able to perform Rehabilitative Employment if a Physician or licensed or certified rehabilitation specialist approved by us determines that he/she can perform such employment.
It is hereby understood and agreed that the Policy will be amended by the addition of the following:

Applicable to Vermont Residents Only

The following sections/provisions of this Policy are amended to comply with Vermont law:

1. **Schedule of Benefits section, Elimination Period provision.**

   The Elimination Period will be the lesser of the number of days shown on the Schedule of Benefits in this policy or:

   For Benefit Periods 2 years and greater: 365 days.
   For Benefit Periods greater than 1 year but less than 2 years: 180 days.

2. **Definitions section, definition of Full-Time, if such definition is included in this Policy is replaced with:**

   "Full-time" means working for you for a minimum of 17.5 hours during a person's regular work week.

3. **Limitations section, Mental or Nervous Disorders and/or Substance Abuse, if such limitations are included in this Policy.**

   If this Policy contains limitations in coverage for mental or nervous disorders and/or substance abuse, such limitations will not apply to Vermont residents. Coverage for these conditions will be treated the same as other conditions that may entitle the Insured to full benefits.

4. **Limitations section, Pre-existing Conditions, if such limitation is included in this Policy.**

   The pre-existing condition provision time period in the definition of Pre-existing Condition shall be the lesser of the time period shown on the Limitations form in this policy or twelve (12) months.

   The period of time during which the Insured becomes Totally Disabled due to a Pre-existing Condition and a benefit is not payable for such Total Disability is the lesser of the time period as shown in this policy or twelve (12) months.

All other terms and conditions remain unchanged.

RELIANCE STANDARD LIFE INSURANCE COMPANY

[Signature]

Secretary
### Table 1: Waiver of Premium:

<table>
<thead>
<tr>
<th>Insurance Coverage</th>
<th>Current</th>
<th>Proposed</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standard</td>
<td>Standard</td>
<td>MetLife</td>
<td>Minnesota Life</td>
<td>Reliance</td>
</tr>
<tr>
<td>Basic Term Life (per $1,000 of Benefit)</td>
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<td>Not Provided</td>
<td>$0.165</td>
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<td>Basic AD&amp;D (per $1,000 of Benefit)</td>
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<td>Total Annual Costs based on current volume</td>
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<td>$131,900</td>
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<td>Annual Percent Savings</td>
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<td>16%</td>
<td>14%</td>
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<tr>
<td>3-Year Rate Guarantee (July 2013-June 2016)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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</tbody>
</table>

### Table 2: Without Waiver of Premium:

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<th>Insurance Coverage</th>
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<th>Proposed</th>
<th></th>
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<tbody>
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<td>Standard</td>
<td>Standard</td>
<td>MetLife</td>
<td>Minnesota Life</td>
<td>Reliance</td>
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<tr>
<td>Basic Term Life (per $1,000 of Benefit)</td>
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<td>Basic AD&amp;D (per $1,000 of Benefit)</td>
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<td>$0.023</td>
<td>$0.020</td>
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<tr>
<td>Total</td>
<td>$0.245</td>
<td>$0.165</td>
<td>$0.193</td>
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<tr>
<td>Total Annual Costs based on current volume</td>
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<td>Annual Savings</td>
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<td>Annual Percent Savings</td>
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<tr>
<td>3-Year Rate Guarantee (July 2013-June 2016)</td>
<td>Yes</td>
<td>Yes</td>
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</tr>
</tbody>
</table>
## 2013 Life/AD&D/LTD Bid – Effective 7/1/13

**Insuring LTD Coverage Only**

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<tr>
<th>Insurance Coverage</th>
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<tr>
<td></td>
<td>Standard</td>
<td>Standard</td>
</tr>
<tr>
<td>Long Term Disability (% of insured earnings)</td>
<td>0.86%</td>
<td>Not Provided</td>
</tr>
<tr>
<td>Total Annual Costs based on current volume</td>
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<tr>
<td>Annual Savings</td>
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<tr>
<td>Annual Percent Savings</td>
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<td>3-Year Rate Guarantee</td>
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(July 2013–June 2016)
2013 Life/AD&D/LTD Bid – Effective 7/1/13
Insuring Life, AD&D, and LTD coverage

**With Waiver of Premium:**

<table>
<thead>
<tr>
<th>Insurance Coverage</th>
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<tbody>
<tr>
<td></td>
<td>Standard</td>
<td>Standard</td>
</tr>
<tr>
<td>Basic Term Life</td>
<td>$0.22</td>
<td>$0.22</td>
</tr>
<tr>
<td>(per $1,000 of Benefit)</td>
<td></td>
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</tr>
<tr>
<td>Basic AD&amp;D</td>
<td>$0.025</td>
<td>$0.025</td>
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<tr>
<td>(per $1,000 of Benefit)</td>
<td></td>
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<tr>
<td>Long Term Disability</td>
<td>0.86%</td>
<td>0.86%</td>
</tr>
<tr>
<td>(% of insured earnings)</td>
<td></td>
<td></td>
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<tr>
<td>Total Annual Costs based on current volume</td>
<td>$610,900</td>
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<td>Annual Savings</td>
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<td>Annual Percent Savings</td>
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<tr>
<td>3-Year Rate Guarantee (July 2013-June 2016)</td>
<td>1 year</td>
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AMENDMENTS TO THE MEMORANDUMS OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE FIRE UNIT AND FIRE MANAGEMENT UNIT AND MODIFICATIONS TO THE UNREPRESENTED MANAGEMENT/CONFIDENTIAL AND LAW EMPLOYEES’ COMPENSATION PLAN

RECOMMENDATION

It is recommended that the City Council adopt by motion the attached Amendments to the Fire Unit and Fire Management Unit Memorandums of Understanding (MOU’s) expiring on June 30, 2013, and modifications to the Unrepresented Management/Confidential and Law Employees’ Compensation Plan. The City Council adoption will authorize the City Manager to execute the MOU amendments and compensation plan modifications and also authorizes the City Manager to take whatever actions are appropriate to carry out the implementation of these amendments.

Summary

Representatives of the City met and conferred with representatives of the Stockton Firefighters Association Local 456 (Local 456) on amendments to the Fire and Fire Management Memorandums of Understanding. These amendments extend the term of each unit’s respective MOU to June 30, 2014, and provide for an extension of most terms and conditions covered in the current MOU’s. There is no across the board salary increase proposed in these amendments. The amendments contain similar terms to those reached by the other labor unions adopted by Council on May 21, 2013. The parties reached tentative agreements and the City has received notification from the Association that the Fire and Fire Management units have ratified the amendments.

Staff is recommending that the City Council also authorize the City Manager to implement additional adjustments to the Unrepresented Employees’ Compensation Plan which are specific to unrepresented Fire sworn personnel and reflect the changes in the treatment of PERS contributions contained in the Fire and Fire Management MOU amendments. The MOU amendments for each unit and the modified Compensation Plan are attached, as attachments A - F respectively.

DISCUSSION

Background

The City has had substantial fiscal shortfalls over the past several years. On June 26, 2012, the City Council adopted a final budget for Fiscal Year 2012/2013 as a Pendency Plan budget. It also adopted as part of its Pendency Plan changes in compensation and benefits. The City and representatives from the Stockton Firefighters Association Local 456 continued to meet and confer on successor MOU’s and in August 2012, the City Council adopted successor MOU’s for the Fire and
Fire Management units with a term of one year, July 1, 2012 through June 30, 2013. These MOU’s included reductions in compensation and benefits as well as a PERS cost sharing provision allowed under CalPERS regulations (Section 20516 of the Public Employment Retirement Law) that allows employees to pick up a portion of the employer PERS contribution. Fire and Fire Management requested paying a 9% employer contribution instead of their 9% employee contribution. They also requested to pay an additional employer’s cost of 2.7% for the balance of the fiscal year only to be used to “buy back” certain Add pays that the City would otherwise be eliminating under the MOU. The additional cost sharing of 2.7% by Fire and Fire Management expires on June 30, 2013, and the previously agreed to reductions were slated to go into effect July 1, 2013.

Present Situation

The City and representatives from the Stockton Firefighters Association Local 456 have met and conferred and reached tentative agreements on amendments to the Fire and Fire Management MOU’s. The City has been notified that members of the Stockton Firefighters Association Local 456 Fire Unit and Fire Services Management Unit have voted to ratify their respective Amendments. These amendments are presented to Council for your consideration and adoption. The terms and conditions of their current respective MOU would “rollover” for another year, with the exception of minor amendments to certain sections of the MOU.

The terms of the City’s contract with CalPERS require that all employees hired prior to December 31, 2012 within the Fire contract “group” are treated the same. Therefore, all Fire personnel, hired prior to December 31, 2012, are subject to the cost sharing amendment and must participate in the same amount of cost sharing, including the Unrepresented Fire personnel (Fire Chief and Deputy Fire Chief Classifications). Currently, the Unrepresented Fire personnel pay the same 9% plus 2.7% towards PERS. Therefore, the Unrepresented Fire personnel receive a Management Incentive Add Pay of 2.7% in lieu of the Add pays that Fire and Fire Management unit employees are “buying back”. The modifications to the Unrepresented Employees’ Compensation Plan reflect the amendments to the PERS cost sharing contribution, consistent with the Fire and Fire Management MOU Amendments, and subsequent change to the Management Incentive Add Pay. Effective July 1, 2014, the additional cost sharing for the “buy back” above the 9% PERS cost sharing and the Management Incentive Add Pay will be eliminated and Fire sworn unrepresented staff will continue to contribute 9% towards the employer’s share of PERS costs, consistent with the Fire and Fire Management MOU’s.

Amendments to the Fire and Fire Services Management unit MOU sections are summarized as follows:

1. Contract Term extended one year - July 1, 2013 through June 30, 2014, without any cost of living increase or other compensation improvement.

2. Vacation Sell-back - Continue suspension of vacation sell-back during the term of July 1, 2013 to June 30, 2014 for employees not separating employment with the City.

3. Premium FLSA Add Pay - the City agrees to continue Premium FLSA Pay of 3.375 hours per pay period through June 29, 2014. Effective June 30, 2014, premium FLSA pay shall be paid on all actual hours worked.
4. PERS 20516 Cost Sharing - Effective July 1, 2013 through June 30, 2014, the City agrees to continue PERS cost sharing, at the reduced contribution amount of 2.02% (from 2.7% in Fiscal Year 2012/2013), whereby the additional employee contribution of the employer’s cost would be used to buy back Longevity Pay, Tiller Add Pay, Long Term Disability, Holiday and other Add pays otherwise eliminated or reduced. Previously, the annual contribution was pro-rated over a 9 month period for Fiscal Year 2012/2013 because there were only 9 months left in the year when the agreement was reached. Currently, the cost sharing is based on a 12 month contribution period for Fiscal Year 2013/2014. Unrepresented Fire personnel will receive Management Incentive Add Pay equivalent to the 2.02% contribution through June 30, 2014.

5. Grandfathered Longevity Pay - City agrees that the reduced grandfathered longevity pay remaining in the MOU which was due to be eliminated on June 30, 2013, will be extended.

6. City Contribution Towards Health Insurance - the City has agreed to a small increase to the City’s capped health insurance premium contribution towards employee health insurance premiums. The monthly increase in the City’s capped contribution effective July 1, 2013 will be:

   • $41 per month for Employee Only;
   • $75 per month for Employee plus 1 Dependent; and
   • $97 per month for Employee plus 2 or more Dependents.

   This keeps the City contribution to approximately 90% of the lowest cost plan (Kaiser) for next fiscal year. This reflects an approximate 8% increase in City contribution. The self-funded modified plan rates are increasing 16%, therefore, the employee will have to pay the difference if they wish to stay enrolled in the self-funded modified plan.

7. Efficiency Measures - Local 456 has agreed to a reopener clause to meet and confer upon City’s request on proposed efficiency measures, i.e., organizational, operational or staffing changes that are a result of necessary efficiency implementations.

8. Health Insurance - Local 456 has agreed to a reopener clause to meet and confer upon City’s request regarding proposals related to City sponsored medical plans and implementation of the Affordable Care Act (ACA).

   Additionally, the City has informally agreed to a request from the employee organizations to meet and discuss jointly on possible alternatives to the City’s self-funded health plan during the next fiscal year.

FINANCIAL SUMMARY

The new terms agreed to in these amendments will increase the City’s costs as follows:

1. Contract Term - There is no additional cost for the term since the MOU amendments do not include any agreed to cost of living salary increases;

2. Vacation Sell-back Suspension - There is no financial impact other than the City continuing to avoid this cost;
3. Premium FLSA Pay - This is a continuation of current year provision, and the associated cost has already been included in the Fire Department’s budget for Fiscal Year 2013/2014;

4. PERS 20516 Cost Sharing - There is no financial impact to the City for the cost sharing amendment;

5. Continuance of Grandfathered Longevity Pay - This cost will decrease as incumbents leave City employment, and the cost is projected to decrease over the next eight years. The cost for Fiscal Year 2013/2014 will be $145,000, of which $111,000 is an increase to the General Fund; and

6. City Health Insurance Contribution Increase will cost $169,692 of which $144,096 is an increase to the General Fund.

There is no fiscal impact to the City to continue the reduced Management Incentive Add Pay for unrepresented Fire employees as the additional add pay is offset by the equivalent PERS cost share amount the unrepresented Fire employees will pay.

The total cost for these MOU amendments is approximately $315,000 of which $255,000 is a General Fund cost. These increases have been factored into the 2013/2014 Proposed Budget with the exception of the health insurance contribution change. Sufficient funds are available in the 2013-14 Proposed General Fund Budget with the following amendment:

From:
General Fund Non-Departmental 010-0100-510 $144,096

To:
General Fund Fire Department 010-2600-530 $144,096

The health insurance contribution change will also impact Measure W 081 Fund and Development Services 048 Fund requiring an increase in the 2013-14 expenditure budgets. These funds have sufficient fund balance and/or revenues to cover the additional expense. To fund the health contribution increase the following amendments to the 2013-14 Proposed Budget are recommended:

Increase 2013-14 Expenditure Budgets:
Measure W Fire Health 081-2632-530 $23,700
Development Services Fire Health 048-2600-530 $1,896

Attachment A - Fire Unit Amendment
Attachment B - Fire Unit Amendment - Redlined version
Attachment C - Fire Management Amendment
Attachment D - Fire Management Amendment - Redlined version
Attachment E - Unrepresented Management/Confidential and Law Employees’ Compensation Plan
Attachment F - Unrepresented Management/Confidential and Law Employees’ Compensation Plan - Redlined version
AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE FIRE UNIT
Amendment to the July 1, 2012 - June 30, 2013 MOU

WHEREAS, The City of Stockton (the “City”) and the Stockton Firefighters' Local 456 (Fire Unit) are parties to a Memorandum of Understanding (“MOU”) covering the period of July 1, 2012 through June 30, 2013.

WHEREAS, all other terms and conditions of the MOU including the relative appendices will remain in effect, the parties hereto agree that the following sections of the MOU are hereby amended and shall read as follows:

Contract Term

The parties have agreed that the term of this MOU shall be extended to June 30, 2014.

9.1 (d)(1) Vacation Leave - Scheduling

(c) Sell-back. Effective July 1, 2011, employees on a forty (40) hour workweek may sell back a maximum of forty (40) hours of unused Accrued Vacation per year except during furlough or fiscal emergency periods. Employees on a fifty-six (56) hour workweek may sell back a maximum of (60) hours of unused accrued vacation per year except during furlough or fiscal emergency periods and during the contract term of July 1, 2013 through June 30, 2014.

11.1 FLSA Statutory Overtime Definitions

(d) Premium FLSA Pay. Fire unit employees on a 56 hour work week currently receive 3.375 hours per pay period for Premium FLSA Pay to compensate for overtime hours between the FLSA maximum of 53 hours per week and the department 56 hour work week. Within 90 – 120 calendar days but no later than October 31, 2012, the City will compensate for hours worked that exceed the maximum of 53 hours per week in the pay period in which they are earned. For the period of July 1, 2012 – June 29, 2013 premium FLSA will be paid on all hours in a paid status. Effective June 30, 2013, the City agrees to continue Premium FLSA Pay of 3.375 hours per pay period through June 29, 2014. Effective June 30, 2014, premium FLSA pay shall be paid on all actual hours worked.
13.1 Public Employee Retirement System Benefits for Unit Employees hired on or before June 30, 2011

f. PERS 20516 Cost Sharing for the Employer’s Pick up of the Employee’s 9% PERS Contribution. The union has proposed utilizing the 20516 PERS cost sharing amendment variable contribution provision for employees to pay share of the employer statutory costs up to a maximum of 14.138%. The union proposes that through the cost share they are to pay 9% towards Employer’s required PERS contribution. They also propose to offset other employee concessions or costs otherwise provided for in this MOU. The City has agreed to this request with the following understandings as listed in this document. The parties understand a vote of all individuals covered by the PERS agreement is required to implement this PERS amendment. Upon successful vote by the covered individuals, the parties shall implement a cost-sharing agreement under Government Code Section 20516 as soon as possible consistent with PERS regulation.

1) Cost Sharing for the Employer’s Pick-up of the Employee’s 9% PERS Contribution.

The Union proposes to first cost share an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by PERS towards the employer’s share of cost for PERS pension on a pre-tax basis. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the parties agree that the City shall deduct the percentage up to 9% not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. If during the term of this agreement legislation is enacted and becomes effective during the term of this agreement requiring employees under the PERS retirement system to pay all or part of the employees share of retirement thus reducing or eliminating EPMC, the parties agree that as soon as administratively possible consistent with PERS regulations to convert the employee’s contribution to the employers’ share under this 20516 cost share contract amendment to the employee share towards retirement for the percentage required by the new legislation.

2) For the period of adoption of the PERS 20516 contract amendment from July 1, 2013 through June 30, 2014 only, there will be an additional cost sharing of 2.02%. The parties have agreed to the calculation of this percentage. Further the parties agree that the Fire unit and Fire Management unit, that their cost share shall be
combined together and the two units shall be treated as one in the financing of concessions and the calculation of the cost share percentage.

If the bargaining unit employees agree to a cost sharing amount in excess of the 9% employee contribution as provided for above up to a maximum of 14.138%, the City would allow the bargaining unit employees to credit the additional cost sharing monies the city would receive towards maintaining the following compensation reductions proposed by the City. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 14.138% and/or some or all of the contributions sunset at specific time in the future during the term of this agreement, the parties agree that the City shall reinstate the pay reductions/concessions listed below not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. The union proposes and the City agrees that effective June 30, 2014 the Cost share amendment shall be changed to reflect a decrease in the agreed cost sharing amount from 11.02% to 9%. On June 30, 2014 the City shall reinstate the pay reductions/concessions listed below and current contract provisions shall govern.

- Grandfathering longevity, for fiscal year 2013 – June 29, 2014 at 1.25% for Tier one rate and 4.00% at tier two rate of the Longevity Pay that was eliminated as of July 1, 2012, is continued until June 29, 2014 as part of this cost sharing. Effective June 30, 2014, these longevity amounts shall be eliminated as provided for in 13.15.d. This does not impact the Grandfathered Longevity 13.15.c which is not part of the cost share agreement. The value of this buy back is $111,338.

- Paramedic Certification Step V Pay level shall remain at 11% for fiscal year 2013- June 29, 2014. Effective June 30, 2014 the 11% shall be reduced to 9% as provided for in 13.6. The value of this buy back is $54,664.

- Defer reduction in salary ranges by 0.41% for employees in non-administrative positions due to reduction of one holiday until June 29, 2014. Effective June 30, 2014, salary ranges shall be reduced by 0.4% as provided for in 12.b. The value of this buy back is $94,997.

- Tiller pay for 2013 – June 29, 2014 shall remain at 5%. Effective June 30, 2014, Tiller pay shall be eliminated as provided for in 13.11. The value of this buy back is $34,168.
• LTD payment shall remain in base pay until June 29, 2014. Effective June 30, 2014, LTD shall be rolled out of base pay as provided for in 14.6. The value of this buy back is $25,468.

• Certification Incentive Pay – Advance shall remain at 6% until June 29, 2014. Effective June 30, 2014, the Advance Certificate shall be reduced from 6% to 5% as provided for in 13.3. The value of this buy back is $122,710.

3) The cost sharing by employees through a CalPERS contract amendment process for the Cost Share of the Employer contribution for grandfathering longevity, deferral of paramedic pay level 5, holiday, tiller pay and certification incentive pay reductions as describe in the applicable sections of the MOU herein and the City shall only be obligated to provide benefits in accordance with the applicable MOU sections herein.

4) Cost sharing through one time HRA savings of $137,531.

   In Lieu of the City’s contribution of 1% of salary towards an HRA as provided for in 14.4 the Union and the City agree to redirect those monies for the term of this agreement in the amount of $137,531 towards the cost of the concession buy backs listed in 2 above in addition to the 2.02% additional cost sharing being paid by employees.

5) Administrative Processing.

   The parties agree that the additional cost share of 2.02% represents the 12 month cost necessary to buy back the 12 month contract concessions assuming the amendment date is effective the pay period that includes July 1, 2013. Should the agreement become effective after July 1, 2013, the parties agree that the 2.02% would be increased to cover the additional month (s) necessary to ensure the City realizes the full one year annualized savings for each of the concession buy backs. Therefore, as soon as administratively possible, the City will reimburse affected members for the reductions taken from July 1, 2013 until the pay period that the Cost sharing amendment is adopted and approved consistent with the PERS contract amendment process.

13.15 Longevity Pay

   a. Effective August 1, 2011, Longevity Pay shall be eliminated. However, the City shall grandfather only those employees who were employed on a permanent basis with the City on or before June 30, 2011 as follows:
Effective August 1, 2011 each tier of the Grandfathered longevity pay reflects a reduction by two and a half percent (2-1/2%) of the previous Longevity tiers. For example, employees who had attained 22 years of continuous service and prior to August 1, 2011 were receiving 11.25% step increase shall effective August 1, 2011 receive the new grandfathered tier two rate of 8.75%. Employees who had attained 15 years of continuous service prior to August 1, 2011 previously receiving an additional 5% shall effective August 1, 2011 receive the new grandfathered tier one rate of 2.5%; while grandfathered employees can move to the next tier upon eligibility until July 1, 2012, effective July 2, 2012 grandfathered employees shall remain frozen at the tier they are in as of July 2, 2012. Grandfathered Longevity Tier One: For those employees hired on or before June 30, 2011 who by July 1, 2012 have attained fifteen (15) years of continuous employment with the City shall receive an additional two and a half percent (2.5%) of top step pay.

b. Grandfathered Longevity Tier Two: For those employees hired on or before June 30, 2011 who by July 1, 2012 have attained twenty-two (22) years of continuous employment with the City shall receive an 8.75% increase to the salary step of Firefighter, Firefighter/Engineer, and Fire Captain.

c. Effective July 1, 2012, the grandfathered longevity tier one rate shall be reduced to one and a quarter (1.25%) percent and the longevity tier two rate shall be reduced to four point seven five (4.75%) percent.

d. Effective June 30, 2014, the Longevity Pay which has been retained as part of the cost share agreement in 13.1.f.2 shall be eliminated as provided for in that section of this MOU.

14.1 Health Insurance and Related Benefits

(c) City Contribution towards the cost of insurance programs. Effective July 1, 2013:

- The City shall contribute up to $522.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

- The City shall contribute up to $950.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.

- The City shall contribute up to $1,262.00 per month toward the cost of the monthly premium for employee plus two or more dependents
medical/dental/vision plan coverage.

22.1 Reopener Clause for Health Insurance

The Association agrees at the City’s request, to meet and confer on any changes that are within the mandatory scope of bargaining in any City proposals related to its City sponsored medical plans that may be related to the implementation of the Affordable Care Act (ACA) during Fiscal Year 2013/2014.

22.2 Reopener Clause for Efficiency Measures

The Association agrees to meet at the City’s request for the purpose of meeting and conferring on any changes that would be a mandatory subject of bargaining that may result from any City proposal on organizational, operational or staffing changes that are a result of efficiency measures during Fiscal Year 2013/2014.

All other terms and conditions set forth in the MOU not specifically changed by this Amendment shall remain in full force and effect.
IN WITNESS WHEREOF, this Amendment has been attested to by the City Clerk, the
City Seal affixed hereto, and the document subscribed to by the City of Stockton
Employee Relations Officer and the duly authorized Representatives for the Fire Unit on
the __________ day of __________ 2013.

STOCKTON FIREFIGHTERS’ LOCAL UNION
456
FIRE UNIT

By: _______________________
Its: President

CITY OF STOCKTON, a Municipal
Corporation

APPROVED AS TO FORM:

By: _______________________
BOB DEIS
City Manager

Approved as to form:
Rose Law, APC

By: _______________________
Its: Legal Counsel or Labor Representative

By: _______________________
TERESIA HAASE
Director of Human Resources
Employee Relations Officer

Approved as to form:

John Luebberke, City Attorney

By: _______________________
MARCI ARREDONDO
Deputy City Attorney

::ODMA/GRPWISE/COS.PER.PER_Library:98093.1
WHEREAS, The City of Stockton (the “City”) and the Stockton Firefighters’ Local 456 (Fire Unit) are parties to a Memorandum of Understanding (“MOU”) covering the period of July 1, 2012 through June 30, 2013.

WHEREAS, all other terms and conditions of the MOU including the relative appendices will remain in effect, the parties hereto agree that the following sections of the MOU are hereby amended and shall read as follows:

## Contract Term

The parties have agreed that the term of this MOU shall be extended to June 30, 2014.

### 9.1 (d)(1) Vacation Leave – Scheduling

(c) **Sell-back.** Effective July 1, 2011, employees on a forty (40) hour workweek may sell back a maximum of forty (40) hours of unused Accrued Vacation per year except during furlough or fiscal emergency periods. Employees on a fifty-six (56) hour workweek may sell back a maximum of (60) hours of unused accrued vacation per year except during furlough or fiscal emergency periods and during the contract term of July 1, 2013 through June 30, 2014.

### 11.1 FLSA Statutory Overtime Definitions

(d) **Premium FLSA Pay.** Fire unit employees on a 56 hour work week currently receive 3.375 hours per pay period for Premium FLSA Pay to compensate for overtime hours between the FLSA maximum of 53 hours per week and the department 56 hour work week. Within 90 – 120 calendar days but no later than October 31, 2012, the City will compensate for hours worked that exceed the maximum of 53 hours per week in the pay period in which they are earned. For the period of July 1, 2012 – June 29, 2013 premium FLSA will be paid on all hours in a paid status. Effective June 30, 2013, the City agrees to continue Premium FLSA Pay of 3.375 hours per pay period through June 29, 2014. Effective June 30, 2014, premium FLSA pay shall be paid on all actual hours worked.
Public Employee Retirement System Benefits for Unit Employees hired on or before June 30, 2011

f. PERS 20516 Cost Sharing for the Employer’s Pick up of the Employee’s 9% PERS Contribution. The union has proposed utilizing the 20516 PERS cost sharing amendment variable contribution provision for employees to pay share of the employer statutory costs up to a maximum of 14.138%. The union proposes that through the cost share they are to pay 9% towards Employer’s required PERS contribution. They also propose to offset other employee concessions or costs otherwise provided for in this MOU. The City has agreed to this request with the following understandings as listed in this document. The parties understand a vote of all individuals covered by the PERS agreement is required to implement this PERS amendment. Upon successful vote by the covered individuals, the parties shall implement a cost-sharing agreement under Government Code Section 20516 as soon as possible consistent with PERS regulation.

1) Cost Sharing for the Employer’s Pick-up of the Employee’s 9% PERS Contribution.

The Union proposes to first cost share an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by PERS towards the employer’s share of cost for PERS pension on a pre-tax basis. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the parties agree that the City shall deduct the percentage up to 9% not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. If during the term of this agreement legislation is enacted and becomes effective during the term of this agreement requiring employees under the PERS retirement system to pay all or part of the employees share of retirement thus reducing or eliminating EPMC, the parties agree that as soon as administratively possible consistent with PERS regulations to convert the employee’s contribution to the employers’ share under this 20516 cost share contract amendment to the employee share towards retirement for the percentage required by the new legislation.

2) For the period of adoption of the PERS 20516 contract amendment from July 1, 2013, through June 30, 2014 only, there will be an additional cost sharing of 2.02%. The parties have agreed to the calculation of this percentage. Further the parties agree that the Fire unit and Fire Management unit, that
their cost share shall be combined together and the two units shall be treated as one in the financing of concessions and the calculation of the cost share percentage.

If the bargaining unit employees agree to a cost sharing amount in excess of the 9% employee contribution as provided for above up to a maximum of 14.138%, the City would allow the bargaining unit employees to credit the additional cost sharing monies the city would receive towards maintaining the following compensation reductions proposed by the City. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 14.138% and/or some or all of the contributions sunset at specific time in the future during the term of this agreement, the parties agree that the City shall reinstate the pay reductions/concessions listed below not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. The union proposes and the City agrees that effective June 30, 2013, the Cost share amendment shall be changed to reflect a decrease in the agreed cost sharing amount from 11.7% to 9%. On June 30, 2013, the City shall reinstate the pay reductions/concessions listed below and current contract provisions shall govern.

- **Grandfathering longevity**, for fiscal year **2012-2013** – June 29, 2014 at 2.5% for Tier one rate and 8.75% at tier two rate **of the Longevity Pay that was eliminated as of July 1, 2012, is continued until June 29, 2013 as part of this cost sharing.** Effective June 30, 2014 longevity shall be eliminated completely as provided for in 13.15.d. Effective June 30, 2014, these longevity amounts shall be eliminated as provided for in 13.15.d. This does not impact the Grandfathered Longevity 13.15.c which is not part of the cost share agreement. The value of this buy back is $136,063. $111,338.

- **Paramedic Certification Step V Pay level** shall remain at 11% for fiscal year **2012-2013** – June 29, **2013**. Effective June 30, 2013, the 11% shall be reduced to 9% as provided for in 13.6. The value of this buy back is $53,674. $54,664.

- **Defer reduction in salary ranges by 0.41% for employees in non-administrative positions** due to reduction of one holiday until June 29, **2014**. Effective June 30, 2014, salary ranges shall be reduced by 0.4% as provided for in 12.b. The value of this buy back is $95,374. $94,997.
• Tiller pay for 2012–2013 shall remain at 5%. Effective June 30, 2013, Tiller pay shall be eliminated as provided for in 13.11. The value of this buy back is $19,894/$34,168.

• LTD payment shall remain in base pay until June 29, 2014. Effective June 30, 2014, LTD shall be rolled out of base pay as provided for in 14.6. The value of this buy back is $15,022/$25,468.

• Certification Incentive Pay – Advance shall remain at 6% until June 29, 2014. Effective June 30, 2014, the Advance Certificate shall be reduced from 6% to 5% as provided for in 13.3. The value of this buy back is $135,486/$122,710.

3) The cost sharing by employees through a CalPERS contract amendment process for the Cost Share of the Employer contribution for grandfathering longevity, deferral of paramedic pay level 5, holiday, tiller pay and certification incentive pay reductions as describe in the applicable sections of the MOU herein and the City shall only be obligated to provide benefits in accordance with the applicable MOU sections herein.

4) Cost sharing through one time HRA savings of $137,531.

In Lieu of the City’s contribution of 1% of salary towards an HRA as provided for in 14.4 the Union and the City agree to redirect those monies for the term of this agreement in the amount of $137,531 towards the cost of the concession buy backs listed in 2 above in addition to the 2.7%/2.02% additional cost sharing being paid by employees.

5) Administrative Processing.

The parties agree that the additional cost share of 2.7%/2.02% represents the 9–12 month cost necessary to buy back the 12 month contract concessions assuming the amendment date is effective the pay period that includes July 1, 2013. Should the agreement become effective after July 1, 2013, the parties agree that the 2.7%/2.02% would be increased to cover the additional month(s) necessary to ensure the City realizes the full one year annualized savings for each of the concession buy backs. Therefore, as soon as administratively possible, the City will reimburse affected members for the reductions taken from July 1, 2013, until the pay period that the Cost sharing amendment
is adopted and approved consistent with the PERS contract amendment process.

13.15 Longevity Pay

a. Effective August 1, 2011, Longevity Pay shall be eliminated. However, the City shall grandfather only those employees who were employed on a permanent basis with the City on or before June 30, 2011 as follows:

Effective August 1, 2011 each tier of the Grandfathered longevity pay reflects a reduction by two and a half percent (2-1/2%) of the previous Longevity tiers. For example, employees who had attained 22 years of continuous service and prior to August 1, 2011 were receiving 11.25\% step increase shall effective August 1, 2011 receive the new grandfathered tier two rate of 8.75\%. Employees who had attained 15 years of continuous service prior to August 1, 2011 previously receiving an additional 5\% shall effective August 1, 2011 receive the new grandfathered tier one rate of 2.5\%; while grandfathered employees can move to the next tier upon eligibility until July 1, 2012, effective July 2, 2012 grandfathered employees shall remain frozen at the tier they are in as of July 2, 2012. Grandfathered Longevity Tier One: For those employees hired on or before June 30, 2011 who by July 1, 2012 have attained fifteen (15) years of continuous employment with the City shall receive an additional two and a half percent (2.5\%) of top step pay.

b. Grandfathered Longevity Tier Two: For those employees hired on or before June 30, 2011 who by July 1, 2012 have attained twenty-two (22) years of continuous employment with the City shall receive an 8.75\% increase to the salary step of Firefighter, Firefighter/Engineer, and Fire Captain.

c. Effective July 1, 2012, the grandfathered longevity tier one rate shall be reduced to one and a quarter (1.25\%) percent and the longevity tier two rate shall be reduced to four point seven five (4.75\%) percent.

d. Effective June 30, 2013, Longevity Pay Section 13.15(a) through (c) are eliminated and becomes inoperable and are eliminated for all grandfathered employees receiving longevity per this section.

d. Effective June 30, 2014, the Longevity Pay which has been retained as part of the cost share agreement in 13.1.f.2 shall be eliminated as provided for in that section of this MOU.
14.1 Health Insurance and Related Benefits

(c) City Contribution towards the cost of insurance programs.

Effective September 1, 2011 July 1, 2013:

- The City shall contribute up to $481.00 $522.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

- The City shall contribute up to $875.00 $950.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.

- The City shall contribute up to $1165.00 $1,262.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

22.1 Reopener Clause for Health Insurance

The Association agrees at the City’s request, to meet and confer on any changes that are within the mandatory scope of bargaining in any City proposals related to its City sponsored medical plans that may be related to the implementation of the Affordable Care Act (ACA) during Fiscal Year 2013/2014.

22.2 Reopener Clause for Efficiency Measures

The Association agrees to meet at the City's request for the purpose of meeting and conferring on any changes that would be a mandatory subject of bargaining that may result from any City proposal on organizational, operational or staffing changes that are a result of efficiency measures during Fiscal Year 2013/2014.

All other terms and conditions set forth in the MOU not specifically changed by this Amendment shall remain in full force and effect.
IN WITNESS WHEREOF, this Amendment has been attested to by the City Clerk, the City Seal affixed hereto, and the document subscribed to by the City of Stockton Employee Relations Officer and the duly authorized Representatives for the Fire Unit on the __________ day of __________ 2013.

STOCKTON FIREFIGHTERS’ LOCAL UNION 456 FIRE UNIT

By: _______________________
Its: President

CITY OF STOCKTON, a Municipal Corporation

APPROVED AS TO FORM:

By: _______________________
BOB DEIS
City Manager

Approved as to form:
Rose Law, APC

By: _______________________
Its: Legal Counsel or Labor Representative

By: _______________________
TERESIA HAASE
Director of Human Resources
Employee Relations Officer

Approved as to form:

John Luebberke, City Attorney

By: _______________________
MARCI ARREDONDO
Deputy City Attorney
WHEREAS, The City of Stockton (the “City”) and the Stockton Firefighters’ Local 456 (Fire Management Unit) are parties to a Memorandum of Understanding (“MOU”) covering the period of July 1, 2012 through June 30, 2013.

WHEREAS, all other terms and conditions of the MOU including the relative appendices will remain in effect, the parties hereto agree that the following sections of the MOU are hereby amended and shall read as follows:

Contract Term
The parties have agreed that the term of this MOU shall be extended to June 30, 2014.

9.1 (c) (1) Vacation Leave - Scheduling

Sell-back. Effective July 1, 2011, employees on a forty (40) hour workweek may sell back a maximum of forty (40) hours of unused Accrued Vacation per year except during furlough or fiscal emergency periods. Employees on a fifty-six (56) hour workweek may sell back a maximum of (60) hours of unused accrued vacation per year except during furlough or fiscal emergency periods and during the contract term of July 1, 2013 through June 30, 2014.

11.2 Overtime Definition

(d) Premium FLSA Pay. Fire management unit employees on a 56 hour work week currently receive 3.375 hours per pay period for Premium FLSA Pay to compensate for overtime hours between the FLSA maximum of 53 hours per week and the department 56 hour work week. Within 90 – 120 calendar days but no later than October 31, 2012, the City will compensate for hours worked that exceed the maximum of 53 hours per week in the pay period in which they are earned. For the period of July 1, 2012 – June 29, 2013 premium FLSA pay will be paid on all hours in paid status. Effective June 30, 2013, the City agrees to continue Premium FLSA Pay of 3.375 hours per pay period through June 29, 2014. Effective June 30, 2014, premium FLSA pay shall be paid on all actual hours worked.
13.1 Public Employee Retirement System Benefits for Unit Employees hired on or before June 30, 2011

h. PERS 20516 Employee Cost-Share of Employer Contribution. The union has proposed utilizing the PERS cost sharing amendment provisions to pay a share of the employer statutory costs up to a maximum of 14.138%. The union proposes that through the cost share they are to pay 9% towards Employer’s required PERS contribution. They also propose to offset other employee concessions or costs otherwise provided for in this MOU. The City has agreed to this request with the following understandings as listed in this document. The parties understand a vote of all individuals covered by the PERS agreement is required to implement this PERS amendment. Upon successful vote by the covered individuals, the parties shall implement a cost-sharing agreement under Government Code Section 20516 as soon as possible consistent with PERS regulation.

1. Cost Sharing for the Employer’s Pick-up of the Employee’s 9% PERS Contribution.

The Union proposes to first cost share an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by PERS towards the employer’s share of cost for PERS pension on a pre-tax basis. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the parties agree that the City shall deduct the percentage up to 9% not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. If during the term of this agreement legislation is enacted and becomes effective during the term of this agreement requiring employees under the PERS retirement system to pay all or part of the employees share of retirement thus reducing or eliminating EPMC, the parties agree that as soon as administratively possible consistent with PERS regulations to convert the employee’s contribution to the employers’ share under this 20516 cost share contract amendment to the employee share towards retirement for the percentage required by the new legislation.

2. For the period of July 1, 2013 through June 30, 2014 only, under the PERS 20516 contract amendment, there will be an additional cost sharing of 2.02%. The parties have agreed to the calculation of this percentage. Further the parties agree that the Fire unit and
Fire Management unit, that their cost share payment shall be combined together and the two units shall be treated as one in the financing of concessions and the calculation of the cost share percentage.

If the bargaining unit employees agree to a cost sharing amount in excess of the 9% employee contribution as provided for above up to a maximum of 14.138%, the City would allow the bargaining unit employees to credit the additional cost sharing monies the city would receive towards maintaining the following compensation reductions proposed by the City. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 14.138% and/or some or all of the contributions sunset at specific time in the future during the term of this agreement, the parties agree that the City shall reinstate the pay reductions/concessions listed below not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. The union proposes and the City agrees that effective June 30, 2014 the Cost share amendment shall be changed to reflect a decrease in the agreed cost-sharing amount from 11.02% to 9%. On June 30, 2014, the City shall reinstate the pay reductions/concessions listed below and current contract provisions shall govern. The following shall be covered by the cost share agreement:

- Grandfathering longevity, for fiscal year 2013 – June 29, 2014 at 1.25% for 15 service years longevity and 1.63% for 22 year service longevity pay that was eliminated as of July 1, 2012, is continued until June 29, 2014 as part of this cost sharing. Effective June 30, 2014, these longevity amounts shall be eliminated as provided for in 13.7.b. This does not impact the Grandfathered Longevity under 13.7.a which is not part of this cost share agreement. The value of this buy back is $24,989.

- Defer reduction in salary ranges by 0.41% for employees in non-administrative positions due to reduction of one holiday until June 29, 2014. Effective June 30, 2014, salary ranges shall be reduced by 0.4% as provided for in 12.b. The value of this buy back is $5,472.

- LTD payment shall remain in base pay until June 29, 2014. Effective June 30, 2014, LTD shall be rolled out of base pay as provided for in 14.6. The value of this buy back is $1,246.
• Advanced Certification Incentive Pay shall remain at 6% until June 29, 2014. Effective June 30, 2014, the Advance Certificate shall be reduced from 6% to 5% as provided for in 13.4. The value of this buy back is $10,276.

3. The cost sharing by employees through a CalPERS contract amendment process for the Cost Share of the Employer contribution for grandfathering longevity, deferral of salary range reductions, long term disability premium contributions, and advanced certification inventive pay as describe in the applicable sections of the MOU herein and the City shall only be obligated to provide benefits in accordance with the applicable MOU sections herein.

4. Cost sharing through one time HRA savings of $8,674.

   In Lieu of the City’s contribution of 1% of salary towards an HRA as provided for in 14.5 the Union and the City agree to redirect those monies for the term of this agreement in the amount of $8,674 towards the cost of the concession buy backs listed in 2 above in addition to the additional cost sharing of 2.02% being paid by employees.

5. Administrative Processing

   The parties agree that the additional cost share of 2.02% represents the 12 month cost necessary to buy back the 12 month contract concessions assuming the amendment date is effective on the pay period that includes July 1, 2013. Should the agreement become effective after July 1, 2013, the parties agree that the 2.02% would be increased to cover the additional month(s) necessary to ensure the City realizes the full one year annualized savings for each of the concession buy backs. Therefore, as soon as administratively possible, the City will reimburse effected members for the reductions taken from July 1, 2013 until the pay period that the Cost sharing amendment is adopted and approved consistent with the PERS contract amendment process.

13.7 Longevity Pay

   Effective August 1, 2011, Longevity Pay shall be eliminated. However, the City shall grandfather only those employees who on July 31, 2011 were receiving a pay of five percent (5%) of top step pay in rank to members of this unit who have fifteen (15) years of continuous service as sworn employees with the City’s Fire
Department, but the five percent (5%) pay shall be reduced to two and one-half (2.5%) effective August 1, 2011.

The City shall increase the salary step of Battalion Chiefs who attain twenty-two (22) years of continuous employment by three and one-quarter percent (3.25%) only for those employees as of July 31, 2011 who have attained twenty-two (22) years of continuous employment and therefore shall be grandfathered.

a. Effective July 1, 2012, the grandfathered longevity rate for members who were receiving the fifteen year benefit shall be reduced to one and a quarter percent (1.25%). The rate for members that were receiving the twenty-two (22) year shall receive one point six three (1.63%) percent.

b. Effective June 30, 2014, the Longevity Pay which has been retained as part of the cost share agreement in 13.1h.2 shall be eliminated as provided for in that section of this MOU.

14.1 Health Insurance and Welfare Related Benefits

c. City Contribution towards the cost of insurance programs. Effective July 1, 2013:

1. The City shall contribute up to $522.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

2. The City shall contribute up to $950.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.

3. The City shall contribute up to $1,262.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

22.1 Reopener Clause for Health Insurance

The Association agrees at the City’s request, to meet and confer on any changes that are within the mandatory scope of bargaining in any City proposals related to its City sponsored medical plans that may be related to the implementation of the Affordable Care Act (ACA) during Fiscal Year 2013/2014.
22.2 Reopener Clause for Efficiency Measures

The Association agrees to meet at the City’s request for the purpose of meeting and conferring on any changes that would be a mandatory subject of bargaining that may result from any City proposal on organizational, operational or staffing changes that are a result of efficiency measures during Fiscal Year 2013/2014.

All other terms and conditions set forth in the MOU not specifically changed by this Amendment shall remain in full force and effect.
IN WITNESS WHEREOF, this Amendment has been attested to by the City Clerk, the City Seal affixed hereto, and the document subscribed to by the City of Stockton Employee Relations Officer and the duly authorized Representatives for the Fire Management Unit on the ___________ day of ____________ 2013.

STOCKTON FIREFIGHTERS’ LOCAL UNION 456
FIRE MANAGEMENT UNIT

CITY OF STOCKTON, a Municipal Corporation

APPROVED AS TO FORM:

By: _______________________
Its: President

BOB DEIS
City Manager

Approved as to form:
Rose Law, APC

By: _______________________
Its: Legal Counsel or Labor Representative

TERESIA HAASE
Director of Human Resources
Employee Relations Officer

Approved as to form:
John Luebberke, City Attorney

By: _______________________
MARCI ARREDONDO
Deputy City Attorney
AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF STOCKTON AND THE
FIRE MANAGEMENT UNIT
Amendment to the July 1, 2012 - June 30, 2013 MOU

WHEREAS, The City of Stockton (the "City") and the Stockton Firefighters' Local 456 (Fire Management Unit) are parties to a Memorandum of Understanding ("MOU") covering the period of July 1, 2012 through June 30, 2013.

WHEREAS, all other terms and conditions of the MOU including the relative appendices will remain in effect, the parties hereto agree that the following sections of the MOU are hereby amended and shall read as follows:

Contract Term
The parties have agreed that the term of this MOU shall be extended to June 30, 2014.

9.1 (c) (1) Vacation Leave - Scheduling
Sell-back. Effective July 1, 2011, employees on a forty (40) hour workweek may sell back a maximum of forty (40) hours of unused Accrued Vacation per year except during furlough or fiscal emergency periods. Employees on a fifty-six (56) hour workweek may sell back a maximum of (60) hours of unused accrued vacation per year except during furlough or fiscal emergency periods and during the contract term of July 1, 2013 through June 30, 2014.

11.2 Overtime Definition

d. Premium FLSA Pay. Fire management unit employees on a 56 hour work week currently receive 3.375 hours per pay period for Premium FLSA Pay to compensate for overtime hours between the FLSA maximum of 53 hours per week and the department 56 hour work week. Within 90 – 120 calendar days but no later than October 31, 2012, the City will compensate for hours worked that exceed the maximum of 53 hours per week in the pay period in which they are earned. For the period of July 1, 2012 – June 29, 2013 premium FLSA pay will be paid on all hours in paid status. Effective June 30, 2013, the City agrees to continue Premium FLSA Pay of 3.375 hours per pay period through June 29, 2014. Effective June 30, 2014, premium FLSA pay shall be paid on all actual hours worked.
13.1 Public Employee Retirement System Benefits for Unit Employees hired on or before June 30, 2011

h. PERS 20516 Employee Cost-Share of Employer Contribution. The union has proposed utilizing the PERS cost sharing amendment provisions to pay a share of the employer statutory costs up to a maximum of 14.138%. The union proposes that through the cost share they are to pay 9% towards Employer’s required PERS contribution. They also propose to offset other employee concessions or costs otherwise provided for in this MOU. The City has agreed to this request with the following understandings as listed in this document. The parties understand a vote of all individuals covered by the PERS agreement is required to implement this PERS amendment. Upon successful vote by the covered individuals, the parties shall implement a cost-sharing agreement under Government Code Section 20516 as soon as possible consistent with PERS regulation.

1. Cost Sharing for the Employer’s Pick-up of the Employee’s 9% PERS Contribution.

The Union proposes to first cost share an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by PERS towards the employer’s share of cost for PERS pension on a pre-tax basis. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the parties agree that the City shall deduct the percentage up to 9% not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. If during the term of this agreement legislation is enacted and becomes effective during the term of this agreement requiring employees under the PERS retirement system to pay all or part of the employees share of retirement thus reducing or eliminating EPMC, the parties agree that as soon as administratively possible consistent with PERS regulations to convert the employee’s contribution to the employers’ share under this 20516 cost share contract amendment to the employee share towards retirement for the percentage required by the new legislation.

2. For the period of July 1, 2013 through June 30, 2014 only, under adoption of the PERS 20516 contract amendment through June 30, 2014, there will be an additional cost sharing of 2.02%. The parties have agree to the calculation of this
percentage. Further the parties agree that the Fire unit and Fire Management unit, that their cost share payment shall be combined together and the two units shall be treated as one in the financing of concessions and the calculation of the cost share percentage.

If the bargaining unit employees agree to a cost sharing amount in excess of the 9% employee contribution as provided for above up to a maximum of 14.138%, the City would allow the bargaining unit employees to credit the additional cost sharing monies the city would receive towards maintaining the following compensation reductions proposed by the City. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 14.138% and/or some or all of the contributions sunset at specific time in the future during the term of this agreement, the parties agree that the City shall reinstate the pay reductions/concessions listed below not covered by the PERS amendment process through a payroll reduction as provided for in 13.1.c above. The union proposes and the City agrees that effective June 30, 2013 2014 the Cost share amendment shall be changed to reflect a decrease in the agreed cost-sharing amount from 11.7 11.02% to 9%. On June 30, 2013 2014, the City shall reinstate the pay reductions/concessions listed below and current contract provisions shall govern. The following shall be covered by the cost share agreement:

- **Grandfathering longevity**, for fiscal year 2012–2013 – June 29, 2013–2014 at 1.25% 2.5% for 15 service years longevity and 3.25% 1.63% for 22 year service longevity pay that was eliminated as of July 1, 2012, is continued until June 29, 2013–2014 as part of this cost sharing. Effective June 30, 2013–2014 longevity shall be eliminated completely as provided for in 13.7.d. Effective June 30, 2014, these longevity amounts shall be eliminated as provided for in 13.7.b. This does not impact the Grandfathered Longevity under 13.7.a which is not part of this cost share agreement. The value of this buy back is $24,113. $24,989.

- **Defer reduction in salary ranges by 0.41% for employees in non-administrative positions due to reduction of one holiday** until June 29, 2013–2014. Effective June 30, 2013–2014, salary ranges shall be reduced by 0.4% as provided for in 12.b. The value of this buy back is $6,391. $5,472.
• LTD payment shall remain in base pay until June 29, 2013. Effective June 30, 2013-2014, LTD shall be rolled out of base pay as provided for in 14.6. The value of this buy back is $796.00, 1,246.

• Advanced Certification Incentive Pay shall remain at 6% until June 29, 2013-2014. Effective June 30, 2013-2014, the Advantage Certificate shall be reduced from 6% to 5% as provided for in 13.4. The value of this buy back is $10,276, included in the $135,486 cost for the entire fire and fire management unit employees affected.

3. The cost sharing by employees through a CalPERS contract amendment process for the Cost Share of the Employer contribution for grandfathering longevity, deferral of salary range reductions, long term disability premium contributions, and advanced certification inventive pay as describe in the applicable sections of the MOU herein and the City shall only be obligated to provide benefits in accordance with the applicable MOU sections herein.

4. Cost sharing through one time HRA savings of $8,833, $8,674.

In Lieu of the City’s contribution of 1% of salary towards an HRA as provided for in 14.5 the Union and the City agree to redirect those monies for the term of this agreement in the amount of $8,833 $8,674 towards the cost of the concession buy backs listed in 2 above in addition to the additional cost sharing of 2.7-2.02% being paid by employees.

5. Administrative Processing

The parties agree that the additional cost share of 2.7 2.02% represents the 9 12 month cost necessary to buy back the 12 month contract concessions assuming the amendment date is effective on the pay period that includes October 1, 2012 July 1, 2013. Should the agreement become effective after October 1, 2012 July 1, 2013, the parties agree that the 2.7 2.02% would be increased to cover the additional month(s) necessary to ensure the City realizes the full one year annualized savings for each of the concession buy backs. Therefore, as soon as administratively possible, the City will reimburse effected members for the reductions taken from July 1, 2012 2013 until the pay period that the Cost sharing amendment is adopted and approved consistent with the PERS contract amendment process.
13.7 **Longevity Pay**

Effective August 1, 2011, Longevity Pay shall be eliminated. However, the City shall grandfather only those employees who on July 31, 2011 were receiving a pay of five percent (5%) of top step pay in rank to members of this unit who have fifteen (15) years of continuous service as sworn employees with the City’s Fire Department, but the five percent (5%) pay shall be reduced to two and one-half (2.5%) effective August 1, 2011.

The City shall increase the salary step of Battalion Chiefs who attain twenty-two (22) years of continuous employment by three and one-quarter percent (3.25%) only for those employees as of July 31, 2011 who have attained twenty-two (22) years of continuous employment and therefore shall be grandfathered.

a. Effective July 1, 2012, the grandfathered longevity rate for members who were receiving the fifteen year benefit shall be reduced to one and a quarter percent (1.25%). The rate for members that were receiving the twenty-two (22) year shall receive one point six three (1.63%) percent.

b. **Effective June 30, 2013,** Longevity Pay Section 13.8(a) through (c) are eliminated and become inoperable and are eliminated for all grandfathered employees receiving longevity per this section.

b. **Effective June 30, 2014,** the Longevity Pay which has been retained as part of the cost share agreement in 13.1h.2 shall be eliminated as provided for in that section of this MOU.

14.1 **Health Insurance and Welfare Related Benefits**

c. **City Contribution towards the cost of insurance programs.**

**Effective September 1, 2011 July 1, 2013:**

1. The City shall contribute up to $481.00 $522.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

2. The City shall contribute up to $875.00 $950.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.

3. The City shall contribute up to $1,165.00 $1,262.00 per month toward the cost of the monthly premium for employee plus two or more
dependents medical/dental/vision plan coverage.

22.1 Reopener Clause for Health Insurance

The Association agrees at the City’s request, to meet and confer on any changes that are within the mandatory scope of bargaining in any City proposals related to its City sponsored medical plans that may be related to the implementation of the Affordable Care Act (ACA) during Fiscal Year 2013/2014.

22.2 Reopener Clause for Efficiency Measures

The Association agrees to meet at the City’s request for the purpose of meeting and conferring on any changes that would be a mandatory subject of bargaining that may result from any City proposal on organizational, operational or staffing changes that are a result of efficiency measures during Fiscal Year 2013/2014.

All other terms and conditions set forth in the MOU not specifically changed by this Amendment shall remain in full force and effect.
IN WITNESS WHEREOF, this Amendment has been attested to by the City Clerk, the City Seal affixed hereto, and the document subscribed to by the City of Stockton Employee Relations Officer and the duly authorized Representatives for the Fire Management Unit on the ___________ day of ____________ 2013.

STOCKTON FIREFIGHTERS’ LOCAL UNION 456
FIRE MANAGEMENT UNIT

By: _______________________
Its: President

APPROVED AS TO FORM:

By: _______________________
BOB DEIS
City Manager

Approved as to form:
Rose Law, APC

By: _______________________
Its: Legal Counsel or Labor Representative

By: _______________________
TERESIA HAASE
Director of Human Resources
Employee Relations Officer

Approved as to form:

John Luebberke, City Attorney

By: _______________________
MARCI ARREDONDO
Deputy City Attorney
COMPREHENSIVE SUMMARY OF
CITY OF STOCKTON
UNREPRESENTED MANAGEMENT/CONFIDENTIAL AND LAW EMPLOYEES’ COMPENSATION PLAN

The City's Unrepresented Management/Confidential employees designated Management MA (Department Heads), Management MV (Assistant Department Heads and other Middle-Management), Confidential MW (Administrative/Support Staff in the City Manager's Office, the Human Resources Department, and the City Auditor's Office), Law Department employees designated “Executive Plan” (EP), “Professional Plan” (PP), and “Support Plan” (SP) are hereby accorded compensation and benefits as outlined in this Plan consistent with the Stockton City Council's objective to fairly and equitably provide for its Unrepresented Management/Confidential and Law employees.

The Unrepresented Management/Confidential and Law Employees’ Compensation Plan, as amended shall be effective July 1, 2013.
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The Unrepresented Management/Confidential and Law Employees’ Compensation Plan, consists of a salary administration program and certain benefits specific to six (6) categories of non-represented employees listed in this Plan. This Plan shall be administered by the City Manager who is the City Council's designated representative for determining compensation and benefits for regular status Unrepresented Management/Confidential and Law Employees.

Management Plan "MA" includes the Assistant City Manager, Deputy City Manager II and Department Heads. Management Plan "MV" includes Assistant Department Heads, other Middle-Management classifications and the Liability Claims Investigator I/IIIs. Confidential Plan "MW" includes other administrative and support staff in the City Manager's Office, City Auditor's Office, City Clerk's Office, and the departments of Human Resources, Administrative Services, Municipal Utilities, Fire, and Police. Executive Plan “EP” includes the City Attorney and the Assistant City Attorney. Professional Plan “PP” includes the Deputy City Attorneys. Support Plan “SP” includes all other Law Department personnel.

Unless specifically identified, all terms of this Compensation Plan apply to all groups listed above.

NON-DISCRIMINATION
There shall be no discrimination of any kind because of age (over 40), race, creed, color, religion, national origin, ancestry, veterans status, physical or mental disability, marital status, sexual orientation, sex, (sexual, gender based, pregnancy/childbirth), physical or mental disability, political affiliation, sexual orientation, concerted labor activity or other protected activity or status, or on any other basis prohibited by applicable Federal and State law against any employee or applicant for employment.

Employees shall cooperate with the City, to the extent authorized by Federal and State laws and regulations, in furthering the objective of Equal Employment Opportunities as defined by Federal and State regulations.
Section 1 Retirement Benefits

1.1 Retirement Benefits

(a) Effective August 1, 2011, miscellaneous employees’ covered by this Plan, shall pay their own statutory employee contribution. Employees will pay 7% of their current base salary and other compensation as qualified by state law toward Public Employees’ Retirement System (PERS) for the employee’s PERS contribution.

(b) Effective August 1, 2011, safety employees covered by this Plan shall pay their own statutory employee contribution. Employees will pay 9% of their current base salary and other compensation as qualified by state law toward PERS for the employee’s PERS contribution.

(c) Under IRS 414h, previously adopted by resolution by the City, the employee’s payment will be paid by the employee on a pre-tax basis. Such amounts will be applied to the employee's individual accounts in accordance with California Government Code section 20615.

1.2 Public Employees’ Retirement System Benefits for Unit Employees hired on or before August 1, 2011.

(a) The City's PERS retirement plan for miscellaneous employees is two percent (2%) at age 55. The City's PERS retirement plan is modified to reflect California Government Code section 21024 (Military Service Credit as Public Service) and section 21027 (Military Service Credit for Retired Persons), as hereinafter may be amended. The City provides PERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Pay rate during the Final Compensation Period) as an added PERS benefits. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with PERS California Government Code section
The City provides PERS California Government Code section 20965 (Credit for Unused Sick Leave) as an added PERS benefits, the City provides PERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added PERS benefits. The City will provide PERS California Government Code section 21335 up to a 5% Annual Cost-of-Living Allowance, as an added PERS benefit.

(b) The City’s PERS retirement plan for safety employees shall be the same plan in effect for other similar safety employees in other units.

1.3 PERS Cost sharing for Sworn Fire Unrepresented Employees.

Pursuant to the cost share provisions proposed and agreed to by the Fire and Fire Management bargaining units, the Sworn Fire Unrepresented employees shall have a PERS cost sharing arrangement effective with the adoption of the PERS 20516 contract amendment.

(a) PERS 20516 Employee Cost-Share of Employer Contribution.

The parties understand a vote of all individuals covered by the CalPERS agreement is required to implement this CalPERS contract amendment. Upon successful vote by the covered individuals, the City shall implement the cost sharing amendment under Government Code Section 20516 as soon as possible consistent with CalPERS regulation. The City’s contract with CalPERS will be amended to allow for cost sharing for sworn Fire personnel up to a maximum of 14.138%. In accordance with CalPERS regulations, all employees covered by the Fire group under the PERS contract must be treated equally with respect to cost sharing provisions.

Through the cost share provisions, sworn fire employees are to pay 9% towards Employer’s required PERS contribution, and employees will pay an additional 2.02% contribution for a total of 11.02% employer contribution. In return for the unrepresented Fire employees contributing the additional 2.02% cost share amount to PERS, a
Management Incentive Add Pay of 2.02% will be implemented for the sworn Fire personnel.

The City is implementing this CalPERS contract amendment with the following understandings as listed in sections 1.4 (b) and (c) below.

(b) **Cost Sharing for the Employer's Pick-up of the Employee's 9% PERS Contribution.**

The employee will cost share an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by PERS towards the employer’s share of cost for PERS pension on a pre-tax basis. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the City shall deduct the percentage up to 9% not covered by the PERS amendment process through a payroll reduction. If legislation is enacted and becomes effective requiring employees under the PERS retirement system to pay all or part of the employees share of retirement thus reducing or eliminating EPMC (Employer Paid Member Contribution), as soon as administratively possible and consistent with PERS regulations, employee’s contribution will be converted to the employers’ share under this 20516 cost share contract amendment to the employee share towards retirement for the percentage required by the new legislation.

(c) **Cost Sharing Period**

For the period of adoption of the PERS 20516 contract amendment through June 30, 2014 only, an additional cost sharing of 2.02% for a total of 11.02% contribution. During this same period, unrepresented sworn Fire personnel will receive a 2.02% Management Incentive Add Pay. Should the cost share arrangement change with the Fire and Fire Management bargaining units during the fiscal year 2013/2014, the City will implement the same PERS contribution and Management Incentive Add Pay changes to the unrepresented fire personnel. Effective June 30, 2014, the cost share amendment shall
be changed to reflect a decrease in the cost-sharing amount from 11.02% to 9%.

Effective June 30, 2014, the Management Incentive Add Pay will be eliminated. Effective July 1, 2014, the employer cost-share contributions made by these employees will be 9%.

1.4 **Public Employee Retirement System Benefits for Unit Employees hired on or after August 1, 2011.**

The City will amend its PERS contract effective August 1, 2011, or as soon thereafter as possible, to provide a new tier of retirement benefits for employees hired by the City after the PERS amendment goes into effect.

(a) For Miscellaneous employees, the new tier shall have a retirement formula of 2% at 60 with three year average salary formula, standard PERS COLA, and no other additional PERS benefits for all unit employees hired on or after July 1, 2011, or as soon as administratively possible consistent with PERS contract process. All unit employees shall pay the entire seven percent (7%) of the employee’s current base salary and any other compensation as qualified by state law towards PERS retirement benefit through a payroll deduction.

(b) The new tier for Safety employees shall be the same as the Fire employees or Police employees as appropriate under the applicable PERS contract. All safety employees shall pay the entire nine percent (9%) of the employee’s current base salary and any other compensation as qualified by state law towards PERS retirement benefit through a payroll deduction.
Section 2  Group Life Insurance Coverage

Each participant in the program will receive group life insurance coverage paid for by the City of Stockton.

Effective July 1, 2012, the City shall provide, at no cost to the employee, a term life and accidental death and dismemberment insurance policy with a value of $50,000. Employees may have the opportunity to purchase additional life insurance for coverage up to three times their annual salary, at their own expense, provided the City’s insurance carrier provides such insurance options.

Section 3  Long Term Disability (LTD) Insurance Coverage

Employees covered by this Plan, except as provided below will receive long term disability insurance coverage. The benefits of this plan shall be included in the Plan document or contract but are generally summarized as follows:

(a) Each disability - approximately 66 2/3% of salary for MA, MV, MW, EP, PP, and SP employees up to the maximum salary replacement amount as specified in the City’s long term disability plan.

(b) Disability income payments shall commence after ninety (90) day waiting period. Employees may use sick leave and other leave balances to cover this waiting period, or leave without pay.

(c) Benefit payable up to age sixty-five (65).

(d) The City shall continue its normal contribution for employee medical premiums during the ninety (90) days waiting period.

(e) Effective May 1, 2010, Fire Management will receive LTD insurance coverage through the California Association of Professional Firefighters. The City pays the cost of the insurance premium.
Section 4 Health and Dental Insurance

4.1 Employee Coverage

(a) Choice of Health Plans - Employees covered by this Plan shall have a choice of enrolling themselves and their eligible dependents in any of the City-sponsored medical, dental and vision plans. The City's Modified Plan, revised as of September 1, 2011, or any other city sponsored plan that the City shall offer to regular employees, shall be available to employees in this group. For the modifications to the City's Modified Plan, which are effective September 1, 2011, the revised annual deductible shall be effective on January 1, 2012.

(b) Eligibility. Employees shall become eligible for Medical and vision insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City. An eligible employee and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee, but not both. If an employee is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee plan (i.e., an employee and his or her dependent cannot be covered by more than one City-offered health plan).

(c) City Insurance Contribution. Effective July 1, 2013:

(1) The City shall contribute up to $522.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

(2) The City shall contribute up to $950.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.
The City shall contribute up to $1,262.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. The employee, through payroll deductions, shall pay insurance plan premiums that exceed the City’s monthly contribution. The City shall maintain its IRS Section 125 Plan to allow for employee contributions for medical/vision/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees receive benefits in the City’s Modified Plan, which is referred to in this resolution as “Modified Employee Medical Plan.” Modifications to the City’s Modified Plan shall be effective September 1, 2011.

4.3 Health and Welfare Benefits During Layoff

Regular status employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

4.4 Retirement Medical Eligibility and Allowance
(a) Eligibility. An eligible retiree and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee/retiree, but not both. If an employee/retiree is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee or retiree’s plan (i.e., a retiree and his or her dependent cannot be covered by more than one City-offered health plan).

(b) City Contribution for the Period July 1, 2012 through June 30, 2013. Effective July 1, 2012, for employees hired on or before June 30, 2011, at retirement only, the City shall provide to employees retiring from the City the following contributions, if any, towards the costs of retiree medical insurance:

(1) Employees with less than 10 years of service for the City shall not be eligible for a city contribution towards retiree medical.

(2) Employees retiring with over 10 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $150 a month towards the cost of retiree medical insurance.

(3) Employees retiring with over 20 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $300 a month towards the cost of retiree medical insurance.

(4) Employees retiring with over 30 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $450 a month towards the cost of retiree medical insurance.

(5) Benefits for part time employees who retire are prorated based on their full time equivalent.
(6) The City contributions shall end with the death of the retiree and no survivor benefits are provided.

(7) Effective June 30, 2013, the City shall no longer provide a contribution towards the cost of retiree medical insurance for current employees (future retirees) and current retirees.

(c) Retirees may enroll themselves or their dependents at their own expense in City sponsored medical plans only. The City reserves the right to set benefit levels in medical plans for retirees and at its exclusive option only provide fully insured plan choices to retirees for enrollment. The City reserves the right to discontinue inclusion of retirees in City sponsored medical plans at any time.

The City’s commitment to provide retiree medical benefits during the 2012-2013 Fiscal Year is to the retiree and shall end upon the death of the retiree. Surviving spouses shall not be eligible for any city paid benefit after the death of the city retiree. Any benefits previously paid to surviving spouses have been paid in error and without the approval of the City Council.

(d) Elimination of Retiree Dental Benefits to Current and Retired Department Heads. Effective July 1, 2012, the City shall no longer provide a contribution towards the cost of retiree dental insurance for current employees (future retirees) and current retirees. Retirees shall not be eligible to participate in the City’s dental plans.

(e) Retiree Vision benefits are not offered to current employees (future retirees) and current retirees.

4.5 Alternative Retirement Medical Plans

Employees may choose to enroll in one of the additional health plans offered by the City instead of the City Modified Plan (including but not limited to Kaiser Senior Advantage).
This language sets forth the conditions in which current employees, when they retire from the City and otherwise qualify for a retiree medical benefit from the City, may also choose to enroll in City sponsored alternative plans in the same manner as when they were employees, as well as retiree only medical plans. The following conditions shall apply:

(a) If an employee is in a City sponsored alternative plan at the time of retirement, the employee shall be allowed to continue in that Plan.

(b) Employees not in an alternative Plan at the time of retirement shall not be allowed to enroll in any alternative plan except that; any retiree may voluntarily enroll in a City sponsored retiree only Plan.

A retiree may only enroll in alternative plans other than the City Modified Plan when:

(a) The retiree selecting a plan other than the City’s Modified Plan must agree that the City’s financial contribution to a premium payment for any other Plan shall not exceed the current contribution amount the City would pay if the retiree is enrolled in the City Modified Plan, and

(b) The individual retiree will be required to sign a form that indicates his/her agreement with these conditions.

The City reserves the right to eliminate these additional plans and the choice of multiple plans is not a vested right. Like the City Modified Plan, the City reserves the right to make plan design changes as necessary in these Alternative Plans.

4.6 Medicare Supplemental Coverage Requirements only for Employees Hired on or Before June 30, 2011.

The City reserves the right to terminate reimbursement payments for Part A Medicare coverage, in which event the retiree will receive the City’s modified medical plan which includes medical design changes
effective September 1, 2011 as the primary health coverage, with the premiums for such coverage to be paid by the City. The coverage provided pursuant to this section shall apply to the retiree and his/her spouse.

Under the federal Health Care Reform Plan, sponsors may modify the medical benefits provided to retirees only. The City will modify its retiree health care plan to reflect the following:

(a) Return Plan benefits for Acupuncture to 12 visits per year (instead of unlimited) and returns the payment percentage paid to 60% (instead of 80%);

(b) Return Plan benefits for Alcohol and Drug Treatment admissions to 30 days and 3 lifetime admissions (instead of unlimited);

(c) Return Plan benefits for Outpatient Mental Health or Nervous Disorder services to 15 visit maximum (instead of unlimited);

(d) Change Plan benefits for Preventative care and wellness to 80% instead of current 100%;

(e) Return Plan benefits on the lifetime cap on plan benefits to $2.5 million (instead of unlimited);

(f) Return Plan benefits on the maximum age of dependent children to be enrolled in the Plan to age 19 unmarried, and not serving in the armed forces to 23 if attending school full time and qualifies as a dependent for federal income tax purposes.(instead of age 26); and

(g) Change Plan benefits for Emergency room benefits.

4.7 Elimination of Retiree Medical Benefits.
The City will not provide a retiree medical allowance for employees hired on or after July 1, 2011.
Nothing in this section shall be construed to create vested rights to benefits for employees or retirees after the expiration of this Compensation Plan.

Section 5 Holidays

5.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

5.2 Holidays Observed by the City

(1) January 1 ........................................................ New Year's Day
(2) Third Monday in January ............ Martin Luther King Jr.’s Birthday
(3) Second Monday in February ................. Lincoln's Birthday
(4) Third Monday in February ................. Washington's Birthday
(5) March 31 (FLOATING) ....................... Cesar Chavez Birthday
(6) Last Monday in May ................................. Memorial Day
(7) July 4 ........................................................ Independence Day
(8) First Monday in September ...................... Labor Day
(9) Second Monday in October ..................... Columbus Day
(10) November 11 ................................................. Veteran's Day
(11) Fourth Thursday in November .................... Thanksgiving
(12) Fourth Friday in November ................. day after Thanksgiving
(13) December 25 ........................................ Christmas Day

FLOATING holiday to be taken within ninety (90) work days on or after the observed holiday.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.
For employees on the 9/80 alternative workweek schedule, employees may request to shift their work schedule so that their 8 hour day falls on the designated holiday with the approval of their supervisor or manager, and the additional hour must be worked in the same FLSA work period so as to not require overtime.

5.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Employees who are not regularly scheduled to work holidays shall be paid for 8 hours regular pay plus time and one-half (1½) for actual time worked on a holiday observed by the City.

Section 6 Vacation Leaves

Effective August 1, 2011, the following shall be the vacation leave benefits for all employees covered by this Plan. For employees having already received their annual vacation benefit for 2011/12 on July 1, 2011, the provisions of 6 (a) shall not go into effect until July 1, 2012.

For purposes of determining eligibility for Sections 6(a) and (b) below, all Department Heads and Deputy City Managers (MA and EP employees) are to be considered as having been employed by the City of Stockton for at least 7.5 Years and shall receive benefits based on that number of years of service. For purposes of determining eligibility for Sections 6(a) and (b) all assistant Department Heads and mid-management (MV and PP employees) are to be considered as having been employed by the City of Stockton for at least 1.5 years and shall receive benefits based on that number of years of service.

(a) Vacation Accrual.

Non overtime exempt employees. All regular employees, excluding provisional and temporary, shall accrue vacation leave with pay in accordance with the following schedule:
(1) Less than one and one-half (1-1/2) years continuous employment…………80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment. 108 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment…144 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment………. 189 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

Overtime exempt employee. All overtime exempt employees, excluding provisional and temporary, shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment………………120 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment.148 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment………………188 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment……………………. 229 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

Employees shall accrue their vacation allowance in 24 equal amounts on a twice-monthly payroll basis (24 pay periods).
(b) **Maximum Vacation Accrual.** Employees reaching the maximum hours provided here shall stop accruing additional vacation hours until they are below the caps listed here. No vacation hours maybe added to sick leave balances without exception. For employees who on August 1, 2011 have vacation balances that exceed their maximum, shall have one year to use sufficient vacation to get under the maximum allowed. If an employee does not get below the maximum by that date, they shall retain their existing earned vacation but shall not earn any additional vacation until they are under the maximum vacation allowed. MA and EP employees shall have two years to use sufficient vacation to get under the maximum allowed.

**Maximum Vacation Accrual Caps.**

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<thead>
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<th>40 hour employee (Non overtime exempt employee)</th>
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<td>Under 1.5 yrs</td>
<td>120 hours</td>
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<td>7.5-15 yrs</td>
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<td>15-25yrs</td>
<td>320 hours</td>
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<td>29 yrs</td>
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Over 29 years shall receive an additional 7 hours for each year of service.

<table>
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<th>40 hour employee (Overtime exempt employee)</th>
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<tr>
<td>1.5-7.5 yrs</td>
<td>320 hours</td>
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<td>27 yrs</td>
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<td>28 yrs</td>
<td>424 hours</td>
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<tr>
<td>29 yrs</td>
<td>431 hours</td>
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</table>
Over 29 years shall receive an additional 7 hours for each year of service

(c) **Vacation Scheduling.** Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(d) **Holiday during Vacation.** If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(e) **Cash Payment Option for Vacation.**
   (1) Effective August 1, 2011, an employee may elect to receive cash payment for up to a maximum of forty (40) hours annually except that all cash outs shall be suspended during furlough or fiscal emergency periods and during the period of July 1, 2013 through June 30, 2014. To qualify for this sell-back benefit, an employee must have used, either in the preceding or current fiscal year, an equivalent number of vacation days to the number of sell-back days.

(f) **Vacation Cash Out Upon Separation.** When an employee is separated from the service between February 17, 2012 and July 1, 2014, the employee’s remaining vacation balance, if any, shall be paid as follows:

   (1) Upon separation, employees shall receive one third (1/3) or $10,000, whichever is greater, of the total of his/her unused accumulated vacation hours.

   (2) On the one year anniversary of employee’s separation, he/she shall receive the second payment of one third (1/3) or $10,000, whichever is greater, of the balance of his/her unused accumulated vacation hours.
(3) On the second anniversary of separation, he/she shall receive the balance payment of the unused accumulated vacation hours.

(4) Employees who are involuntarily separated shall have their unused accumulated vacation hours, if any, added to his/her final compensation.

Section 7 Mileage Reimbursement for Private Vehicle Use

The private vehicle mileage reimbursement will be paid to employees who use their private vehicle for City business travel within the City or out of the City limit. Such usage must be documented. Mileage reimbursement for use of personal vehicle shall be compensated at the current Internal Revenue Service (IRS) rate.

Reimbursement for average mileage on City business greater than 1,000 miles per month will be determined by the City Manager, provided no such reimbursement shall exceed IRS mileage reimbursement rate then in effect.

Section 8 Sick Leave

8.1 Sick Leave Use

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of eight (8) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.
(b) **Usage.** Employees are entitled to sick leave pay for those hours, which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery there from.

(c) **Family Sick Leave.** Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care, except in instances where the employee is on approved FMLA or CFRA leave.

Such leave shall be restricted to the employee's parents, spouse, registered domestic partner, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild, and legal dependent. The employee's child includes a biological, foster, or adopted child, a stepchild, a legal ward, a child of the employee’s registered domestic partner, or a child to whom the employee stands *in loco parentis*.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or Pregnancy Disability Leave (PDL).

(d) **Reporting Procedures for Sick Leave.** When the requirement for sick leave is known to the employee in advance of the absence (for example, including but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the Department Head prior to such absence.
If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for disciplinary action as determined by the appointing authority.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the Department Head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn’t return to work prior to the preparation of the payroll, other arrangements may be made with the Department Head.

(2) Doctor’s Certificate or Other Proof.

The Director of Human Resources may require a doctor’s certificate or other reasonable proof of illness as he/she deems necessary in order for an employee to receive an excused absence from work and sick leave pay. The employee shall be given notice prior to returning to work that he or she will be required to provide such documentation. Employees who have unscheduled absences due to illness on a scheduled work day preceding or following a holiday may be required to bring a doctor’s certificate or other reasonable proof of illness in order to receive an excused absence and sick leave pay. If an employee’s illness results in an absence from work for more than three (3) consecutive days, a doctor’s certificate or other reasonable proof of illness may be required. In addition, the City may monitor and control the appropriate use of sick leave by employees and if
reasonable cause is articulated, can limit use of sick leave and require additional verification.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician’s statement as he/she deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to section 8.1 (e) and sub section (2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave while on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or
(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

8.2 Unused Sick Leave Upon Separation

(a) Payment for Unused Sick Leave

Effective February 17, 2012, all accumulated or future accruals of sick leave shall have no cash value upon separation of employment and employees shall not be allowed to cash out unused sick leave except as provided below.

(b) CalPERS Service Credit for Unused Sick Leave

Employees shall be eligible for CalPERS service credit for any unused sick leave at retirement not otherwise compensated for in (c) below. Employees hired after the City amends its CalPERS contract to eliminate service credit for unused sick leave shall not be eligible for this service credit.

(c) Sick Leave Retention Benefit

If, after subtracting the equivalent of one full year of service credit (2080 hours), which may be applied to CalPERS service credit, any balance remaining upon separation shall be paid as follows to employees who have remained in City service until the dates specified:

(1) Separation prior to July 1, 2014, no payment of unused sick leave at separation shall occur for separating employees before this date;

(2) Separation between July 1, 2014 and June 30, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 35% of its cash value to separating employees between these dates; and
(3) Separation after July 1, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 50% of its cash value to separating employees after this date.

(4) Service credit for unused sick leave shall be in accordance with PERS regulations.

Section 9 Educational Incentive Pay

Effective August 1, 2011, the Educational Incentive Pay of 3% will be eliminated.

Section 10 Longevity Pay (Professional Growth Pay)

Effective August 1, 2011, all longevity pay shall be eliminated for all employees covered by this Plan. However, the City shall grandfather only those employees who have completed twelve (12) continuous years of service with the City as of July 1, 2012, and who are receiving a Longevity Pay of 2.5% as of that date. Employees as of August 1, 2011 receiving a higher Longevity Pay based on benefits received by another unit shall also be grandfathered but they shall have their current Longevity Pay reduced by 2.5% and then frozen at those levels at that time. As of July 1, 2012, longevity incentive pay allowance for these grandfathered employees shall be reduced to one and one-half percent (1.5%). Employees receiving a higher Longevity Pay based on benefits received by another unit shall have their remaining longevity reduced by one percent (1.0%) effective July 1, 2012.

Section 11 Other Leaves With Pay

11.1 Bereavement Leave. In the event of a death in the immediate family of an employee, he/she shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his/her accumulated sick leave credits or vacation eligibility. The Department Head or his/her designee may grant an additional two (2) days
bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, current step parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and registered domestic partner.

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 three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

11.2 Jury Duty Leave/Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said covered absence will be for actual hours served (including travel time) on jury duty or testifying as a witness in a criminal case, other than a defendant. Authorized absence for jury or court leave shall include the time from when the employee is ordered to appear until the time the employee is released from the court. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his or her usual morning schedule. Upon being excused from the court each day, the employee must return to work if he or she has more than two (2) hours remaining before the end of his or her workday.
Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is not a party, together with travel time necessarily involved, shall not be considered absent from work within the meaning of this Section.

11.3 **Military Leave.** An employee of the City who is a member of the National Guard or Naval Militia or a member of Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) calendar days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for the duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

All probationary employees inducted into the Military Service not having served the minimum probationary period of six (6) months, shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.
Two or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

11.4 Management Time Leave. The Chief of Police, Deputy Chief of Police II, and Deputy Chief of Police I shall receive forty (40) hours of paid-management time-leave each fiscal year. The management time-leave of forty (40) hours may not carry over from fiscal year to fiscal year, be used for sell-back purposes, or paid for any unused leave-time upon separation of City employment.

Section 12 Workers' Compensation Leave

12.1 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law. Any salary continuation program benefits that are in addition to the State benefits that were in effect on July 31, 2011 shall be eliminated effective August 1, 2011. An employee on Workers’ Compensation may use accrued leave, if needed, to supplement benefits, up to the amount required to receive a full paycheck.

(b) Forms and Procedures. Workers’ compensation processing shall be consistent with City procedures and in accordance with state workers’ compensation regulations. An employee who sustains a work-related injury or illness shall immediately inform his/her supervisor no matter how minor an on-the-job injury may appear. An employee who sustains a work-related injury or illness is required to seek medical care at facilities designated by the City unless they have filed a pre-designation of personal physician prior to sustaining the work-related injury or illness. For a list of City designated medical care facilities and/or physicians, please contact Human Resources.
Section 13 Leave of Absence

13.1 Leave of Absence

Employees shall not be entitled to leave of absence as a matter of right, but only in accordance with the provisions of law and the City of Stockton Municipal Code. Unless otherwise provided, the granting of a leave of absence also grants to the employee the right to return to a position in the same classification or equivalent classification, as the employee held at the same time the leave was granted. The granting of any leave of absence shall be based on the presumption that the employee intends to return to work upon the expiration of the leave.

All approval authority over leaves of absence exercised by the Department Head under this Section shall be subject to review by the Director of Human Resources, whose ruling shall be final.

(a) Purpose and Length. Only employees occupying regular positions on a regular basis are eligible for leaves of absence without pay under the provisions of this Section.

An appointing authority may grant leave of absence without pay for personal reasons up to a maximum of twelve (12) months with approval of the Director of Human Resources.

Leaves of absence without pay on account of illness or injury, which are not job incurred, may be granted for a maximum period of twelve (12) months with approval of the Director of Human Resources.

Such a leave will be granted only after all accrued sick leave credits have been used and shall be substantiated by a physician’s statement.

(b) Application for and Approval of Leave of Absence Without Pay.

Employees shall not be entitled to Leave of Absence Without Pay as a matter of right, but only upon the determination of the
City that it is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. In order to receive leave without pay, an employee must submit a request on the prescribed form to his/her Department Head and the Director of Human Resources describing the reasons for the request and all other information required for the Department Head or his/her representative, to evaluate the request. Leaves without pay may be cancelled by the department at any time.

(c) Employees on authorized leaves of absence without pay shall not be entitled to payment by the City of the premiums for their health and dental insurance, except as provided hereinafter.

The entitlement to City payment of premium shall end on the last day of the month in which the employee was paid except that employees on an authorized leave of absence may continue enrollment in the City health and dental insurance plan by prepayment of the full monthly premium during the authorized leave of absence.

Authorized absence without pay which exceeds thirty (30) consecutive calendar days, except military leave, shall not be included in determining salary adjustment rights, based on length of employment. Periods of time during which an employee is required to be absent from his/her position by reason of any injury or disease for which he/she is entitled to and currently receiving Workers’ Compensation benefits shall be included in computing length of service for the purpose of determining that employee’s salary adjustment.

13.2 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return After Leave. 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 for a leave shall be considered an absence without official leave and the employee shall be subject to discipline.
(b) **Voluntary Resignation.** Any employee 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 Stockton, except if the absence is due to a verified illness or injury.

**Section 14 Salary Plan**

14.1 **Wage Increases**

Effective July 1, 2011, no salary increases for fiscal years 2012-2013 and 2013-2014.

14.2 **Salary Step when Salary Range is Increased**

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee’s step held in the previous range, unless otherwise specifically provided by the Director of Human Resources.

14.3 **Salary Step after Promotion or Demotion**

When an employee is promoted from a position in one rank to a position in a higher rank and at the time of promotion is receiving a base salary equal to, or greater than, the minimum base step rate for the higher rank, that employee shall be entitled to a step in the range of the higher rank which is at least five percent (5%) above the rate the employee has been receiving, except that the next step shall not exceed the maximum salary of the higher rank. When an employee is demoted, whether such demotion is voluntary or otherwise, that employee’s compensation shall be adjusted to the salary prescribed for the class to which demoted.

14.4 **Acting Pay**
An employee who is assigned in writing to work in a higher paid classification and who performs a majority of the duties of that higher position after five (5) days shall receive the rate of pay in a step of the higher classification which would have been received if the employee had been promoted into that classification.

The increased rate of pay will commence with the first day of the assignment; however, to qualify the employee must meet the above conditions before being eligible for Acting Pay.

14.5 Pay Equity Adjustments

The City recognizes that there may be a need for special salary adjustments for selected classifications as a result of recruitment problems, reclassifications, and/or organizational changes. The City, in its sole discretion, may make such adjustments.

14.6 Special Assignment Pay

The Department Head and the concurrence of the Director of Human Resources may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned to perform additional duties and responsibilities for the duration of the special assignment.

14.7 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to City service, are entitled to the automatic salary advancements within the range scale of the established wage schedule of their classifications for the period they were in the military service.

14.8 Uniform Allowance

Employees required to wear uniforms shall be paid an annual uniform allowance, one-half payable in April and one-half payable in October each year. Employees in the following classifications receive the following annual uniform allowance:
14.9 Certificate Incentive Pay-Sworn Police Chiefs or Deputy Chiefs

(a) The City shall pay six percent (6.0%) of the top step in rank for sworn personnel who attain a P.O.S.T. Supervisory Certificate.

(b) The City shall pay an additional three percent (3.0%) for a total of nine percent (9%) of top salary step in rank for sworn personnel who attain a P.O.S.T. Management certificate or higher, upon completion of two (2) continuous years of service in rank and upon completion of management course.

Section 15 Work Furloughs

15.1 Work Furloughs

(a) 62 Furlough Hours in Fiscal Year 2012-2013. Each unit employee shall take sixty-two (62) furlough hours (leave from work without pay).

(b) Equalized Payroll Deductions. Payroll deductions for the sixty-two (62) furlough hours described in section 15.1, paragraph (a) above, shall be equalized so that each unit employee shall have 2.98% at the employee’s regular hourly rate of pay deducted from each of the twenty-four (24) pay periods between July 1, 2012 and June 30, 2013.

(c) Furlough days shall be considered time worked for the purposes of overtime.

(d) If a furlough is scheduled before or after a City holiday, the employee will, nevertheless, be eligible for holiday pay.
(e) The Citywide Furlough Schedule for the Fiscal Year 2012-2013 is as follows:

November 21, 2012  
December 24, 26, 27, and 31, 2012  
March 25, 2013  
April 26, 2013

(f) Exception to Standard Furlough Days for Some Employees. Employees shall adhere to the citywide furlough schedule, except where it is impracticable for certain City departments or operations; for those employees, furlough hours must be scheduled with his/her manager and taken no later than June 30, of each corresponding fiscal year.

(g) Separation from City Service before June 30, 2013. Any employee who separates from City service before the final 2.98% furlough deduction on July 7, 2013, for the pay period ending June 30, 2013, and after having used furlough hours, shall have his or her final compensation reduced by the sum of the number of furlough hours the employee has actually used minus the number of furlough hours actually deducted from the employee’s pay warrants multiplied by the employee’s regular hourly rate of pay. Conversely, any employee who separates from City service before June 30, 2013, having suffered furlough deductions in excess of the actual number of furlough hours the employee has used, shall have his or her final compensation credited by like amount.

Section 16  Work Schedule

16.1 MA, MV, EP, and PP employees shall not be eligible for overtime for extra hours worked to perform duties of their assigned position.
16.2 Department Heads are responsible for personally approving any overtime pay for MW and SP employees within their respective departments, with a report submitted to the City Manager at the end of each pay period explaining the overtime.

16.3 Overtime

Non-exempt employees will receive overtime at the appropriate rate when authorized in writing by the Department Head prior to the overtime worked. The following provisions pertaining to authorized statutorily required overtime work shall apply to non FLSA exempt employees:

(a) Statutory overtime shall be paid on actual time worked in excess of forty (40) hours in any workweek. Such overtime shall be paid for at time and one-half (1 1/2) including employees employed on a per hour or per day basis or except as provided elsewhere herein. Furlough hours taken, holiday hours taken and observed holidays where the City is closed shall be considered as time worked for overtime calculation purposes. Sick leave, vacation, or other time taken as compensated time off shall not be considered as actual time worked for overtime calculation purposes.

(b) Employees assigned to an alternate work schedule (e.g. 4/10, 9/80, etc.) shall be compensated at the overtime rate for all time worked in excess of their regularly scheduled hours.

(c) Employees who are not regularly scheduled to work holidays shall be paid for 8 hours regular pay plus time and one-half (1½) for actual time worked on a holiday observed by the City.

16.4 Compensatory Time Off (CTO)

(a) Definition. As used in this Section, the term Compensatory Time Off (CTO) refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule. For the purpose of
this Section, Compensatory Time shall apply only to Non-Exempt employees.

(b) CTO in Lieu of Overtime Compensation. Employees may voluntarily elect to receive overtime compensation in the form of CTO at the rate of one and one-half (1-1/2) hours of CTO for each hour of overtime earned under section 16.3 (a).
COMPREHENSIVE SUMMARY OF
CITY OF STOCKTON

UNREPRESENTED MANAGEMENT/CONFIDENTIAL AND LAW
EMPLOYEES’
COMPENSATION PLAN

The City's Unrepresented Management/Confidential employees designated Management MA (Department Heads), Management MV (Assistant Department Heads and other Middle-Management), Confidential MW (Administrative/Support Staff in the City Manager's Office, the Human Resources Department, and the City Auditor's Office), Law Department employees designated “Executive Plan” (EP), “Professional Plan” (PP), and “Support Plan” (SP) are hereby accorded compensation and benefits as outlined in this Plan consistent with the Stockton City Council's objective to fairly and equitably provide for its Unrepresented Management/Confidential and Law employees.

The Unrepresented Management/Confidential and Law Employees’ Compensation Plan, as amended shall be effective July 1, 2013.
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The Unrepresented Management/Confidential and Law Employees’ Compensation Plan, consists of a salary administration program and certain benefits specific to six (6) categories of non-represented employees listed in this Plan. This Plan shall be administered by the City Manager who is the City Council's designated representative for determining compensation and benefits for regular status Unrepresented Management/Confidential and Law Employees.

Management Plan "MA" includes the Assistant City Manager, Deputy City Manager II and Department Heads. Management Plan "MV" includes Assistant Department Heads, other Middle-Management classifications and the Liability Claims Investigator I/IIIs. Confidential Plan "MW" includes other administrative and support staff in the City Manager's Office, City Auditor’s Office, City Clerk’s Office, and the departments of Human Resources, Administrative Services, Municipal Utilities, Fire, and Police. Executive Plan “EP” includes the City Attorney and the Assistant City Attorney. Professional Plan “PP” includes the Deputy City Attorneys. Support Plan “SP” includes all other Law Department personnel.

Unless specifically identified, all terms of this Compensation Plan apply to all groups listed above.

NON-DISCRIMINATION
There shall be no discrimination of any kind because of age (over 40), race, creed, color, religion, national origin, ancestry, veterans status, physical or mental disability, marital status, sexual orientation, sex, (sexual, gender based, pregnancy/childbirth), physical or mental disability, political affiliation, sexual orientation, concerted labor activity or other protected activity or status, or on any other basis prohibited by applicable Federal and State law against any employee or applicant for employment.

Employees shall cooperate with the City, to the extent authorized by Federal and State laws and regulations, in furthering the objective of Equal Employment Opportunities as defined by Federal and State regulations.
Section 1 Retirement Benefits

1.1 Retirement Benefits

(a) Effective August 1, 2011, miscellaneous employees’ covered by this Plan, shall pay their own statutory employee contribution. Employees will pay 7% of their current base salary and other compensation as qualified by state law toward Public Employees’ Retirement System (PERS) for the employee’s PERS contribution.

(b) Effective August 1, 2011, safety employees covered by this Plan shall pay their own statutory employee contribution. Employees will pay 9% of their current base salary and other compensation as qualified by state law toward PERS for the employee’s PERS contribution.

(c) Under IRS 414h, previously adopted by resolution by the City, the employee’s payment will be paid by the employee on a pre-tax basis. Such amounts will be applied to the employee's individual accounts in accordance with California Government Code section 20615.

1.2 Public Employees’ Retirement System Benefits for Unit Employees hired on or before August 1, 2011.

(a) The City’s PERS retirement plan for miscellaneous employees is two percent (2%) at age 55. The City’s PERS retirement plan is modified to reflect California Government Code section 21024 (Military Service Credit as Public Service) and section 21027 (Military Service Credit for Retired Persons), as hereinafter may be amended. The City provides PERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Pay rate during the Final Compensation Period) as an added PERS benefits. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with PERS California Government Code section
The City provides PERS California Government Code section 20965 (Credit for Unused Sick Leave) as an added PERS benefits, the City provides PERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added PERS benefits. The City will provide PERS California Government Code section 21335 up to a 5% Annual Cost-of-Living Allowance, as an added PERS benefit.

(b) The City’s PERS retirement plan for safety employees shall be the same plan in effect for other similar safety employees in other units.

1.3 **PERS Cost sharing for Sworn Fire Unrepresented Employees.**

Pursuant to the cost share provisions proposed and agreed to by the Fire and Fire Management bargaining units, the Sworn Fire Unrepresented employees shall have a PERS cost sharing arrangement effective with the adoption of the PERS 20516 contract amendment.

(a) **PERS 20516 Employee Cost-Share of Employer Contribution.**

The parties understand a vote of all individuals covered by the CalPERS agreement is required to implement this CalPERS contract amendment. Upon successful vote by the covered individuals, the City shall implement the cost sharing amendment under Government Code Section 20516 as soon as possible consistent with CalPERS regulation. The City’s contract with CalPERS will be amended to allow for cost sharing for sworn Fire personnel up to a maximum of 14.138%. In accordance with CalPERS regulations, all employees covered by the Fire group under the PERS contract must be treated equally with respect to cost sharing provisions.

Through the cost share provisions, sworn fire employees are to pay 9% towards Employer’s required PERS contribution, and employees will pay an additional 2.7% 2.02% contribution for a total of 11.7%11.02% employer contribution. In return for the unrepresented Fire employees contributing the additional 2.7% 2.02% cost share
amount to PERS, a Management Incentive Add Pay of **2.7% 2.02%** will be implemented for the sworn Fire personnel.

The City is implementing this CalPERS contract amendment with the following understandings as listed in sections 1.4 (b) and (c) below.

(b) **Cost Sharing for the Employer's Pick-up of the Employee's 9% PERS Contribution.**

The employee will cost share an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by PERS towards the employer’s share of cost for PERS pension on a pre-tax basis. If PERS determines that the maximum contribution through a PERS Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the City shall deduct the percentage up to 9% not covered by the PERS amendment process through a payroll reduction. If legislation is enacted and becomes effective requiring employees under the PERS retirement system to pay all or part of the employees share of retirement thus reducing or eliminating EPMC (Employer Paid Member Contribution), as soon as administratively possible and consistent with PERS regulations, employee’s contribution will be converted to the employers’ share under this 20516 cost share contract amendment to the employee share towards retirement for the percentage required by the new legislation.

(c) **Cost Sharing Period**

For the period of adoption of the PERS 20516 contract amendment through June 30, **2013 2014** only, an additional cost sharing of **2.7% 2.02%** for a total of **11.7%11.02%** contribution. During this same period, unrepresented sworn Fire personnel will receive a **2.7% 2.02%** Management Incentive Add Pay. Should the cost share arrangement change with the Fire and Fire Management bargaining units during the fiscal year **2012/20132013/2014**, the City will implement the same PERS contribution and Management Incentive Add Pay changes to the unrepresented fire personnel. Effective June 164
30, **20132014**, the cost share amendment shall be changed to reflect a decrease in the cost-sharing amount from **11.7% 11.02%** to 9%.

Effective June 30, **20132014**, the Management Incentive Add Pay will be eliminated. Effective July 1, **20132014**, the employer cost-share contributions made by these employees will be 9%.

1.4 Public Employee Retirement System Benefits for Unit Employees hired on or after August 1, 2011.

The City will amend its PERS contract effective August 1, 2011, or as soon thereafter as possible, to provide a new tier of retirement benefits for employees hired by the City after the PERS amendment goes into effect.

(a) For Miscellaneous employees, the new tier shall have a retirement formula of 2% at 60 with three year average salary formula, standard PERS COLA, and no other additional PERS benefits for all unit employees hired on or after July 1, 2011, or as soon as administratively possible consistent with PERS contract process. All unit employees shall pay the entire seven percent (7%) of the employee’s current base salary and any other compensation as qualified by state law towards PERS retirement benefit through a payroll deduction.

(b) The new tier for Safety employees shall be the same as the Fire employees or Police employees as appropriate under the applicable PERS contract. All safety employees shall pay the entire nine percent (9%) of the employee’s current base salary and any other compensation as qualified by state law towards PERS retirement benefit through a payroll deduction.
Section 2 Group Life Insurance Coverage

Each participant in the program will receive group life insurance coverage paid for by the City of Stockton.

Effective July 1, 2012, the City shall provide, at no cost to the employee, a term life and accidental death and dismemberment insurance policy with a value of $50,000. Employees may have the opportunity to purchase additional life insurance for coverage up to three times their annual salary, at their own expense, provided the City’s insurance carrier provides such insurance options.

Section 3 Long Term Disability (LTD) Insurance Coverage

Employees covered by this Plan, except as provided below will receive long term disability insurance coverage. The benefits of this plan shall be included in the Plan document or contract but are generally summarized as follows:

(a) Each disability - approximately 66 2/3% of salary for MA, MV, MW, EP, PP, and SP employees up to the maximum salary replacement amount as specified in the City’s long term disability plan.

(b) Disability income payments shall commence after ninety (90) day waiting period. Employees may use sick leave and other leave balances to cover this waiting period, or leave without pay.

(c) Benefit payable up to age sixty-five (65).

(d) The City shall continue its normal contribution for employee medical premiums during the ninety (90) days waiting period.

(e) Effective May 1, 2010, Fire Management will receive LTD insurance coverage through the California Association of Professional Firefighters. The City pays the cost of the insurance premium.
Section 4  Health and Dental Insurance

4.1  Employee Coverage

(a)  **Choice of Health Plans** - Employees covered by this Plan shall have a choice of enrolling themselves and their eligible dependents in any of the City-sponsored medical, dental and vision plans. The City’s Modified Plan, revised as of September 1, 2011, or any other city sponsored plan that the City shall offer to regular employees, shall be available to employees in this group. For the modifications to the City’s Modified Plan, which are effective September 1, 2011, the revised annual deductible shall be effective on January 1, 2012.

(b)  **Eligibility.** Employees shall become eligible for Medical and vision insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City. An eligible employee and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee, but not both. If an employee is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee plan (i.e., an employee and his or her dependent cannot be covered by more than one City-offered health plan).

(c)  **City Insurance Contribution.** Effective July 1, 2013:

(1)  The City shall contribute up to $522.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

(2)  The City shall contribute up to $950.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.
(3) The City shall contribute up to $1,262.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

(4) These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. The employee, through payroll deductions, shall pay insurance plan premiums that exceed the City’s monthly contribution. The City shall maintain its IRS Section 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees receive benefits in the City’s Modified Plan, which is referred to in this resolution as “Modified Employee Medical Plan.” Modifications to the City’s Modified Plan shall be effective September 1, 2011.

4.3 Health and Welfare Benefits During Layoff

Regular status employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

4.4 Retirement Medical Eligibility and Allowance
(a) Eligibility. An eligible retiree and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee/retiree, but not both. If an employee/retiree is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee or retiree’s plan (i.e., a retiree and his or her dependent cannot be covered by more than one City-offered health plan).

(b) City Contribution for the Period July 1, 2012 through June 30, 2013. Effective July 1, 2012, for employees hired on or before June 30, 2011, at retirement only, the City shall provide to employees retiring from the City the following contributions, if any, towards the costs of retiree medical insurance:

1. Employees with less than 10 years of service for the City shall not be eligible for a city contribution towards retiree medical.

2. Employees retiring with over 10 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $150 a month towards the cost of retiree medical insurance.

3. Employees retiring with over 20 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $300 a month towards the cost of retiree medical insurance.

4. Employees retiring with over 30 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $450 a month towards the cost of retiree medical insurance.

5. Benefits for part time employees who retire are prorated based on their full time equivalent.
(6) The City contributions shall end with the death of the retiree and no survivor benefits are provided.

(7) Effective June 30, 2013, the City shall no longer provide a contribution towards the cost of retiree medical insurance for current employees (future retirees) and current retirees.

(c) Retirees may enroll themselves or their dependents at their own expense in City sponsored medical plans only. The City reserves the right to set benefit levels in medical plans for retirees and at its exclusive option only provide fully insured plan choices to retirees for enrollment. The City reserves the right to discontinue inclusion of retirees in City sponsored medical plans at any time.

The City’s commitment to provide retiree medical benefits during the 2012-2013 Fiscal Year is to the retiree and shall end upon the death of the retiree. Surviving spouses shall not be eligible for any city paid benefit after the death of the city retiree. Any benefits previously paid to surviving spouses have been paid in error and without the approval of the City Council.

(d) Elimination of Retiree Dental Benefits to Current and Retired Department Heads. Effective July 1, 2012, the City shall no longer provide a contribution towards the cost of retiree dental insurance for current employees (future retirees) and current retirees. Retirees shall not be eligible to participate in the City’s dental plans.

(e) Retiree Vision benefits are not offered to current employees (future retirees) and current retirees.

4.5 Alternative Retirement Medical Plans

Employees may choose to enroll in one of the additional health plans offered by the City instead of the City Modified Plan (including but not limited to Kaiser Senior Advantage).
This language sets forth the conditions in which current employees, when they retire from the City and otherwise qualify for a retiree medical benefit from the City, may also choose to enroll in City sponsored alternative plans in the same manner as when they were employees, as well as retiree only medical plans. The following conditions shall apply:

(a) If an employee is in a City sponsored alternative plan at the time of retirement, the employee shall be allowed to continue in that Plan.

(b) Employees not in an alternative Plan at the time of retirement shall not be allowed to enroll in any alternative plan except that; any retiree may voluntarily enroll in a City sponsored retiree only Plan.

A retiree may only enroll in alternative plans other than the City Modified Plan when:

(a) The retiree selecting a plan other than the City’s Modified Plan must agree that the City’s financial contribution to a premium payment for any other Plan shall not exceed the current contribution amount the City would pay if the retiree is enrolled in the City Modified Plan, and

(b) The individual retiree will be required to sign a form that indicates his/her agreement with these conditions.

The City reserves the right to eliminate these additional plans and the choice of multiple plans is not a vested right. Like the City Modified Plan, the City reserves the right to make plan design changes as necessary in these Alternative Plans.

4.6 Medicare Supplemental Coverage Requirements only for Employees Hired on or Before June 30, 2011.

The City reserves the right to terminate reimbursement payments for Part A Medicare coverage, in which event the retiree will receive the City’s modified medical plan which includes medical design changes
effective September 1, 2011 as the primary health coverage, with the premiums for such coverage to be paid by the City. The coverage provided pursuant to this section shall apply to the retiree and his/her spouse.

Under the federal Health Care Reform Plan, sponsors may modify the medical benefits provided to retirees only. The City will modify its retiree health care plan to reflect the following:

(a) Return Plan benefits for Acupuncture to 12 visits per year (instead of unlimited) and returns the payment percentage paid to 60% (instead of 80%);

(b) Return Plan benefits for Alcohol and Drug Treatment admissions to 30 days and 3 lifetime admissions (instead of unlimited);

(c) Return Plan benefits for Outpatient Mental Health or Nervous Disorder services to 15 visit maximum (instead of unlimited);

(d) Change Plan benefits for Preventative care and wellness to 80% instead of current 100%;

(e) Return Plan benefits on the lifetime cap on plan benefits to $2.5 million (instead of unlimited);

(f) Return Plan benefits on the maximum age of dependent children to be enrolled in the Plan to age 19 unmarried, and not serving in the armed forces to 23 if attending school full time and qualifies as a dependent for federal income tax purposes.(instead of age 26); and

(g) Change Plan benefits for Emergency room benefits.

4.7 **Elimination of Retiree Medical Benefits.**

The City will not provide a retiree medical allowance for employees hired on or after July 1, 2011.
Nothing in this section shall be construed to create vested rights to benefits for employees or retirees after the expiration of this Compensation Plan.

**Section 5 Holidays**

5.1 **Qualifying for Holiday Pay**

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

5.2 **Holidays Observed by the City**

(1) January 1 ........................................................ New Year's Day
(2) Third Monday in January ............ Martin Luther King Jr.’s Birthday
(3) Second Monday in February ......................... Lincoln's Birthday
(4) Third Monday in February ....................... Washington's Birthday
(5) March 31 (FLOATING) ......................... Cesar Chavez Birthday
(6) Last Monday in May ............................... Memorial Day
(7) July 4 ........................................................ Independence Day
(8) First Monday in September ...................... Labor Day
(9) Second Monday in October ..................... Columbus Day
(10) November 11 ........................................ Veteran's Day
(11) Fourth Thursday in November ................... Thanksgiving
(12) Fourth Friday in November ............ day after Thanksgiving
(13) December 25 ........................................ Christmas Day

FLOATING holiday to be taken within ninety (90) work days on or after the observed holiday.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.
For employees on the 9/80 alternative workweek schedule, employees may request to shift their work schedule so that their 8 hour day falls on the designated holiday with the approval of their supervisor or manager, and the additional hour must be worked in the same FLSA work period so as to not require overtime.

5.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Employees who are not regularly scheduled to work holidays shall be paid for 8 hours regular pay plus time and one-half (1½) for actual time worked on a holiday observed by the City.

Section 6 Vacation Leaves

Effective August 1, 2011, the following shall be the vacation leave benefits for all employees covered by this Plan. For employees having already received their annual vacation benefit for 2011/12 on July 1, 2011, the provisions of 6 (a) shall not go into effect until July 1, 2012.

For purposes of determining eligibility for Sections 6(a) and (b) below, all Department Heads and Deputy City Managers (MA and EP employees) are to be considered as having been employed by the City of Stockton for at least 7.5 Years and shall receive benefits based on that number of years of service. For purposes of determining eligibility for Sections 6(a) and (b) all assistant Department Heads and mid-management (MV and PP employees) are to be considered as having been employed by the City of Stockton for at least 1.5 years and shall receive benefits based on that number of years of service.

(a) Vacation Accrual.

Non overtime exempt employees. All regular employees, excluding provisional and temporary, shall accrue vacation leave with pay in accordance with the following schedule:
(1) Less than one and one-half (1-1/2) years continuous employment…………80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment. 108 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment…144 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment……….. 189 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

Overtime exempt employee. All overtime exempt employees, excluding provisional and temporary, shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment……………………120 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment.148 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment………………. 188 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment………………….. 229 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

Employees shall accrue their vacation allowance in 24 equal amounts on a twice-monthly payroll basis (24 pay periods).
(b) **Maximum Vacation Accrual.** Employees reaching the maximum hours provided here shall stop accruing additional vacation hours until they are below the caps listed here. No vacation hours maybe added to sick leave balances without exception. For employees who on August 1, 2011 have vacation balances that exceed their maximum, shall have one year to use sufficient vacation to get under the maximum allowed. If an employee does not get below the maximum by that date, they shall retain their existing earned vacation but shall not earn any additional vacation until they are under the maximum vacation allowed. MA and EP employees shall have two years to use sufficient vacation to get under the maximum allowed.

**Maximum Vacation Accrual Caps.**

**40 hour employee (Non overtime exempt employee)**
- Under 1.5 yrs 120 hours
- 1.5-7.5 yrs 240 hours
- 7.5-15 yrs 280 hours
- 15-25yrs 320 hours
- 26 yrs 328 hours
- 27 yrs 336 hours
- 28 yrs 344 hours
- 29 yrs 352 hours

Over 29 years shall receive an additional 7 hours for each year of service.

**40 hour employee (Overtime exempt employee)**
- Under 1.5 yrs 200 hours
- 1.5-7.5 yrs 320 hours
- 7.5-15 yrs 360 hours
- 15-25yrs 400 hours
- 26 yrs 408 hours
- 27 yrs 416 hours
- 28 yrs 424 hours
- 29 yrs 431 hours
Over 29 years shall receive an additional 7 hours for each year of service

(c) **Vacation Scheduling.** Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(d) **Holiday during Vacation.** If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(e) **Cash Payment Option for Vacation.**
   (1) Effective August 1, 2011, an employee may elect to receive cash payment for up to a maximum of forty (40) hours annually except that all cash outs shall be suspended during furlough or fiscal emergency periods and during the period of July 1, 2013 through June 30, 2014. To qualify for this sell-back benefit, an employee must have used, either in the preceding or current fiscal year, an equivalent number of vacation days to the number of sell-back days.

(f) **Vacation Cash Out Upon Separation.** When an employee is separated from the service between February 17, 2012 and July 1, 2014, the employee’s remaining vacation balance, if any, shall be paid as follows:

   (1) Upon separation, employees shall receive one third (1/3) or $10,000, whichever is greater, of the total of his/her unused accumulated vacation hours.

   (2) On the one year anniversary of employee’s separation, he/she shall receive the second payment of one third (1/3) or $10,000, whichever is greater, of the balance of his/her unused accumulated vacation hours.
(3) On the second anniversary of separation, he/she shall receive the balance payment of the unused accumulated vacation hours.

(4) Employees who are involuntarily separated shall have their unused accumulated vacation hours, if any, added to his/her final compensation.

Section 7 Mileage Reimbursement for Private Vehicle Use

The private vehicle mileage reimbursement will be paid to employees who use their private vehicle for City business travel within the City or out of the City limit. Such usage must be documented. Mileage reimbursement for use of personal vehicle shall be compensated at the current Internal Revenue Service (IRS) rate.

Reimbursement for average mileage on City business greater than 1,000 miles per month will be determined by the City Manager, provided no such reimbursement shall exceed IRS mileage reimbursement rate then in effect.

Section 8 Sick Leave

8.1 Sick Leave Use

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of eight (8) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.
(b) **Usage.** Employees are entitled to sick leave pay for those hours, which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery there from.

(c) **Family Sick Leave.** Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care, except in instances where the employee is on approved FMLA or CFRA leave.

Such leave shall be restricted to the employee's parents, spouse, registered domestic partner, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild, and legal dependent. The employee's child includes a biological, foster, or adopted child, a stepchild, a legal ward, a child of the employee's registered domestic partner, or a child to whom the employee stands *in loco parentis*.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or Pregnancy Disability Leave (PDL).

(d) **Reporting Procedures for Sick Leave.** When the requirement for sick leave is known to the employee in advance of the absence (for example, including but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the Department Head prior to such absence.
If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for disciplinary action as determined by the appointing authority.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the Department Head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn’t return to work prior to the preparation of the payroll, other arrangements may be made with the Department Head.

(2) Doctor’s Certificate or Other Proof.

The Director of Human Resources may require a doctor’s certificate or other reasonable proof of illness as he/she deems necessary in order for an employee to receive an excused absence from work and sick leave pay. The employee shall be given notice prior to returning to work that he or she will be required to provide such documentation. Employees who have unscheduled absences due to illness on a scheduled work day preceding or following a holiday may be required to bring a doctor’s certificate or other reasonable proof of illness in order to receive an excused absence and sick leave pay. If an employee’s illness results in an absence from work for more than three (3) consecutive days, a doctor’s certificate or other reasonable proof of illness may be required. In addition, the City may monitor and control the appropriate use of sick leave by employees and if
reasonable cause is articulated, can limit use of sick leave and require additional verification.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician’s statement as he/she deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to section 8.1 (e) and subsection (2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave while on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or
(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

8.2 Unused Sick Leave Upon Separation

(a) Payment for Unused Sick Leave

Effective February 17, 2012, all accumulated or future accruals of sick leave shall have no cash value upon separation of employment and employees shall not be allowed to cash out unused sick leave except as provided below.

(b) CalPERS Service Credit for Unused Sick Leave

Employees shall be eligible for CalPERS service credit for any unused sick leave at retirement not otherwise compensated for in (c) below. Employees hired after the City amends its CalPERS contract to eliminate service credit for unused sick leave shall not be eligible for this service credit.

(c) Sick Leave Retention Benefit

If, after subtracting the equivalent of one full year of service credit (2080 hours), which may be applied to CALPERS service credit, any balance remaining upon separation shall be paid as follows to employees who have remained in City service until the dates specified:

(1) Separation prior to July 1, 2014, no payment of unused sick leave at separation shall occur for separating employees before this date;

(2) Separation between July 1, 2014 and June 30, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 35% of its cash value to separating employees between these dates; and
(3) Separation after July 1, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 50% of its cash value to separating employees after this date.

(4) Service credit for unused sick leave shall be in accordance with PERS regulations.

Section 9 Educational Incentive Pay

Effective August 1, 2011, the Educational Incentive Pay of 3% will be eliminated.

Section 10 Longevity Pay (Professional Growth Pay)

Effective August 1, 2011, all longevity pay shall be eliminated for all employees covered by this Plan. However, the City shall grandfather only those employees who have completed twelve (12) continuous years of service with the City as of July 1, 2012, and who are receiving a Longevity Pay of 2.5% as of that date. Employees as of August 1, 2011 receiving a higher Longevity Pay based on benefits received by another unit shall also be grandfathered but they shall have their current Longevity Pay reduced by 2.5% and then frozen at those levels at that time. As of July 1, 2012, longevity incentive pay allowance for these grandfathered employees shall be reduced to one and one-half percent (1.5%). Employees receiving a higher Longevity Pay based on benefits received by another unit shall have their remaining longevity reduced by one percent (1.0%) effective July 1, 2012.

Section 11 Other Leaves With Pay

11.1 Bereavement Leave. In the event of a death in the immediate family of an employee, he/she shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his/her accumulated sick leave credits or vacation eligibility. The Department Head or his/her designee may grant an additional two (2) days
bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee’s parents, current step parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and registered domestic partner.

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 three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

11.2 Jury Duty Leave/Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said covered absence will be for actual hours served (including travel time) on jury duty or testifying as a witness in a criminal case, other than a defendant. Authorized absence for jury or court leave shall include the time from when the employee is ordered to appear until the time the employee is released from the court. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his or her usual morning schedule. Upon being excused from the court each day, the employee must return to work if he or she has more than two (2) hours remaining before the end of his or her workday.
Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is not a party, together with travel time necessarily involved, shall not be considered absent from work within the meaning of this Section.

11.3 Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) calendar days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for the duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

All probationary employees inducted into the Military Service not having served the minimum probationary period of six (6) months, shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.
Two or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

11.4 Management Time Leave. The Chief of Police, Deputy Chief of Police II, and Deputy Chief of Police I shall receive forty (40) hours of paid-management time-leave each fiscal year. The management time-leave of forty (40) hours may not carry over from fiscal year to fiscal year, be used for sell-back purposes, or paid for any unused leave-time upon separation of City employment.

Section 12 Workers' Compensation Leave

12.1 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law. Any salary continuation program benefits that are in addition to the State benefits that were in effect on July 31, 2011 shall be eliminated effective August 1, 2011. An employee on Workers’ Compensation may use accrued leave, if needed, to supplement benefits, up to the amount required to receive a full paycheck.

(b) Forms and Procedures. Workers’ compensation processing shall be consistent with City procedures and in accordance with state workers’ compensation regulations. An employee who sustains a work-related injury or illness shall immediately inform his/her supervisor no matter how minor an on-the-job injury may appear. An employee who sustains a work-related injury or illness is required to seek medical care at facilities designated by the City unless they have filed a pre-designation of personal physician prior to sustaining the work-related injury or illness. For a list of City designated medical care facilities and/or physicians, please contact Human Resources.
Section 13 Leave of Absence

13.1 Leave of Absence

Employees shall not be entitled to leave of absence as a matter of right, but only in accordance with the provisions of law and the City of Stockton Municipal Code. Unless otherwise provided, the granting of a leave of absence also grants to the employee the right to return to a position in the same classification or equivalent classification, as the employee held at the same time the leave was granted. The granting of any leave of absence shall be based on the presumption that the employee intends to return to work upon the expiration of the leave.

All approval authority over leaves of absence exercised by the Department Head under this Section shall be subject to review by the Director of Human Resources, whose ruling shall be final.

(a) Purpose and Length. Only employees occupying regular positions on a regular basis are eligible for leaves of absence without pay under the provisions of this Section.

An appointing authority may grant leave of absence without pay for personal reasons up to a maximum of twelve (12) months with approval of the Director of Human Resources.

Leaves of absence without pay on account of illness or injury, which are not job incurred, may be granted for a maximum period of twelve (12) months with approval of the Director of Human Resources.

Such a leave will be granted only after all accrued sick leave credits have been used and shall be substantiated by a physician’s statement.

(b) Application for and Approval of Leave of Absence Without Pay.

Employees shall not be entitled to Leave of Absence Without Pay as a matter of right, but only upon the determination of the
City that it is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. In order to receive leave without pay, an employee must submit a request on the prescribed form to his/her Department Head and the Director of Human Resources describing the reasons for the request and all other information required for the Department Head or his/her representative, to evaluate the request. Leaves without pay may be cancelled by the department at any time.

(c) Employees on authorized leaves of absence without pay shall not be entitled to payment by the City of the premiums for their health and dental insurance, except as provided hereinafter.

The entitlement to City payment of premium shall end on the last day of the month in which the employee was paid except that employees on an authorized leave of absence may continue enrollment in the City health and dental insurance plan by prepayment of the full monthly premium during the authorized leave of absence.

Authorized absence without pay which exceeds thirty (30) consecutive calendar days, except military leave, shall not be included in determining salary adjustment rights, based on length of employment. Periods of time during which an employee is required to be absent from his/her position by reason of any injury or disease for which he/she is entitled to and currently receiving Workers’ Compensation benefits shall be included in computing length of service for the purpose of determining that employee’s salary adjustment.

13.2 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return After Leave. 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 for a leave shall be considered an absence without official leave and the employee shall be subject to discipline.
(b) **Voluntary Resignation.** Any employee 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 Stockton, except if the absence is due to a verified illness or injury.

**Section 14 Salary Plan**

14.1 **Wage Increases**

Effective July 1, 2011, no salary increases for fiscal years 2012-2013 and 2013-2014.

14.2 **Salary Step when Salary Range is Increased**

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee’s step held in the previous range, unless otherwise specifically provided by the Director of Human Resources.

14.3 **Salary Step after Promotion or Demotion**

When an employee is promoted from a position in one rank to a position in a higher rank and at the time of promotion is receiving a base salary equal to, or greater than, the minimum base step rate for the higher rank, that employee shall be entitled to a step in the range of the higher rank which is at least five percent (5%) above the rate the employee has been receiving, except that the next step shall not exceed the maximum salary of the higher rank. When an employee is demoted, whether such demotion is voluntary or otherwise, that employee’s compensation shall be adjusted to the salary prescribed for the class to which demoted.

14.4 **Acting Pay**
An employee who is assigned in writing to work in a higher paid classification and who performs a majority of the duties of that higher position after five (5) days shall receive the rate of pay in a step of the higher classification which would have been received if the employee had been promoted into that classification.

The increased rate of pay will commence with the first day of the assignment; however, to qualify the employee must meet the above conditions before being eligible for Acting Pay.

14.5 Pay Equity Adjustments

The City recognizes that there may be a need for special salary adjustments for selected classifications as a result of recruitment problems, reclassifications, and/or organizational changes. The City, in its sole discretion, may make such adjustments.

14.6 Special Assignment Pay

The Department Head and the concurrence of the Director of Human Resources may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned to perform additional duties and responsibilities for the duration of the special assignment.

14.7 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to City service, are entitled to the automatic salary advancements within the range scale of the established wage schedule of their classifications for the period they were in the military service.

14.8 Uniform Allowance

Employees required to wear uniforms shall be paid an annual uniform allowance, one-half payable in April and one-half payable in October each year. Employees in the following classifications receive the following annual uniform allowance:
Chief of Police - $950.00
Deputy Chief of Police II - $950.00
Deputy Chief of Police I - $950.00
Fire Chief - $625.00
Deputy Fire Chief II - $625.00
Deputy Fire Chief I - $625.00

14.9 Certificate Incentive Pay-Sworn Police Chiefs or Deputy Chiefs

(a) The City shall pay six percent (6.0%) of the top step in rank for sworn personnel who attain a P.O.S.T. Supervisory Certificate.

(b) The City shall pay an additional three percent (3.0%) for a total of nine percent (9%) of top salary step in rank for sworn personnel who attain a P.O.S.T. Management certificate or higher, upon completion of two (2) continuous years of service in rank and upon completion of management course.

Section 15 Work Furloughs

15.1 Work Furloughs

(a) 62 Furlough Hours in Fiscal Year 2012-2013. Each unit employee shall take sixty-two (62) furlough hours (leave from work without pay).

(b) Equalized Payroll Deductions. Payroll deductions for the sixty-two (62) furlough hours described in section 15.1, paragraph (a) above, shall be equalized so that each unit employee shall have 2.98% at the employee’s regular hourly rate of pay deducted from each of the twenty-four (24) pay periods between July 1, 2012 and June 30, 2013.

(c) Furlough days shall be considered time worked for the purposes of overtime.

(d) If a furlough is scheduled before or after a City holiday, the employee will, nevertheless, be eligible for holiday pay.
(e) The Citywide Furlough Schedule for the Fiscal Year 2012-2013 is as follows:

November 21, 2012
December 24, 26, 27, and 31, 2012
March 25, 2013
April 26, 2013

(f) Exception to Standard Furlough Days for Some Employees. Employees shall adhere to the citywide furlough schedule, except where it is impracticable for certain City departments or operations; for those employees, furlough hours must be scheduled with his/her manager and taken no later than June 30, of each corresponding fiscal year.

(g) Separation from City Service before June 30, 2013. Any employee who separates from City service before the final 2.98% furlough deduction on July 7, 2013, for the pay period ending June 30, 2013, and after having used furlough hours, shall have his or her final compensation reduced by the sum of the number of furlough hours the employee has actually used minus the number of furlough hours actually deducted from the employee’s pay warrants multiplied by the employee’s regular hourly rate of pay. Conversely, any employee who separates from City service before June 30, 2013, having suffered furlough deductions in excess of the actual number of furlough hours the employee has used, shall have his or her final compensation credited by like amount.

Section 16 Work Schedule

16.1 MA, MV, EP, and PP employees shall not be eligible for overtime for extra hours worked to perform duties of their assigned position.
16.2 Department Heads are responsible for personally approving any overtime pay for MW and SP employees within their respective departments, with a report submitted to the City Manager at the end of each pay period explaining the overtime.

16.3 Overtime

Non-exempt employees will receive overtime at the appropriate rate when authorized in writing by the Department Head prior to the overtime worked. The following provisions pertaining to authorized statutorily required overtime work shall apply to non FLSA exempt employees:

(a) Statutory overtime shall be paid on actual time worked in excess of forty (40) hours in any workweek. Such overtime shall be paid for at time and one-half (1-1/2) including employees employed on a per hour or per day basis or except as provided elsewhere herein. Furlough hours taken, holiday hours taken and observed holidays where the City is closed shall be considered as time worked for overtime calculation purposes. Sick leave, vacation, or other time taken as compensated time off shall not be considered as actual time worked for overtime calculation purposes.

(b) Employees assigned to an alternate work schedule (e.g. 4/10, 9/80, etc.) shall be compensated at the overtime rate for all time worked in excess of their regularly scheduled hours.

(c) Employees who are not regularly scheduled to work holidays shall be paid for 8 hours regular pay plus time and one-half (1½) for actual time worked on a holiday observed by the City.

16.4 Compensatory Time Off (CTO)

(a) Definition. As used in this Section, the term Compensatory Time Off (CTO) refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule. For the purpose of
this Section, Compensatory Time shall apply only to Non-Exempt employees.

(b) CTO in Lieu of Overtime Compensation. Employees may voluntarily elect to receive overtime compensation in the form of CTO at the rate of one and one-half (1-1/2) hours of CTO for each hour of overtime earned under section 16.3 (a).
COMPUTER SERVICES AGREEMENT FOR THE SAN JOAQUIN COUNTY CRIMINAL JUSTICE INFORMATION SYSTEM

RECOMMENDATION

It is recommended that City Council adopt a resolution authorizing an agreement with San Joaquin County for the City of Stockton Police Department’s access and use of the County Criminal Justice Information System, and authorizing the City Manager to execute the agreement in the amount of $54,218, for a one-year period.

Summary

The San Joaquin County Information Services Division operates and maintains the County Criminal Justice Information System (CJIS) which facilitates computer access to local, state, and national criminal justice databases for purposes of identifying wanted subjects, confirming arrest warrants, and checking driver’s license and vehicle registration information. The Stockton Police Department has used this system for decades. San Joaquin County has estimated the cost for accessing services for Fiscal Year 2013-14 to be $54,218 based on an estimated 665,000 transactions and an allowance of eight hours for special processing requests. The City only pays for the actual number of transactions conducted. The contract term commences on July 1, 2013, and ends on June 30, 2014.

DISCUSSION

Background

Currently, the San Joaquin County Information Services Division provides automated message switching with access to the County Criminal Justice Information System. This computer access permits Police Department employees to check the Criminal Justice Information System regarding local wants and warrants and jail booking information. The Police Department requires continued access to this system using software and data processing equipment maintained by the County. This information system service is regularly available seven days a week, 24 hours per day absent scheduled maintenance periods and an occasional unforeseen malfunction, at which time the County makes every reasonable effort to restore the system to its normal operating condition.

Present Situation

San Joaquin County is responsible for maintaining the computerized system that facilitates the Stockton Police Department’s link with the State of California’s Department of Justice computers in Sacramento. The County charges each agency on a per transaction basis to help recover ongoing maintenance costs and fund system upgrades. The rate per transaction has remained steady for the
last few years at $0.08. The proposed contract also provides for up to eight hours of special programming in the event the Stockton Police Department needs a specific report or change to the system. The County’s Rate Schedule is included as Attachment B. It provides for a not to exceed annual contract amount of $54,218 or an estimated 665,000 transactions. By way of comparison, for this fiscal year, through April 2013, Stockton has paid for almost 400,000 transactions, for a total of $31,463. Staff recommends accepting the proposed contract at the 665,000 transaction level.

FINANCIAL SUMMARY

The San Joaquin County Information Services Division estimates the cost of services for Fiscal Year 2013-14 to be $54,218. Sufficient funds are budgeted in Fiscal Year 2013-14 in the Police Department’s Support Services Division Account Number 010-2462-530 to cover the cost of this essential service.

Attachment A - 2013-14 Rate Schedule
## Computer Services

**Automated Message Switching System Access**  
**CJIS System Access**

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<td>Each</td>
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<td>$53,200.00</td>
<td></td>
</tr>
</tbody>
</table>

*Total Estimated Annual Cost*  

$54,217.60

*Special Processing Requests require written authorization specifying work to be performed.*
RESOLUTION APPROVING AN AGREEMENT BETWEEN THE COUNTY OF SAN JOAQUIN AND CITY OF STOCKTON, IN THE AMOUNT OF $54,218, FOR THE SAN JOAQUIN COUNTY CRIMINAL JUSTICE INFORMATION SYSTEM

The San Joaquin County Information Services Division operates and maintains the County’s Criminal Justice Information System which facilitates computer access to local, state, and national criminal justice databases; and

The Stockton Police Department has utilized services provided by San Joaquin County through the Criminal Justice Information System for decades; and

San Joaquin County has estimated the cost for accessing such services for Fiscal Year 2013-14 to be $54,218, according to the Rate Schedule for Fiscal Year 2013-14; however, the City of Stockton will only pay for the number of transactions actually conducted; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Agreement between the County of San Joaquin and City of Stockton concerning the City of Stockton Police Department’s access and use of the Criminal Justice Information System is approved, a copy of which is attached as Exhibit 1.

2. The City Manager is hereby authorized, on behalf of the City of Stockton, to execute the Agreement to provide access and use of the Criminal Justice Information System, in the amount of $54,218, for a one-year period.

3. Sufficient funds for this service are available in Police Department Support Services Division Account Number No. 010-2462-530.20-66.

4. The City Manager is authorized to take whatever actions are necessary to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED June 25, 2013.

ATTEST:________________________________________

ANTHONY SILVA, Mayor
of the City of Stockton

___________________________

BONNIE PAIGE
City Clerk of the City of Stockton
AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of July, 2012, by and between the COUNTY OF SAN JOAQUIN, through its Information Systems Division, hereinafter referred to as "COUNTY" and CITY OF STOCKTON, hereinafter referred to as "AGENCY";

WITNESSETH:

WHEREAS, COUNTY provides services and/or equipment listed in Attachment "A" hereinafter referred to as “COMPUTER SERVICES” to AGENCY; and

WHEREAS, COUNTY has certain computer equipment and is able to provide information services which AGENCY desires to use in its operations;

WHEREAS, COUNTY'S Information Systems Division services offered to AGENCY under this Agreement differs from that provided in previous years and it is necessary to set out the understanding of the parties as to the extent of services and liability for provision of access to the COMPUTER SERVICES for information.

IT IS HEREBY AGREED between the parties as follows:

1. COMPUTER SERVICES FOR ACCESS TO NON-REDUNDANT, NON-FAULT TOLERANT COMPUTER SYSTEMS

The COUNTY shall provide to AGENCY the COMPUTER SERVICES of COUNTY'S Information Systems Division. The parties expressly acknowledge that the Information Systems Division computer systems are non-fault tolerant, non-redundant systems which do not provide continuous access seven (7) days a week and twenty-four (24) hours a day. The computer systems may go down and be unable to provide COMPUTER SERVICES at any time of day or night for undeterminable periods of time and also must be scheduled to be taken down for maintenance and repairs from time to time. Therefore, COUNTY does not represent that the COMPUTER SERVICES provided under this Agreement will enable AGENCY to receive information from the computer systems within any specific time period. AGENCY has considered the express limitations set forth in this Agreement of the COMPUTER SERVICES, together with the needs of AGENCY, and has determined that AGENCY'S business operations require the use of the services set out in this Agreement.

2. COMPENSATION

a. COUNTY will provide the COMPUTER SERVICES for the estimated annual amount of compensation as shown in Attachment "A". COUNTY shall bill AGENCY only for actual COMPUTER SERVICES provided, one month after COMPUTER SERVICES are provided. AGENCY shall provide full payment to COUNTY of the billed amount by the fifteenth day of the date of billing. In the event payment is not made in accordance with this provision COUNTY may, at its option, terminate the agreement in accordance with the provisions of Paragraph 5.

b. In the event that the AGENCY'S estimated quantities, as indicated in Attachment “A”, are exceeded for any reason, County may evaluate and, if necessary, increase the quantities indicated in Attachment “A”, which may also result in the estimated annual amount of compensation provided herein to be increased. County will notify AGENCY, in writing, no less
than thirty (30) calendar days in advance of any intended increase of estimated annual amount of compensation. AGENCY shall be allowed the option to terminate this agreement in accordance with the provisions of Paragraph 5 in the event of an increase in the estimated annual amount of compensation.

c. In the event that County’s cost of Computer Services are increased due to any reason, County may increase the rate of compensation, as indicated in Attachment “A”, which may also result in the estimated annual amount of compensation provided herein to be increased. County will notify AGENCY, in writing, no less than thirty (30) calendar days in advance of any intended increase of estimated annual amount of compensation. AGENCY shall be allowed the option to terminate this agreement in accordance with the provisions of Paragraph 5 in the event of an increase in the estimated annual amount of compensation.

3. OPTIONAL SERVICE AND EQUIPMENT

COMPUTER SERVICES under this agreement are limited solely to the ongoing services, systems, and equipment listed in Attachment "A" which are in operation on the effective date of this agreement. Services and/or equipment not covered in this agreement may be provided to AGENCY at COUNTY’S option subject to the following conditions:

a. AGENCY must submit a written request for the additional services and/or equipment which has been signed by the appropriate agency official, and

b. Additional services, and/or equipment shall be provided at the current rates of compensation and shall be billed as additional items over and beyond the total estimated annual amount compensation designated in this agreement.

Maintenance in connection with the equipment provided under this agreement is included in the rate of compensation for equipment and will not be billed as an additional charge to AGENCY.

4. TERM

The term of this contract shall be one year beginning July 1, 2012, and ending June 30, 2013.

5. TERMINATION

a. This contract may be terminated by either party upon thirty (30) calendar days advance written notice to the other party. Notwithstanding such termination, AGENCY shall compensate COUNTY for the actual COMPUTER SERVICES provided through the date the termination of the contract is effective. If AGENCY fails to timely compensate COUNTY as provided in this contract, AGENCY shall be held liable for the reasonable cost of collecting such compensation including attorneys fees and court costs incurred by COUNTY. In no event shall COUNTY be liable for reimbursing AGENCY for the costs to procure alternative services to those services provided under this Agreement regardless of whether AGENCY or COUNTY initiates termination of the Agreement.

b. All rental equipment in the possession of AGENCY shall be returned to COUNTY in the same condition as it was delivered to AGENCY, less normal wear and tear. COUNTY shall be compensated by contractor for all loss or damage to said equipment which is not the result of a willful or negligent act by COUNTY and which does not constitute normal wear and tear.

6. INDEMNIFICATION AND HOLD HARMLESS

The AGENCY agrees that it shall indemnify, defend and hold harmless the COUNTY, the members
of its Board of Supervisors, its officers, agents, and employees, from and against all demands, claims, damages, losses, expenses, and costs including attorneys' fees and court costs arising out of and/or resulting from the performance of the activities and services contemplated by this agreement, except for demands, claims, damages, losses, expenses, and costs resulting from the sole and exclusive negligence of the COUNTY, or its agents, or those brought by employees or agents of COUNTY concerning their employment or agency relationship.

7. LIMITATIONS OF LIABILITY

In no event shall COUNTY be responsible for any damage, compensatory, consequential, punitive, or special in the event that the AGENCY is unable to access and/or obtain information from COMPUTER SERVICES of COUNTY. This Agreement shall not be construed to be either a representation or a warranty to AGENCY that it will be able to access and obtain information from the COMPUTER SERVICES at any particular time or within any particular response time. COUNTY does not grant any warranty as to the validity, completeness or usefulness of any information received by AGENCY from the COMPUTER SERVICES. COUNTY shall not be responsible nor liable for the costs to AGENCY to procure alternative services to the services provided for under this Agreement or upon termination of this Agreement by either party.

In the event of errors in COMPUTER SERVICES due to the failure of COUNTY's equipment, software, circumstances beyond the control of COUNTY, or the failure of COUNTY's employee(s) to operate the equipment in accordance with COUNTY's standard operating procedures, or COUNTY's inability to provide COMPUTER SERVICES due to circumstances beyond its control, COUNTY's liability shall be limited to either subparagraph (a) or (b) below, either of which will be considered to be AGENCY exclusive remedy:

a. The correction of errors of which COUNTY has received written notice and proof or the performance of the service, whichever is the situation; or

b. Where such correction or performance of service is not practicable, AGENCY shall be entitled to an equitable credit not to exceed the charges invoiced to AGENCY for that portion of the service which produced the erroneous result or for that portion of the service which could not be performed, whichever is the situation.

COUNTY shall be liable for the loss, destruction or damage to AGENCY supplied materials only if such loss, destruction, or damages was due to the negligence of COUNTY and AGENCY sole remedy shall be COUNTY restoring the same, provided such restoration can be reasonably performed by COUNTY and provided that AGENCY provides COUNTY with all source data necessary for such restoration in similar form to that normally presented to COUNTY under this Agreement.

8. INDEPENDENT CONTRACTOR

The AGENCY, and the agents and employees of AGENCY, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of COUNTY.

9. ASSIGNMENT

Without the written consent of COUNTY, this agreement is not assignable by AGENCY either in whole or in part.

10. TIME OF THE ESSENCE

Time is the essence of this agreement.
11. MODIFICATIONS

No alteration, variation, or modification of the terms of this contract shall be valid unless made in writing prior to the effective date and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

12. COMPLIANCE WITH LAWS

AGENCY shall comply with the California Fair Employment Practices Act (Labor Code Section 1410, et seq.) and any amendments thereto.

This contract may, at the option of COUNTY, be terminated or suspended in whole or in part in the event AGENCY fails to comply with the nondiscrimination clause of the contract. In the event of termination under this paragraph, COUNTY shall be compensated for goods and services provided to the date of termination. Termination or suspension shall be effective upon receipt of written notice thereof.

13. CONFIDENTIALITY

AGENCY, its employees, officers, and agents shall protect and keep all information and materials obtained through the services of this agreement confidential and from unauthorized use and disclosure. This clause shall not apply to that information which is or becomes a public record subject to the disclosure requirements of the Public Records Act.
IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first written above.

COUNTY OF SAN JOAQUIN, a political subdivision of the State of California

By: JERRY BECKER

Information Systems Director

"COUNTY"

CITY OF STOCKTON

By: ______________________

Title: ______________________

"AGENCY"

APPROVED AS TO FORM:

DAVID WOOTEN
Count Counsel

By: LAWRENCE P. MEYERS
Deputy County Counsel
City of Stockton and San Joaquin County

Rate Schedule
Fiscal Year 2012-2013

Computer Services
Automated Message Switching System Access
CJIS System Access

<table>
<thead>
<tr>
<th>Service</th>
<th>Estimated Quantity</th>
<th>Type</th>
<th>Estimated Rate</th>
<th>Estimated Annual Cost</th>
<th>Estimated Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Special Processing Request</td>
<td>8</td>
<td>Hours</td>
<td>$127.50</td>
<td>$1,020.00</td>
<td></td>
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<tr>
<td>Transactions</td>
<td>585,000</td>
<td>Each</td>
<td>$0.08</td>
<td>$46,800.00</td>
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</tr>
<tr>
<td><strong>Total Estimated Annual Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$47,820.00</strong></td>
</tr>
</tbody>
</table>

* Special Processing Requests require written authorization specifying work to be performed.
CONSENT AGENDA

AGENDA ITEM 12.06
AUTHORIZATION TO PAY SAN JOAQUIN GENERAL HOSPITAL FOR SEXUAL ASSAULT EXAMINATIONS

RECOMMENDATION

It is recommended that City Council adopt a motion authorizing the payment to San Joaquin General Hospital for sexual assault examinations that under Penal Code section 13823.95, the City is obligated to pay.

Summary

When a person has been sexually assaulted, there is a medical protocol that must be followed so that evidence taken from the medical examination may be used in court. In San Joaquin County, the San Joaquin General Hospital has trained and qualified personnel to perform that medical protocol for law enforcement agencies throughout the County. Under Penal Code section 13823.95, the law enforcement agency in whose jurisdiction the crime took place is responsible for paying the medical examination, the cost of which can range from $300 to $1,824 per exam, based on the type of exam that is performed. Although the Police Department budgets funding for this purpose each year, because the amount to be paid to the medical provider exceeds the Charter imposed limitation, the City Council must authorize payment to San Joaquin General Hospital as the recipient for those funds. It is estimated the cost of these services will be $144,000.

DISCUSSION

Background

In San Joaquin County, law enforcement agencies have established a Sexual Assault Response Team (SART) Protocol for victims of sexual assault crimes. The Protocol involves police personnel, representatives from the Women's Center of San Joaquin County (who will meet the victim and the victim's family at the Hospital and accompany the victim during the examination and interview process) and specially trained doctors and nurses who have completed prescribed courses for such examinations. Following this Protocol is critical to the preservation of evidence that may be used in criminal prosecutions. Historically, the cost to provide the medical examination was borne by the County. However, in 2009, the County invoked applicable state law (Penal Code, section 13823.95) and began charging the law enforcement agency in whose jurisdiction the incident occurred for these medical examinations.

Present Situation

In San Joaquin County, the specially trained doctors and nurses are located at San Joaquin General
Hospital and the cost of providing the examination can range from $300 to $1,824 per exam, depending on the type of exam that needs to be performed. San Joaquin General Hospital bills the City for these exams on a quarterly basis. There is an average of 20 exams each quarter, for an estimated annual cost of $144,000.

FINANCIAL SUMMARY

Sufficient funds are budgeted in the Police Department’s Investigations Division account no. 010-2431-530 to cover the estimated $144,000 for the examinations to be performed by San Joaquin General Hospital.
AWARD CONTRACT TO CALIFORNIA MATERIALS, INC. FOR TRUCK HAULING SERVICES FOR ASPHALT CONCRETE AND ASPHALT CONCRETE GRINDINGS FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-07

RECOMMENDATION

It is recommended that the City Council approve a motion adopting the specifications, and authorizing the City Manager to execute a one-year contract in the amount of $237,500 with California Materials, Inc. for Truck Hauling Services for Asphalt Concrete and Asphalt Concrete Grindings, Project No. 13-07, for fiscal year 2013-2014.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

Summary

The City uses contracted trucking services to haul asphalt concrete to job sites and to haul asphalt grindings and other debris away from job sites. On May 9, 2013, only one bid was received for the 2013-2014 fiscal year contract. The bid, from a local company, was under the Engineer’s Estimate and considered to be responsive. Staff recommends awarding the contract to California Materials, Inc. of Stockton, CA, in the amount of $237,500. The contract will be funded from the Gas Tax/Street Maintenance account.

The contract contains provisions for optional extension of the original terms of the contract for one year. Only two such extensions shall be allowed, and in no event shall the original contract and any extensions exceed a maximum period of three years.

DISCUSSION

Background

The proposed contract consists of hiring general truck hauling services for City projects on an as-needed basis. These services include truck hauling to pick up and deliver asphalt concrete for use by City forces at specified job sites, and truck hauling to remove asphalt concrete grindings from the City’s pavement grinding operations.

The total contract value is calculated, for bid comparison purposes, on the estimated number of trucking hours required for the fiscal year. It is estimated there will be 1,500 hours needed for asphalt concrete deliveries, and 1,300 hours needed for hauling off asphalt concrete grindings. The actual amount paid to the contactor will depend on the actual number of hours of trucking provided, up to a
maximum of the contract value plus approved change orders.

Present Situation

On May 9, 2013, one bid was opened with the following results:

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>TOTAL BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Materials, Inc., Stockton, CA</td>
<td>$237,500.00</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$312,500.00</td>
</tr>
</tbody>
</table>

The bid submitted by California Materials, Inc. is responsive and the price is lower than estimated. Staff recommends awarding a contract for the 2013-2014 fiscal year to California Materials, Inc. in the amount of $237,500 (Attachment A). This motion also authorizes the City Manager to approve an extension to the contract if requested by the contractor in accordance with the contract provisions, and if deemed desirable by the City Manager. Only two such extensions shall be allowed, and in no event shall the original contract and any extensions exceed a maximum period of three years.

The Local Employment Ordinance, Stockton Municipal Code 3.68.095, applies to this contract. This Ordinance establishes requirements for employment of City of Stockton residents on construction contracts greater than $100,000, and is typically applied to all such contracts unless precluded by the project funding source.

FINANCIAL SUMMARY

This project is proposed to be funded from the following transportation account:

030-3062-540.20-25
Street Maintenance account, Maintenance and Repair Services $237,500

The Street Maintenance account is a portion of the Gas Tax/Street Maintenance transportation operating fund for the Public Works Department. It is funded by State Gas Tax augmented by Measure K Maintenance. While Council approval is being requested on June 25, 2013, the contract will not become effective until the 2013-2014 fiscal year. Sufficient funding will be available in the 2013-2014 fiscal year to fund this contract; however, to ensure adequate capacity for other required uses, staff proposes to shift Measure K Maintenance funds that have already been appropriated to the Street Resurfacing Capital Project account. The following transfer is recommended:

Transfer appropriation from:

082-9928-640.20-62 (PW9928)
Street Resurfacing Capital Project account, Measure K $118,750

Transfer appropriation to:

030-3062-540.20-25
Street Maintenance account, Maintenance and Repair Services $118,750
No new appropriations or additional transfers are required. There is no impact to the City’s General Fund or to any other unrestricted fund as a result of taking the recommended action.

Attachment A - Contract with California Materials, Inc.
THIS CONTRACT is made and entered on ______________, by and between CALIFORNIA MATERIALS, INC., with a business address of 3535 Perlman Drive, Stockton, CA, 95206, hereinafter called "CONTRACTOR," and CITY OF STOCKTON, a municipal corporation, hereinafter called "CITY."

W I T N E S S E T H:

WHEREAS, specifications for TRUCK HAULING SERVICES FOR ASPHALT CONCRETE AND ASPHALT CONCRETE GRINDINGS FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-07, were regularly adopted by Council Motion ________________ on June 25, 2013, and

WHEREAS, the contract for said work was regularly awarded to CALIFORNIA MATERIALS, INC., by Council Motion ________________ on June 25, 2013.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto expressly agree as follows:

1. CONTRACTOR agrees:
   (a) To do the work and furnish all the labor, materials, tools, equipment and insurance required for TRUCK HAULING SERVICES FOR ASPHALT CONCRETE AND ASPHALT CONCRETE GRINDINGS FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-07 in accordance with the specifications therefore regularly adopted on June 25, 2013, by Council Motion _________________. Said specifications are incorporated herein by this reference to the same extent as if fully set forth.

   (b) To do and perform the work contemplated hereby in a good and worker like manner and to furnish all labor, materials, tools and equipment necessary therefore at the prices specified in Schedule I & Schedule II and by reference made a part hereof, under the direction of and to the complete satisfaction of the Director of Public Works of the City of Stockton.

   (c) CONTRACTOR shall provide insurance and indemnification requirements as identified in Exhibit A, attached hereto and by reference made a part hereof.
Before permitting any subcontractors to perform work under the contract, CONTRACTOR shall require subcontractors to furnish satisfactory proof that insurance has been issued and is maintained similar to that provided by CONTRACTOR as may be applied to each subcontractor’s work.

(d) To do and perform the work contemplated hereby and to furnish all labor, materials, tools and equipment necessary therefore at the prices herein specified, to wit:

TRUCK HAULING SERVICES FOR ASPHALT CONCRETE AND ASPHALT CONCRETE GRINDINGS FOR FISCAL YEAR 2013-2014
PROJECT NO. 13-07

<table>
<thead>
<tr>
<th>BIDDING SCHEDULE I</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUCK HAULING OF ASPHALT CONCRETE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Per Hour Cost/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trucking time including fuel, to pick up, haul, and deliver asphalt concrete to job site.</td>
<td>1,500 Hours</td>
<td>1,500 Hours</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BIDDING SCHEDULE II</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUCK HAULING OF ASPHALT CONCRETE GRINDINGS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Per Hour Cost/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trucking time including fuel, to site, hauling away and disposing of all grindings. Grindings become property of the contractor.</td>
<td>1,300 Hours</td>
<td>$80.00</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED COST OF THE CONTRACT IS $237,500.00; HOWEVER, THE CITY WILL PAY FOR ONLY THE ACTUAL HOURS WORKED.

(e) The performance of said work and the furnishing of said materials shall be executed after approval as to form of the contract by the City Attorney. The work shall
commence within ten (10) days after the Notice to Proceed is received and shall be
diligently prosecuted to completion during the period **July 1, 2013 to June 30, 2014**.

A working day is hereby defined as any day, except Saturdays, Sundays and legal holidays and days on which CONTRACTOR is specifically required by
the specifications to suspend construction operations, on which CONTRACTOR is not
prevented by inclement weather or conditions resulting immediately therefrom adverse to
the current controlling operation or operations (as determined by the Director) from
proceeding with at least sixty percent (60%) of the normal labor and equipment force
engaged in such operation or operations for at least five (5) hours toward completion of
such operation or operations.

It is further agreed that in case the work called for under the contract is
not finished and completed in all parts and requirements within the number of days
specified, the City Council shall have the right to increase the number of days or not, as
may seem best to serve the interest of CITY, and if they decide to increase the said
number of days, they shall further have the right to charge to CONTRACTOR, CONTRACTOR's heirs, assigns or sureties, and to deduct from the final payment for the
work, all or any part, as may be deemed proper, of the actual cost of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable
to the contract, and which accrue during the period of such extension, except the cost of
final surveys and preparation of final estate shall not be included in such charges.

A working day shall not include, nor shall CONTRACTOR be assessed
with the additional cost of engineering and inspection during any delay beyond the time
named for the completion of the work caused by acts of God or of the public enemy, acts of
CITY, fire, floods, epidemics, quarantine restrictions, strikes, and freight embargoes and
inability to get materials ordered by CONTRACTOR or subcontractor from the material
supplier within five (5) days of the signing of this contract, or delays of subcontractor due to
such causes provided that CONTRACTOR shall notify the Director in writing of the causes
of delay within ten (10) days from the beginning of any such delay, and the Director shall
ascertain the facts and the extent of the delay, and Director's findings of the facts thereon
shall be final and conclusive.
If CONTRACTOR is delayed by reason of alterations made in these specifications, or by any act of the Director or of the CITY, not contemplated by the contract, the time of completion shall be extended proportionately and CONTRACTOR shall be relieved during the period of such extension of any claim for damages, engineering or inspection charges or other penalties. CONTRACTOR shall have no claim for any other compensation for any such delay.

(f) CITY and all officers and employees thereof connected with the work, including but not limited to the Director of Public Works and the City Engineer, shall not be answerable or accountable in any manner, for any loss or damage that may happen to the work or any part thereof, for any loss or damage to any of the materials or other things used or employed in performing the work, for injury to or death of any person, either workers or the public, or for damage to property from any cause which might have been prevented by CONTRACTOR or CONTRACTOR's workers, or anyone employed by CONTRACTOR.

CONTRACTOR shall be responsible for any liability imposed by law and for injuries to or death of any person or damage to property resulting from defects or obstructions or from any cause whatsoever during the progress of the work or any time before its completion and final acceptance.

CONTRACTOR shall indemnify and save harmless CITY and all officers, agents and employees thereof connected with the work, including but not limited to the Director of Public Works and the City Engineer, from all claims, suits or actions of every name, kind and description, brought for, or on account of, injuries to or death of any person or damage to property resulting from the construction of the work or by or in consequence of any negligence in guarding the work, use of improper materials in construction of the work, or by or on account of any act or omission by CONTRACTOR or CONTRACTOR's agents during the progress of the work or at any time before its completion and final acceptance.

The duty of CONTRACTOR to indemnify and save harmless, as set forth herein, shall include the duty to defend, as set forth in Section 2778 of the California Civil Code, provided, however, that nothing herein shall be construed to require CONTRACTOR to indemnify CITY against any responsibility or liability in contravention of
Section 2782 of the California Civil Code, including any loss arising from design defect which is the result of the sole negligence of CITY.

(g) To conform strictly with the provisions of Division 2, Part 7, Chapter 1, Article 2, of the Labor Code of the State of California.

To forfeit as a penalty to CITY the sum of TWENTY-FIVE AND NO/100 ($25.00) DOLLARS for each laborer, worker, or mechanic employed by CONTRACTOR, or by any subcontractor under CONTRACTOR, in the execution of this contract, for each calendar day during which any laborer, worker, or mechanic is required or permitted to work more than eight (8) hours in violation of the provisions of Sections 1770 to 1781 of the Labor Code of the State of California.

(h) That all sums forfeited under the provisions of the foregoing sections shall be deducted from the payments to be made under the terms of this contract.

(i) CONTRACTOR and any subcontractor shall pay each employee engaged in the trade or occupation not less than the hourly wage rate. In accordance with the provisions of Section 1770 of the Labor Code, the Director of Department of Industrial Relations of the State of California has determined the general prevailing rates of wages and employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in Section 1773.8, apprenticeship or other training programs authorized by Section 3093 and similar purposes applicable to the work to be done. Said wages are available through the Public Works Department, City of Stockton, City Hall, Stockton, California, 95202. CONTRACTOR performing the work under this contract shall obtain a copy of the wage rate determination and shall distribute copies to each subcontractor. As the wage determination for each craft reflects an expiration date, it shall be the prime CONTRACTOR and each subcontractor's responsibility to insure that the prevailing wage rates of concern is current and paid to the employee.
2. CITY agrees:
   To pay CONTRACTOR for the work herein contemplated within thirty (30) days after invoices are received and accepted by the City Manager. Invoices are to be rendered monthly.

3. CHANGE ORDERS:
   CITY reserves the right to make such alterations, deviations, additions to or omissions from the plans and specifications, including the right to increase or decrease the quantity of any item or portion of the work, as may be deemed by the Engineer to be necessary or advisable and to require such extra work as may be determined by the Engineer to be required for the proper completion or construction of the whole work contemplated.

   Any such changes will be set forth in a contract change order which will specify, in addition to the work done in connection with the change made, adjustment of contract time, if any, and the basis of compensation for such work. A contract change order will not become effective until approved by the City Manager, City Council, and/or Public Works Director.

   Processing of change orders shall be in accordance with Section 4-1.03 of the City of Stockton Standard Specifications and Plans as adopted by Council on November 25, 2003, by Resolution No. 03-0707, effective December 1, 2003, except that the $23,578 limit shown in Section 4-1.03 shall be increased to $31,376 and shall be adjusted annually as adopted by Council. When the compensation for an item of work is subject to adjustment under the provisions of Standard Specifications and Plans, Section 4-1.03, CONTRACTOR shall, upon request, promptly furnish the Engineer with adequate detailed cost data for such item of work.

4. EXTENSION OF CONTRACT:
   Extension of this contract shall be subject to consideration by either party during the months of March 2014 and March 2015 for a period of one (1) year if the parties
hereto are agreeable and mutually believe that further mutual benefits can be obtained by extension of the term of this contract.

CONTRACTOR must request an extension to the contract during the months of March 2014 or March 2015, in writing to the Purchasing Division of CITY. Extensions to said contract are not considered expressed or implied by the submission of a written request.

If a contract extension request is made and the parties mutually agree that there has been satisfactory contract performance, suitability of the conditions, as well as compensation of the contract, and any modifications or adjustments, then and in that event only, CITY may allow an extension of the original term of the contract for a period of one (1) year, to be determined at the sole discretion of CITY; however, only two (2) extensions shall be allowed. In the event that the contract, including any extensions, expires by its own terms, CITY reserves the right to extend the contract under the terms and conditions of the original contract, including any amendments or modifications thereto, for a six (6) month period in order to accommodate CITY’s competitive bid process for the same or similar services.

5. FUNDING:

This contract will terminate without penalty at the end of the fiscal year in the event funds are not appropriated for the next fiscal year. If funds are appropriated for a portion of the fiscal year, this contract will terminate without penalty, at the end of the term for which funds are appropriated.

6. AUDITS:

(a) CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under the contract. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance.

(b) CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of the contract. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be
relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under the contract.

7. It is expressly understood and agreed by and between the parties hereto that a waiver of any of the conditions of this contract shall not be considered a waiver of any of the other conditions thereof.

8. It is further understood and agreed by and between the parties hereto that time is of the essence of this contract in all respects.

///
///

IN WITNESS WHEREOF, the parties hereto have caused this contract to be properly executed on the day and year first above written.

ATTEST:
BONNIE PAIGE
CITY CLERK

CITY OF STOCKTON, a municipal corporation

By _____________________________   By ______________________________

BOB DEIS, CITY MANAGER
"CITY"

CALIFORNIA MATERIALS, INC.
a corporation
3535 Perlman Drive
Stockton, CA 95206

APPROVED AS TO FORM & CONTENT:
JOHN M. LUEBBERKE
OFFICE OF THE CITY ATTORNEY

By _____________________________
"CONTRACTOR"

(Indicate status: corporation, partnership or sole proprietorship)

DEPUTY CITY ATTORNEY

Tax Identification Number

::ODMA\GRPWISE\COS.PW.PW_LIBRARY.206578.1
EXHIBIT A

INSURANCE REQUIREMENTS
TRUCKING VENDORS

VENDOR shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the VENDOR, its agents, representatives, volunteers, or employees.

1. INSURANCE Throughout the life of this Contract, the Vendor shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

   A. COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY insurance, endorsed for "any auto" with combined single limits of liability of not less than $1,000,000 each occurrence.

   B. WORKERS’ COMPENSATION insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than $1,000,000 per accident/injury/disease.

   C. COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE;

FOR ADDITIONAL REQUIREMENT(S):

   (i) COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY insurance which shall include Contractual Liability, Products and Completed Operations coverage’s, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than $2,000,000 per occurrence, and if written on an Aggregate basis, $4,000,000 Aggregate limit.

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

The Policy(s) shall also provide the following:

1 The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds.

2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date VENDOR completes its performance of services under this Agreement.

3. For any claims related to services or products provided under this contract, the Vendor’s insurance coverage shall be primary insurance as respects the City of Stockton its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the Vendor’s insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.
4. Each insurance policy required by this clause shall have a provision that coverage shall not be
cancelled by either party, except after thirty (30) days’ prior to written notice by certified mail,
return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be
unrestricted, except for workers’ compensation, or non-payment of premium, which shall permit
ten (10) days advance notice. The insurer and/or the contractor and/or the contractor’s insurance
agent shall provide the CITY with notification of any cancellation, major change, modification or
reduction in coverage.

5. Regardless of these contract minimum insurance requirements, the Vendor and its insurer shall
agree to commit the Vendor’s full policy limits and these minimum requirements shall not restrict
the Vendor’s liability or coverage limit obligations.

6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional
insured in any case where an agreement to indemnify the additional insured would be invalid
under Subdivision (b) of Section 2782 of the California Civil Code.

7. The Company shall furnish the City of Stockton with the Certificates and Endorsement for all
required insurance, prior to the CITY’s execution of the Agreement and start of work.

8. Proper address for mailing certificates, endorsements and notices shall be:

   City of Stockton
   Attention: Risk Services
   425 N. El Dorado Street
   Stockton, CA 95202

9. Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification,
or reduction in coverage, the Vendor shall immediately file with the CITY a certified copy of the
required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by
the CITY’s Risk Manager (209) 937-8682. Our fax is (209) 937-8833.

If at any time during the life of the Contract or any extension, the Vendor fails to maintain the required
insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to
maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Vendor should subcontract all or any portion of the work to be performed in this contract, the Vendor
shall cover the sub-contractor, and/or require each sub-contractor to adhere to all subparagraphs of these
Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-contractor’s
insurance shall have the same impact as described above.
CONSENT AGENDA

AGENDA ITEM 12.08
AWARD CONTRACT TO GEORGE REED, INC. FOR THE PURCHASE OF HOT MIX ASPHALT FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014, PROJECT NO. 13-06

RECOMMENDATION

It is recommended that the City Council approve a motion that approves the specifications, and authorizes the City Manager to execute a one-year contract in the amount of $610,500 with George Reed, Inc. for the Purchase of Hot Mix Asphalt for the period of July 1, 2013 through June 30, 2014, Project No. 13-06.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

Summary

The subject contract is for the supply of hot mix asphalt concrete for use by the Public Works Department’s Operations and Maintenance crews during the 2013-2014 fiscal year. On May 9, 2013, two bids were received for this contract. Staff recommends awarding the contract to the lowest responsible bidder, George Reed, Inc. of Modesto, CA, in the amount of $610,500. The contract will be funded from the Gas Tax/Street Maintenance account.

DISCUSSION

Background

The Public Works Department’s Operations and Maintenance crews use hot mix asphalt concrete for miscellaneous activities, such as street base failure repairs, general street pothole repair, temporary sidewalk repair, and street preparation for cape-seal and overlay projects. The City typically issues an annual contract for the supply of asphalt concrete in order to obtain a secure price for the year and to realize the benefit of a large volume purchase. The contract is for supply of the asphalt only and does not include delivery. Trucking of the asphalt is undertaken either by City trucks or by a trucking service contracted separately by the City.

Present Situation

The 2013-2014 fiscal year asphalt supply project is for the following products:

- 8,000 tons of Type ‘A’ 3/4” aggregate hot mix asphalt
- 2,000 tons of Type ‘A’ 1/2” aggregate hot mix asphalt
- 1,000 tons of Type ‘B’ 3/8” aggregate hot mix asphalt
These quantities are estimates of the amount of material to be purchased by the City during the 2013-2014 fiscal year. The total contract value is calculated using these quantities multiplied by the unit prices provided by the bidders. The actual amount paid to the contractor will be dependent on the actual amount of asphalt concrete purchased, up to a maximum of the contract value plus approved change orders.

This project was advertised on April 25, 2013, and bids were opened on May 9, 2013, with the following results:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Total Bid</th>
<th>Asphalt Plant Distance to Central Stockton</th>
<th>Trucking Cost Allowance ($0.23 x total tonnage x plant distance)</th>
<th>Total Bid + Trucking Cost Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Reed, Inc., Modesto, CA</td>
<td>$610,500</td>
<td>25 miles</td>
<td>$63,250</td>
<td>$673,750</td>
</tr>
<tr>
<td>Granite Construction Company, French Camp, CA</td>
<td>$699,840</td>
<td>9.2 miles</td>
<td>$23,276</td>
<td>$723,116</td>
</tr>
<tr>
<td>Staff Estimate</td>
<td>$730,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Since the City pays the cost to truck the asphalt concrete from the asphalt plant to the construction sites, the bid document includes a trucking cost allowance that is calculated by multiplying the trucking cost per ton per mile ($0.23) by the total tonnage in the contract, which is estimated to be 11,000 tons. If there are multiple bidders, this amount is added to the total bid price for comparison purposes to determine a total cost to the City. Also, the basis of the award of the contract is the lowest total bid price, plus total trucking cost allowance. Accordingly, companies that have plants that are a significant distance from the City center are at a comparative disadvantage when trucking costs are considered.

Staff recommends awarding a contract to the lowest responsible bidder, George Reed, Inc., in the amount of $610,500 (Attachment A). George Reed, Inc.’s bid was regular in all respects. This project was advertised on the City’s website and in The Record on April 25, 2013.

The contract contains a provision that will allow for adjustment of the unit prices if there are significant changes in the statewide asphalt price index as determined by the California Department of Transportation.

FINANCIAL SUMMARY

This project is proposed to be funded from the following transportation account:

030-3062-540.20-25  Street Maintenance account, Materials and Supplies  $610,500
The Street Maintenance account is a portion of the Gas Tax/Street Maintenance transportation operating fund for the Public Works Department. It is funded by State Gas Tax augmented by Measure K Maintenance. While Council approval is being requested on June 25, 2013, the contract will not become effective until the 2013-2014 fiscal year. Sufficient funding will be available in the 2013-2014 fiscal year to fund this contract.

No new appropriations are required. There is no impact to the City's General Fund or to any other unrestricted fund as a result of taking the recommended action.

Attachment A - Contract with George Reed, Inc.
SUPPLY CONTRACT

THIS SUPPLY CONTRACT is made and entered on ______________________,
by and between GEORGE REED, INC., a California corporation, with a business address
of P.O. Box 4760, Modesto, CA, 95352, hereinafter called "CONTRACTOR," and CITY OF
STOCKTON, a municipal corporation, hereinafter called "CITY."

WITNESSETH:

WHEREAS, specifications for the PURCHASE OF HOT MIX ASPHALT FOR THE
PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014, PROJECT NO. 13-06 were
regularly adopted by Council Motion _________________ on June 25, 2013, and

WHEREAS, the contract for the PURCHASE OF HOT MIX ASPHALT FOR THE
PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014, PROJECT NO. 13-06, was
regularly awarded to GEORGE REED, INC., a California corporation, by Council Motion
________________ on June 25, 2013.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants
herein contained, the parties hereto expressly agree as follows:

1. CONTRACTOR agrees:

   (a) To furnish HOT MIX ASPHALT FOR USE BY THE PUBLIC WORKS
DEPARTMENT for the City of Stockton for a one (1) year period, July 1, 2013 through June
30, 2014, in accordance with the bid of CONTRACTOR and the Specifications regularly
adopted by Council Motion _________________, on June 25, 2013, at the prices
hereinafter specified:

   (QUANTITIES APPROXIMATE)
   • Type ‘A’ NMAS ¾” (8,000 tons) @ $54.25 / ton $434,000.00
   • Type ‘A’ NMAS ½” (2,000 tons) @ $56.00 / ton 112,000.00
   • Type ‘B’ NMAS 3/8” (1,000 tons) @ $64.50 / ton  64,500.00

   Total                        $ 610,500.00

Unit bid prices include all applicable taxes

   (b) The estimated usage is 11,000 tons during the contract year, fiscal
year 2013-2014.  (However, the quantities purchased will be controlled by City
Council approved budgets and CITY will pay only for the hot mix asphalt needed and used during the term of the requirements contract.)

(c) To supply said HOT MIX ASPHALT in accordance with the Specifications and as required after award of bid.

2. CONTRACTOR agrees to indemnify and protect CITY against any and all liabilities, claims, demands, damages, or injuries to any person or property arising from CONTRACTOR’s performance under this contract.

3. CITY agrees to pay CONTRACTOR for the HOT MIX ASPHALT purchased by the CITY in the following manner:

Payments will be made each month covering all purchases for that month and/or not previously paid. The City will pay only for actual materials used.

4. Neither the contract, nor any part thereof, nor moneys due or to become due thereunder may be assigned by CONTRACTOR without the prior written approval of CITY.

5. CHANGE ORDERS:

CITY reserves the right to make such alterations, deviations, additions to or omissions from the plans and specifications, including the right to increase or decrease the quantity of any item or portion of the work, as may be deemed by the engineer to be necessary or advisable and to require such extra work as may be determined by the engineer to be required for the proper completion or construction of the whole work contemplated.

Any such changes will be set forth in a contract change order which will specify, in addition to the work done in connection with the change made, adjustment of contract time, if any, and the basis of compensation for such work. A contract change order will not become effective until approved by the City Manager, City Council, and/or Public Works Director.

Processing of change orders shall be in accordance with Section 4-1.03 of the City Standard Specifications as adopted by Council on November 25, 2003, by Resolution No. 03-0707, except that the $23,578 limit shown in Section 4-1.03 shall be increased to $31,376.00, and shall be adjusted annually as adopted by Council.

When the compensation for an item of work is subject to adjustment under the provisions of Standard Specifications and Plans, section 4-1.03, CONTRACTOR shall,
upon request, promptly furnish the engineer with adequate detailed cost data for such item of work.

6. AUDITS:

(a) CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under the contract. Upon request, CONTRACTOR agrees to furnish to CITY, or a designated representative, with necessary information and assistance.

(b) CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of the contract. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under the contract.

7. It is expressly understood and agreed by and between the parties hereto that a waiver of any of the conditions of this contract shall not be considered a waiver of any of the other conditions thereof.

8. The proposal of CONTRACTOR and the Specifications adopted by City Council Motion _________________ are hereby incorporated in and made a part of this contract.

9. It is further understood and agreed by and between the parties hereto that time is of the essence of this contract in all respects.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be properly executed on the day and year first above written.

ATTEST:
BONNIE PAIGE  CITY CLERK
CITY OF STOCKTON, a municipal corporation

By _____________________________  By ______________________________
BOB DEIS, CITY MANAGER
"CITY"
GEORGE REED, INC.,
a California corporation
P.O. Box 4760
Modesto, CA  95352

APPROVED AS TO FORM & CONTENT:
JOHN M. LUEBBERKE
OFFICE OF THE CITY ATTORNEY

By ________________________________
"CONTRACTOR"

(Indicate status: corporation, partnership or sole proprietorship)

By ________________________________
DEPUTY CITY ATTORNEY

::ODMA\GRPWISE\COS.PW.PW_LIBRARY.206573.1
AWARD CONTRACT TO ANRAK CORPORATION FOR ASPHALT CONCRETE COLD PLANING FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-05

RECOMMENDATION

It is recommended that the City Council approve a motion adopting the specifications, and authorizing the City Manager to execute a one-year contract in the amount of $121,250 with Anrak Corporation for Asphalt Concrete Cold Planing, Project No. 13-05, for fiscal year 2013-2014.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

Summary

The City contracts for asphalt concrete cold planing services to remove areas of failing or unsuitable asphalt concrete throughout the City. On May 9, 2013, two bids were received for the 2013-2014 fiscal year contract. Staff recommends awarding the contract to the lowest responsible bidder, Anrak Corporation of Sacramento, CA, in the amount of $121,250. The contract will be funded from the Gas Tax/Street Maintenance account.

The contract contains provisions for optional extension of the original terms of the contract for one year. Only two such extensions shall be allowed, and in no event shall the original contract and any extensions exceed a maximum period of three years.

DISCUSSION

Background

Asphalt concrete cold planing is the process of removing asphalt concrete with a milling machine in preparation for repair and repaving. The milling machine is equipped with a large drum and diamond tipped teeth, which removes a six-foot wide path of asphalt concrete to a pre-set depth, and deposits it on a conveyor belt that moves it into a truck for transport.
Present Situation

On May 9, 2013, two bids were opened with the following results:

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>TOTAL BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anrak Corporation, Sacramento, CA</td>
<td>$121,250</td>
</tr>
<tr>
<td>Delta Grinding Company, Antioch, CA</td>
<td>$146,250</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$112,500</td>
</tr>
</tbody>
</table>

Staff recommends awarding a contract for the 2013-2014 fiscal year to Anrak Corporation, in the amount of $121,250 (Attachment A). This motion also authorizes the City Manager to approve an extension to the contract if requested by the contractor in accordance with the contract provisions, and if deemed desirable by the City Manager. Only two such extensions shall be allowed, and in no event shall the original contract and any extensions exceed a maximum period of three years.

The Local Employment Ordinance, Stockton Municipal Code 3.68.095, applies to this contract. This Ordinance establishes requirements for employment of City of Stockton residents on construction contracts greater than $100,000, and is typically applied to all such contracts unless precluded by the project funding source.

FINANCIAL SUMMARY

This project is proposed to be funded from the following transportation account:

030-3062-540.20-25
Street Maintenance account, Maintenance and Repair Services $121,250

The Street Maintenance account is a portion of the Gas Tax/Street Maintenance transportation operating fund for the Public Works Department. It is funded by State Gas Tax augmented by Measure K Maintenance. While Council approval is being requested on June 25, 2013, the contract will not become effective until the 2013-2014 fiscal year. Sufficient funding will be available in the 2013-2014 fiscal year to fund this contract; however, to ensure adequate capacity for other required uses, staff proposes to shift Measure K Maintenance funds that have already been appropriated to the Street Resurfacing Capital Project account. The following transfer is recommended:

Transfer appropriation from:

082-9928-640.20-62 (PW9928)
Street Resurfacing Capital Project account, Measure K $60,625

Transfer appropriation to:

030-3062-540.20-25
Street Maintenance account, Maintenance and Repair Services $60,625

No new appropriations or additional transfers are required. There is no impact to the City’s General Fund or to any other unrestricted fund as a result of taking the recommended action.

Attachment A - Contract with Anrak Corporation
THIS CONTRACT is made and entered on _______________, by and between ANRAK CORPORATION, with a business address of 5820 Mayhew Road, Sacramento, CA, 95827, hereinafter called "CONTRACTOR," and CITY OF STOCKTON, a municipal corporation, hereinafter called "CITY."

WITNESSETH:

WHEREAS, specifications for ASPHALT CONCRETE COLD PLANING FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-05, were regularly adopted by Council Motion ____________________ on June 25, 2013, and

WHEREAS, the contract for said work was regularly awarded to ANRAK CORPORATION, by Council Motion ____________________ on June 25, 2013.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto expressly agree as follows:

1. CONTRACTOR agrees:
   (a) To do the work and furnish all the labor, materials, tools, equipment and insurance required for ASPHALT CONCRETE COLD PLANING FOR FISCAL YEAR 2013-2014, PROJECT NO. 13-05 in accordance with the specifications therefore regularly adopted on June 25, 2013, by Council Motion ____________________. Said specifications are incorporated herein by this reference to the same extent as if fully set forth.
   (b) To do and perform the work contemplated hereby in a good and worker like manner and to furnish all labor, materials, tools and equipment necessary therefore at the prices specified in Schedule I and by reference made a part hereof, under the direction of and to the complete satisfaction of the Director of Public Works of the City of Stockton.
   (c) CONTRACTOR shall provide insurance and indemnification requirements as identified in Exhibit A, attached hereto and by reference made a part hereof.

   Before permitting any subcontractors to perform work under the contract, CONTRACTOR shall require subcontractors to furnish satisfactory proof that
insurance has been issued and is maintained similar to that provided by CONTRACTOR as may be applied to each subcontractor’s work.

(d) To do and perform the work contemplated hereby and to furnish all labor, materials, tools and equipment necessary therefore at the prices herein specified, to wit:

**ASPHALT CONCRETE COLD PLANING FOR FISCAL YEAR 2013-2014**

**PROJECT NO. 13-05**

**BIDDING SCHEDULE I**

**ASPHALT CONCRETE COLD PLANING**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>Per Hour Cost/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cold planing time, contractor shall provide minimum one (1) operator and one (1) ground person, with front discharge pavement planing equipment to deposit grindings directly into City furnished trucks.</td>
<td>250 Hours</td>
<td>$485.00</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED COST OF THE CONTRACT IS $121,250.00; HOWEVER, THE CITY WILL PAY FOR ONLY THE ACTUAL HOURS WORKED.

(e) The performance of said work and the furnishing of said materials shall be executed after approval as to form of the contract by the City Attorney. The work shall commence within ten (10) days after the Notice to Proceed is received and shall be diligently prosecuted to completion during the period **July 1, 2013 to June 30, 2014**.

A working day is hereby defined as any day, except Saturdays, Sundays and legal holidays and days on which CONTRACTOR is specifically required by the specifications to suspend construction operations, on which CONTRACTOR is not prevented by inclement weather or conditions resulting immediately therefrom adverse to the current controlling operation or operations (as determined by the Director) from proceeding with at least sixty percent (60%) of the normal labor and equipment force engaged in such operation or operations for at least five (5) hours toward completion of such operation or operations.
It is further agreed that in case the work called for under the contract is not finished and completed in all parts and requirements within the number of days specified, the City Council shall have the right to increase the number of days or not, as may seem best to serve the interest of CITY, and if they decide to increase the said number of days, they shall further have the right to charge to CONTRACTOR, CONTRACTOR's heirs, assigns or sureties, and to deduct from the final payment for the work, all or any part, as may be deemed proper, of the actual cost of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to the contract, and which accrue during the period of such extension, except the cost of final surveys and preparation of final estate shall not be included in such charges.

A working day shall not include, nor shall CONTRACTOR be assessed with the additional cost of engineering and inspection during any delay beyond the time named for the completion of the work caused by acts of God or of the public enemy, acts of CITY, fire, floods, epidemics, quarantine restrictions, strikes, and freight embargoes and inability to get materials ordered by CONTRACTOR or subcontractor from the material supplier within five (5) days of the signing of this contract, or delays of subcontractor due to such causes provided that CONTRACTOR shall notify the Director in writing of the causes of delay within ten (10) days from the beginning of any such delay, and the Director shall ascertain the facts and the extent of the delay, and Director's findings of the facts thereon shall be final and conclusive.

If CONTRACTOR is delayed by reason of alterations made in these specifications, or by any act of the Director or of the CITY, not contemplated by the contract, the time of completion shall be extended proportionately and CONTRACTOR shall be relieved during the period of such extension of any claim for damages, engineering or inspection charges or other penalties. CONTRACTOR shall have no claim for any other compensation for any such delay.

(f) CITY and all officers and employees thereof connected with the work, including but not limited to the Director of Public Works and the City Engineer, shall not be answerable or accountable in any manner, for any loss or damage that may happen to the work or any part thereof, for any loss or damage to any of the materials or other things used or employed in performing the work, for injury to or death of any person, either
workers or the public, or for damage to property from any cause which might have been prevented by CONTRACTOR or CONTRACTOR's workers, or anyone employed by CONTRACTOR.

CONTRACTOR shall be responsible for any liability imposed by law and for injuries to or death of any person or damage to property resulting from defects or obstructions or from any cause whatsoever during the progress of the work or any time before its completion and final acceptance.

CONTRACTOR shall indemnify and save harmless CITY and all officers, agents and employees thereof connected with the work, including but not limited to the Director of Public Works and the City Engineer, from all claims, suits or actions of every name, kind and description, brought for, or on account of, injuries to or death of any person or damage to property resulting from the construction of the work or by or in consequence of any negligence in guarding the work, use of improper materials in construction of the work, or by or on account of any act or omission by CONTRACTOR or CONTRACTOR's agents during the progress of the work or at any time before its completion and final acceptance.

The duty of CONTRACTOR to indemnify and save harmless, as set forth herein, shall include the duty to defend, as set forth in Section 2778 of the California Civil Code, provided, however, that nothing herein shall be construed to require CONTRACTOR to indemnify CITY against any responsibility or liability in contravention of Section 2782 of the California Civil Code, including any loss arising from design defect which is the result of the sole negligence of CITY.

(g) To conform strictly with the provisions of Division 2, Part 7, Chapter 1, Article 2, of the Labor Code of the State of California.

To forfeit as a penalty to CITY the sum of TWENTY-FIVE AND NO/100 ($25.00) DOLLARS for each laborer, worker, or mechanic employed by CONTRACTOR, or by any subcontractor under CONTRACTOR, in the execution of this contract, for each calendar day during which any laborer, worker, or mechanic is required or permitted to work more than eight (8) hours in violation of the provisions of Sections 1770 to 1781 of the Labor Code of the State of California.
(h) That all sums forfeited under the provisions of the foregoing sections shall be deducted from the payments to be made under the terms of this contract.

(i) CONTRACTOR and any subcontractor shall pay each employee engaged in the trade or occupation not less than the hourly wage rate. In accordance with the provisions of Section 1770 of the Labor Code, the Director of Department of Industrial Relations of the State of California has determined the general prevailing rates of wages and employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in Section 1773.8, apprenticeship or other training programs authorized by Section 3093 and similar purposes applicable to the work to be done. Said wages are available through the Public Works Department, City of Stockton, City Hall, Stockton, California, 95202. CONTRACTOR performing the work under this contract shall obtain a copy of the wage rate determination and shall distribute copies to each subcontractor. As the wage determination for each craft reflects an expiration date, it shall be the prime CONTRACTOR and each subcontractor's responsibility to insure that the prevailing wage rates of concern is current and paid to the employee.

2. CITY agrees:

   To pay CONTRACTOR for the work herein contemplated within thirty (30) days after invoices are received and accepted by the City Manager. Invoices are to be rendered monthly.

3. CHANGE ORDERS:

   CITY reserves the right to make such alterations, deviations, additions to or omissions from the plans and specifications, including the right to increase or decrease the quantity of any item or portion of the work, as may be deemed by the Engineer to be necessary or advisable and to require such extra work as may be determined by the Engineer to be required for the proper completion or construction of the whole work contemplated.

   Any such changes will be set forth in a contract change order which will specify, in addition to the work done in connection with the change made, adjustment of contract time, if any, and the basis of compensation for such work. A contract change
order will not become effective until approved by the City Manager, City Council, and/or the Public Works Director.

Processing of change orders shall be in accordance with Section 4-1.03 of the City of Stockton Standard Specifications and Plans as adopted by Council on November 25, 2003, by Resolution No. 03-0707, effective December 1, 2003, except that the $23,578 limit shown in Section 4-1.03 shall be increased to $31,376 and shall be adjusted annually as adopted by Council. When the compensation for an item of work is subject to adjustment under the provisions of Standard Specifications and Plans, Section 4-1.03, CONTRACTOR shall, upon request, promptly furnish the Engineer with adequate detailed cost data for such item of work.

4. EXTENSION OF CONTRACT:

Extension of this contract shall be subject to consideration by either party during the months of March 2014 and March 2015 for a period of one (1) year if the parties hereto are agreeable and mutually believe that further mutual benefits can be obtained by extension of the term of this contract.

CONTRACTOR must request an extension to the contract during the months of March 2014 or March 2015, in writing to the Purchasing Division of CITY. Extensions to said contract are not considered expressed or implied by the submission of a written request.

If a contract extension request is made and the parties mutually agree that there has been satisfactory contract performance, suitability of the conditions, as well as compensation of the contract, and any modifications or adjustments, then and in that event only, CITY may allow an extension of the original term of the contract for a period of one (1) year, to be determined at the sole discretion of CITY; however, only two (2) extensions shall be allowed. In the event that the contract, including any extensions, expires by its own terms, CITY reserves the right to extend the contract under the terms and conditions of the original contract, including any amendments or modifications thereto, for a six (6) month period in order to accommodate CITY’s competitive bid process for the same or similar services.
5. FUNDING:
   This contract will terminate without penalty at the end of the fiscal year in the event funds are not appropriated for the next fiscal year. If funds are appropriated for a portion of the fiscal year, this contract will terminate without penalty, at the end of the term for which funds are appropriated.

6. AUDITS:
   (a) CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under the contract. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance.
   (b) CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of the contract. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under the contract.

7. It is expressly understood and agreed by and between the parties hereto that a waiver of any of the conditions of this contract shall not be considered a waiver of any of the other conditions thereof.

8. It is further understood and agreed by and between the parties hereto that time is of the essence of this contract in all respects.
IN WITNESS WHEREOF, the parties hereto have caused this contract to be properly executed on the day and year first above written.

ATTEST:
BONNIE PAIGE
CITY CLERK

CITY OF STOCKTON, a municipal corporation

By _____________________________

BOB DEIS, CITY MANAGER
"CITY"

ANRAK CORPORATION
5820 Mayhew Road
Sacramento, CA 95827

APPROVED AS TO FORM & CONTENT:
JOHN M. LUEBBERKE
OFFICE OF THE CITY ATTORNEY

By ______________________________
"CONTRACTOR"

(Indicate status: corporation, partnership or sole proprietorship)

DEPUTY CITY ATTORNEY

Tax Identification Number

::ODMA\GRPW\SEC\CO\PW\PW_LIBRARY:206576.1
EXHIBIT A

INSURANCE REQUIREMENTS
TRUCKING VENDORS

VENDOR shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the VENDOR, its agents, representatives, volunteers, or employees.

1. **INSURANCE** Throughout the life of this Contract, the Vendor shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner to do business in the State of California and rated not less than “A: VII” in Best Insurance Key Rating Guide, the following policies of insurance:

   A. **COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY** insurance, endorsed for “any auto” with combined single limits of liability of not less than $1,000,000 each occurrence.

   B. **WORKERS’ COMPENSATION** insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than $1,000,000 per accident/injury/disease.

   C. **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE**;

   FOR **ADDITIONAL REQUIREMENT(S):**

      (i) **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY** insurance which shall include Contractual Liability, Products and Completed Operations coverage’s, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than $2,000,000 per occurrence, and if written on an Aggregate basis, $4,000,000 Aggregate limit.

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

The Policy(s) shall also provide the following:

1. The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: *City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds.*

2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date VENDOR completes its performance of services under this Agreement.

3. For any claims related to services or products provided under this contract, the Vendor’s insurance coverage shall be primary insurance as respects the City of Stockton its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the Vendor’s insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.
4. Each insurance policy required by this clause shall have a provision that coverage shall not be cancelled by either party, except after thirty (30) days’ prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers’ compensation, or non-payment of premium, which shall permit ten (10) days advance notice. The insurer and/or the contractor and/or the contractor's insurance agent shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.

5. Regardless of these contract minimum insurance requirements, the Vendor and its insurer shall agree to commit the Vendor’s full policy limits and these minimum requirements shall not restrict the Vendor’s liability or coverage limit obligations.

6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

7. The Company shall furnish the City of Stockton with the Certificates and Endorsement for all required insurance, prior to the CITY’s execution of the Agreement and start of work.

8. Proper address for mailing certificates, endorsements and notices shall be:

   City of Stockton
   Attention: Risk Services
   425 N. El Dorado Street
   Stockton, CA 95202

9. Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification, or reduction in coverage, the Vendor shall immediately file with the CITY a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the CITY’s Risk Manager (209) 937-8682. Our fax is (209) 937-8833.

If at any time during the life of the Contract or any extension, the Vendor fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Vendor should subcontract all or any portion of the work to be performed in this contract, the Vendor shall cover the sub-contractor, and/or require each sub-contractor to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-contractor's insurance shall have the same impact as described above.
AGENDA ITEM 12.10
LODI UNIFIED SCHOOL DISTRICT AFTER SCHOOL PROGRAM CONTRACT

RECOMMENDATION

It is recommended that the City Council adopt a motion authorizing the City Manager to execute the Lodi Unified School District (LUSD) Services Agreement Contract (Attachment A) for the After School Safety and Enrichment Program. The School District is a grant recipient and wishes to contract with the City of Stockton to staff and administer after-school programs at thirteen (13) sites within LUSD Stockton for the 2013-14 fiscal year, for an amount not to exceed $469,716. It is further recommended that the motion authorize the City Manager to make any and all appropriations and transactions appropriate to carry out the funding for the Program.

Summary

Lodi Stockton Unified School District boundaries extend into City of Stockton City limits. The District will pay the City up to $469,716 during fiscal year 2013-2014 to staff and administer after-school programs at thirteen (13) LUSD elementary and middle schools: Ansel Adams, Clairmont, Creekside, Davis, Delta Sierra, McAuliffe, Morada, Mosher, Oakwood, Parklane, Sutherland, Wagner Holt, and Westwood Schools. The contract is reimbursement-based, whereby the City invoices LUSD for actual hours staffed, and LUSD remits payment to the City for services up to the contract limits defined in the Proposed Operating Budget (Attachment B).

DISCUSSION

Background

The Recreation Department has provided after-school programs for over twenty (20) years to elementary and middle school students in Stockton. These programs are developed to keep children in the community safe, provide academic enrichment, homework centers, tutors, and a range of cultural, developmental, and recreational opportunities for low or no cost to families. For many years, several local agencies, including the City of Stockton Recreation Division, received grants directly to operate after-school programs. In 2004, grantors began to consolidate similar type grants, and school districts became primary grant recipients. At that time, two local school districts began a contractual relationship with the City to provide the actual services, based on the City's expertise and familiarity with after-school recreation and enrichment programs.

In 2012-13, the City is providing services to nineteen (19) schools in the Lodi and Stockton Unified School Districts. In addition to contracted services with the Districts, the City offers a low cost, pay-as-you-go after-school program at John Muir Elementary School. In the City/LUSD agreement, the City is responsible for: staff recruitment, background checks, training and scheduling; programming,
and oversight. LUSD is responsible for facilities and related facility costs, student registration, grant application administration, and contract compliance reporting. Approximately 100 part-time/seasonal City staff performs the day-to-day program tasks and related training at school sites. Full-time City staff recruit, interview, schedule testing, report time, prepare invoices, and perform contract management related tasks.

The City allocates Recreation supervisory costs to the after-school program division based on the proportion of program to total staff assigned to the respective supervisor. Managerial salaries are allocated to the after school program as a whole based on percentage of program to total department expenditures. The LUSD contract does not reimburse the City for supervisory and managerial costs nor for any administrative or support costs for time card processing, budgeting, invoice preparation and payment, etc. Unreimbursed supervisory, administrative and managerial costs for the LUSD contract, using allocation methodologies mentioned above, are estimated at $55,694.

The unreimbursed program costs have been similar in prior years, although they had not been captured or quantified. In keeping with the goal of transparent reporting for funds and programs, these costs have been identified and will be recorded in the same accounting division as revenues and direct program costs in the future.

The LUSD agreed upon reimbursement rate is based on the per-hour compensation for each classification of employee. Reimbursement rates vary by staff level and include taxes and benefits of all direct program staff. The agreement also provides $20 per year per child for administrative supplies, fingerprinting, mileage reimbursement, and other direct program costs.

Present Situation

Although no longer a first-tier grant recipient, the City has maintained a commitment to fulfill an important need in the community and has partnered with Lodi Unified School District to offer quality after-school programming at various sites within the District. The collaborative arrangement has proven to be very successful with 1300 students expected to register in the 2013-14 school year.

LUSD is required to account for a match of indirect service costs in order to be eligible for grant funding. The City of Stockton’s support contributes to the LUSD match requirement, allowing the District to qualify for the grant and thereby hold the program. The capacity of the program is 100 children at 13 schools or 1300 children for 3 hours, every school day for ten months a year. Recreation staff feel the service level of this program outweighs the administrative and managerial costs involved, and meets a significant need in the community.

FINANCIAL SUMMARY

Lodi Unified School District will reimburse the City based on the attached Proposed Operating Budget, (Attachment B) for direct staffing and materials, not to exceed $469,716 to conduct after school programs at the thirteen (13) LUSD facilities. Costs of overall Recreation management, administration, technology use, and program supervision are not reimbursed under the contract and are estimated to be $55,694 for the contract period.

This agreement commences on July 22, 2013, and ends on June 1, 2014. Contract revenue and
program expenditures will be accounted for in the general ledger division, 044-3636-590, Recreation After-School Program. Revenue and expenditure appropriations for this program, sufficient for the stated contract amount, are included in the 2013-14 Proposed Budget. No further appropriation action is required.

Attachment A - Services Agreement with Lodi Unified School District for 2013/14
Attachment B - Proposed Operating Budget for Lodi Unified School District for 2013/14
This agreement is entered into between Lodi Unified School District, hereinafter called the District, and City of Stockton, hereinafter called the Independent Contractor. Independent Contractor shall provide the following services:

Services provided to Ansel Adams, Clairmont, Creekside, Davis, Masher, Oakwood, Parklane, Sutherland, Wagner Holt, Westwood, Morada, Delta Sierra, and McAuliffe.

The services shall begin on July 22, 2013 and be completed by June 1, 2014.

In consideration of the services to be rendered by the Independent Contractor, the District agrees to pay the Independent Contractor a progress payment every 30 days upon prior receipt and approval of a work completion statement:

$469,716.01 Four Hundred Sixty Nine Thousand, Seven Hundred Sixteen and 01/100 Dollar

Independent Contractor agrees to comply with all provisions of Education Code Section 45125.1. Prior to commencing work, Independent Contractor will conduct criminal background check of all employees assigned to the Lodi Unified School District and will certify that no employees who have been convicted of serious or violent felonies as specified, will have contact with pupils, pursuant to this Agreement. Independent Contractor must provide the Lodi Unified School District with a list of all employees providing services pursuant to this Agreement, and designate to which sites they will be assigned. Failure to comply with this law may result in, or at District's sole discretion, termination of this Agreement. The District also has the option to terminate for convenience or should the District determine that the Independent Contractor is in default. In the event the District desires the option to terminate for convenience, the District will owe the Independent Contractor an amount to cover the amount of work completed to that date. Independent Contractor warrants and represents that it understands the scope of the contracted work to be completed and that he/she represents and warrants to the District that it is qualified to perform the intended services.

This agreement, and any documents referred to on the face hereof, constitutes the entire agreement between the two parties, and supersedes any prior agreements with respect to the matters herein. By signing this agreement, both parties agree to the terms and conditions.

District and Independent Contractor hereby covenants and agrees that the District and Independent Contractor, its officers, agents, employees, members or representatives shall not be liable for any loss, damage, injury or liability of any kind, person or property, arising from the acts, omissions or negligence of District or Independent Contractor. Notwithstanding anything to the contrary contained herein, District and Independent Contractor agrees to indemnify, defend, and hold harmless Independent Contractor and District, its officer, agents, employees or representatives against any and all claims, damages, costs, expenses of whatever nature, including court costs and attorneys' fees arising out of District's acts or Independent Contractor's, omissions or negligence of District or Independent Contractor.

Independent Contractor:

Signature: ________________________________

Date: ________________________________

Address: 425 N. El Dorado Street

Stockton, CA 95202

Phone: 209.937.8212

Fax: ________________________________

Please refer to Purchase Order for full Terms and Conditions.
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## Proposed Operating Budget for Lodi Unified School District Bridge Program 2013/2014 School Year

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<td>746</td>
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<td></td>
<td></td>
<td>900</td>
<td>900</td>
<td>900</td>
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<tr>
<td>Sr. Rec. Assistant</td>
<td>31,723.00</td>
<td></td>
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### Benefits

<table>
<thead>
<tr>
<th>Site</th>
<th>Benefits</th>
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<tr>
<td></td>
<td>13.9% of salaries</td>
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### Materials & Supplies

<table>
<thead>
<tr>
<th>Site</th>
<th>Materials &amp; Supplies</th>
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<tr>
<td></td>
<td>$20 per child</td>
</tr>
<tr>
<td>City of Stockton Match</td>
<td>Full-Time</td>
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<tr>
<td>-------------------------</td>
<td>-----------</td>
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<td>Deputy Director</td>
<td>8,879.00</td>
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<tr>
<td>Rec. Supervisor</td>
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<td>Sr. Rec. Assistant</td>
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<td>Technology</td>
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<td><strong>TOTAL MATCH FROM THE CITY OF STOCKTON</strong></td>
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CONSENT AGENDA

AGENDA ITEM 12.11
City of Stockton

Legislation Text

File #: 13-0463, Version: 1

SEWER PIPELINE CLEANING PROJECT M13012

RECOMMENDATION

It is recommended that the City Council approve a motion authorizing the City Manager to execute a service contract with Nor Cal Pipeline Services of Yuba City, California in the amount of $365,500 for Sewer Pipeline Cleaning Services (Project M13012) (Attachment A).

Summary

On July 28, 2009, City Council adopted Resolution 09-0248 and approved the Settlement Agreement resolving litigation between the California Sportfishing Protection Alliance (CSPA) and the City of Stockton (City) (Attachment B). The agreement mandates the City clean approximately 794 miles (out of 900 miles) of 15-inch diameter or smaller gravity sewer pipelines in the collection system within five years of the effective date of the Consent Decree (September 28, 2009). In accordance with Stockton Municipal Code Section 3.68.160, a competitive bid process was conducted inviting contractors to provide bids for sewer pipeline cleaning services.

If approved, by Council, this action will facilitate the award of a service contract for a period of six months to Nor Cal Pipeline Services of Yuba City, California in the amount not to exceed $365,500.

DISCUSSION

Background

The City was sued by CSPA under allegations that the City had violated the Federal Clean Water Act (Act). In the suit, CSPA alleged that the City had violated the Act by causing the occurrence of an excessive number of overflows in the City’s sanitary sewer system and that those overflows were harmful to the environment.

On July 28, 2009, the City Council adopted Resolution No. 09-0248 approving the Settlement Agreement that resolved the litigation. The Settlement Agreement is in the form of a Consent Decree, meaning that the settlement would form the basis of an order enforceable by the Court and effective for at least five years.

The Consent Decree requires the City to reduce sanitary sewer overflows. It includes the implementation of specific program elements such as annual reporting, a Monthly Operations and Maintenance Report, and instituting the Fats, Oils and Grease program. It also contains action plans to be implemented such as sewer rehabilitation projects, sewer pipeline replacement projects, condition assessments (consisting of closed circuit television and video inspections (CCTV)), and
sewer pipeline cleaning. Sewer cleaning is performed by a cleaning truck using high-pressure sewer cleaning equipment, which removes solids, roots, grease, and debris from each sewer segment and associated manholes.

The City is required to clean approximately 794 miles (out of 900 miles) of the gravity sanitary sewer system, consisting of 15-inch diameter or smaller pipelines within five years of the effective date of the Consent Decree (September 28, 2009).

The City is committed to correcting conditions that may cause sanitary sewer overflows. To meet many of the terms prescribed in the Consent Decree, the Municipal Utilities Department has hired additional staff and purchased additional equipment to help clean the sewer pipelines. At the current pipeline cleaning rate, staff estimates that approximately 160 miles of sewer pipelines will not be cleaned by the Consent Decree deadline in September 2014. Therefore, staff recommends retaining a contractor to provide additional sewer pipeline cleaning services and debris removal to help meet the requirements of the Consent Decree.

Present Situation

The Municipal Utilities Department advertised bids for sewer pipeline cleaning services (Project M13012) on April 26, 2013. On Thursday, May 16, 2013, bids were received by the City Clerk as follow:

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>LOCATION</th>
<th>BID PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nor Cal Pipeline Services</td>
<td>Yuba City, CA</td>
<td>$365,500</td>
</tr>
<tr>
<td>2. Empire Pipe Cleaning &amp; Equipment</td>
<td>Orange, CA</td>
<td>$372,750</td>
</tr>
<tr>
<td>3. National Plant Services</td>
<td>Long Beach, CA</td>
<td>$582,625</td>
</tr>
<tr>
<td>4. Express Sewer &amp; Drain</td>
<td>Sacramento, CA</td>
<td>$714,250</td>
</tr>
<tr>
<td>5. Veolia Water</td>
<td>Pleasant Hill, CA</td>
<td>$748,000</td>
</tr>
<tr>
<td>6. Cal Sierra Construction</td>
<td>Carmichael, CA</td>
<td>$839,500</td>
</tr>
<tr>
<td>7. Pro Ven Management</td>
<td>San Francisco, CA</td>
<td>$1,358,750</td>
</tr>
<tr>
<td>Engineer's Estimate</td>
<td></td>
<td>$850,000</td>
</tr>
</tbody>
</table>

After reviewing the project experience and bid schedules submitted by the potential bidders, staff proposes that the large disparity between the high and low bids may be attributed to the bidder’s lack of experience in cleaning smaller diameter pipelines and higher labor rates paid by bidders located in larger urban centers like Sacramento and the San Francisco Bay Area.

The bid received by Nor Cal Pipeline Services is compliant with the City’s specifications, and is otherwise regular in all respects. It was determined that Nor Cal Pipeline Services was the lowest and most responsive bidder for this work. For these reasons, it is recommended that the Council award a service contract to Nor Cal Pipeline Services of Yuba City, California for Sewer Pipeline Cleaning (Project M13012).
FINANCIAL SUMMARY

Funds in the amount of $365,500 will be available in account 431-4332-571.20-25, Wastewater Sanitary Sewers Operating Expense Account for Professional & Special Services following Council approval of the FY 2013-2014 Budget to cover cost of this contract. The contract’s effective date will follow Council’s approval of the FY 2013-14 Budget and will be for a period of six months.

There is no impact to the General Fund, or any other unrestricted fund, from this action.

Attachment A - Service Contract
Attachment B - CSPA Consent Decree
CONTRACT

AGREEMENT FOR SEWER PIPELINE CLEANING
(PROJECT NO. M13012)

THIS AGREEMENT FOR SEWER PIPELINE CLEANING ("Agreement") is made ______________, 20__, between Nor Cal Pipeline Services ("Contractor"), whose address is 1459 Market Street, Yuba City, CA 95991, and telephone number is 916-442-5400 and the City of Stockton, a municipal corporation ("City").

In consideration of the mutual promises set forth in this Agreement, the parties agree as follows:

1. **Services to be performed.** Contractor shall perform the services as set forth on the attached Exhibit A incorporated herein by reference. Contractor shall begin performing the services on _______________ and the term of this Agreement shall be for six (6) months, provided, however, City, at its sole discretion, may extend this Agreement for three additional one year terms.

2. **Compensation.** For the services under this Agreement, City shall pay Contractor as set forth in Exhibit B incorporated herein by reference.

3. **Method of Payment.** City shall pay Contractor within 45 days from the date of the Contractor’s invoices. Contractor shall submit monthly invoices, monthly percentage of uptime, certified payroll, and must include the purchase order number. All invoices without a purchase order number will be returned to the Contractor without payment.

4. **Indemnification.** Contractor shall indemnify, save and hold harmless from and defend the City, members of the City Council and employees, agents and volunteers, against any and all claims, costs, demands, causes of action, suits, losses, and expense, including attorneys’ fees, arising from or out of acts or omissions of Contractor, its officials, employees, agents or sub-contractors, in connection with the goods and services that the Contractor is to provide/perform under this Agreement, except where caused by the active or sole negligence of City, or City’s willful misconduct.

5. **Insurance.** During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense the insurance coverage set forth on the attached Exhibit C and shall otherwise comply with the provisions of Exhibit C.

6. **Business License.** Prior to its execution of this Agreement, Contractor shall obtain a City business license.

7. **Audit.** City reserves the right to periodically audit all charges for good and services provided by Contractor.

8. **Ownership of Data Collected.** All data collected by the project shall be the property of the City.

9. **Changes to the Agreement.** This Agreement may not be modified except in writing by both parties.

10. **Applicable Law.** This Agreement shall be governed by the laws of the State of California and venue for any action brought in state court shall be in the Superior Court,
Country of San Joaquin, Stockton Branch or, for actions brought in federal court, the United States District Court for the Eastern District of California, Sacramento Division.

11. **Non-Assignability.** Contractor shall not assign or transfer this Agreement or any interest or obligation in this Agreement without the prior written consent of the City and then only upon such terms and conditions as City may set forth in writing.

12. **Notices.** All notices herein required shall be in writing and shall be sent certified or registered mail, postage prepaid, addressed as follows:

<table>
<thead>
<tr>
<th>To Contractor:</th>
<th>Nor Cal Pipeline Services</th>
<th>To City:</th>
<th>City Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Jaeger</td>
<td>1459 Market Street</td>
<td>City of Stockton</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yuba City, CA 95991</td>
<td>425 N. El Dorado St.</td>
<td>Stockton, CA 95202</td>
</tr>
</tbody>
</table>

13. **Conformance to Applicable Laws.** Contractor shall comply with all applicable Federal, State and Municipal laws, rules and ordinances. Contractor shall not discriminate in the employment of persons or in providing services under this Agreement on the basis of any legally protected classification including race, color, national origin, sex or religion of such person.

14. **Miscellaneous Provisions.**
   a. City may terminate this Agreement at any time, including because City has not appropriated funds for the goods/services, with 30 days written notice by mailing such notice to Contractor at the address first stated above. Contractor shall be paid for that portion of goods provided/services provided through the date of the termination.
   b. Contractor shall not assign or transfer this Agreement.
   c. In the performance of this Agreement, Contractor, its employees and agents shall have the status of an independent contractor and not as an employee of the City for any purpose.
   d. If either City or Contractor waives a breach of this Agreement, such waiver shall not constitute a waiver of other or succeeding breaches of this Agreement.
   e. Any professional certifications or licenses that may be required by federal, state or local law, regulations or ordinances will be at the sole cost and responsibility of Contractor and during the term of this Agreement Contractor must hold and be in good standing with all such licensing requirements.
   f. Contractor shall not subcontract any of the work to be performed under the terms of this contract.
   g. It is further understood and agreed by and between the parties hereto that time is of the essence of this contract in all respects.
   h. This Agreement constitutes the entire understanding of the parties.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

CITY OF STOCKTON

________________________
Bob Deis
City Manager

CONTRACTOR

By: __________________________
Signature

________________________
Print name

ATTEST:
Title: __________________________

[If Contractor is a corporation, signatures must comply with Corporations Code §313]

Bonnie Paige
City Clerk

APPROVED AS TO FORM:

By: __________________________
Signature

________________________
Print name

________________________
John Luebberke
City Attorney

Title: __________________________
EXHIBIT A

SEWER PIPELINE CLEANING TO BE PERFORMED

CONTRACTOR shall provide Sewer Pipeline Cleaning for the City of Stockton (PROJECT NO. M13012) at the prices, terms and conditions hereinafter specified:

SPECIFICATIONS

Scope of Work

1. The City of Stockton is seeking bids from qualified contractors to provide sewer pipe cleaning of sewer lines, manholes, covers, and rims. Remove solids, roots, grease, and fixed debris.

2. Debris collected at every manhole shall be counted and documented on the “Preventative Maintenance Daily Worksheet.” See Exhibit “A”.

3. Contractor shall provide sewer pipe cleaning for the following lengths for a six-month period:
   a) 150,000 feet of 6-inch diameter sewer pipe
   b) 325,000 feet of 8-inch diameter sewer pipe
   c) 150,000 feet of 10-inch diameter sewer pipe
   d) 225,000 feet of 12-inch through 15-inch diameter sewer pipe

   NOTE: Contractor agrees to hold the same unit price for any 20% increase or decrease in bid quantities.

4. On average, the Contractor will receive approximately 142,000 feet of pipe each month to clean.

5. The City will provide a list of pipes to clean in a 1-month period. The Contractor will receive the list by the 15th day of each month prior to the month scheduled for cleaning.

6. Crews shall clean all lengths given by the City in a 6-month period.

7. Working hours from 7 a.m. to 6 p.m. on City Working Days. No Holidays to be worked. Saturday work possible with City approval.

8. Contractor shall provide traffic control at each site. Traffic control shall be in accordance to the Manual on Uniform Traffic Control Devices (MUTCD), Caltrans Standards, and any City requirements. Traffic control for streets with speeds exceeding 45 mph shall include arrow boards.
9. Project requires Prevailing Wages at the rate specified on Exhibit “B”.

10. If confined space entry is necessary, Contractor shall be experienced in confined space entry procedures. Contractor shall comply with all applicable Federal OSHA, Cal OSHA, and City regulations for confined space entry. The Contractor shall identify a safety representative to ensure compliance with safe working procedures and provide all confined space entry certificates before entering any sewer line.

**Performance Requirements**

11. Clean designated sanitary sewers and manholes using hydraulically propelled or high-velocity sewer cleaning equipment. Select cleaning processes, which will remove solids, roots, grease, and debris, and fixed debris from each sewer segment and associated manholes.

12. Contractor shall implement the following cleaning procedure (as declared by the City) as required by the consent decree with the California Sportfishing Protection Alliance to fully clean the pipe:

   a) Wash down manhole beginning with the manhole ring to the cone and washing towards the shelf down to the trough.
   b) Insert hose into the trough, facing the up-stream manhole.
   c) Place appropriate size trap/catcher/basket into the sanitary main line trough, in a position that will catch the debris as it exits the pipe.
   d) Be sure the trap/catcher/basket does not allow material to escape to the downstream line.
   e) Increase the pressure to the recommended level.
   f) Let the nozzle move up the line at an unrestrained pace.
   g) Upon reaching the first 100-foot mark, shut off the water and allow the water in the line to evacuate.
   h) Retrieve the nozzle at the recommended pressure and restrained speed.
   i) Estimate the amount of debris using the “Preventative Maintenance Daily Worksheet” as your guide. Based on the results and good judgment, clean the rest of the line using the recommended cleaning steps, and any number of passes you determine to be appropriate. The final pass should result in a “clean line.”

**Submittals**
13. Submit equipment manufacturer’s operational manuals and guidelines to the City for review. Strictly follow such instructions unless otherwise directed by the City.

14. The Contractor shall submit to the City a completed “Preventative Maintenance Daily Worksheet” for each line segment cleaned for each week of work. Worksheet is due to the City on Tuesday of the following week.

**Quality Assurance**

15. Use experienced and qualified personnel to operate cleaning equipment and devices. Two people shall be required on a Combination or Hydro Cleaning truck.

16. Acceptance of sewer cleaning work is subject to successful completion of television inspection by the City. If the television inspection shows solids, soil, sand, grease, grit, or other debris remaining in the line, cleaning will be considered unsatisfactory. The CONTRACTOR shall repeat cleaning at no additional charge, until cleaning is judged satisfactory by the INSPECTOR.

17. Subsequent videotape inspections, after the initial videotape inspection that deemed the cleaning unsatisfactory, will be billed to the Contractor via cost recovery worksheets for time and equipment used.

**Cleaning Equipment**

18. The CONTRACTOR shall select cleaning equipment and methods based on the condition of the sanitary sewer segments at the time work begins. More than one method or type of equipment may be required on a single project or at a single location.

19. Hydro-flush Cleaning equipment is required to clean sewer lines up to and including 15” diameter with a primary Jetter pump that is rated at least 50 GPM, 2500 psi and have hose sufficient to reach at least 800 feet. Hydro-flush Equipment must include material extraction procedures and may include special cleaning nozzles designs to mechanically remove fixed debris.

20. Equipment must include traps/catchers/baskets on each hydro-combination truck to catch debris as the cleaning equipment exits the pipe. Appropriate sized catchers shall be used with the appropriate sewer pipe, no exceptions.
21. When requested, the CONTRACTOR shall demonstrate the performance capabilities of the cleaning equipment and methods proposed for use on the project. If results obtained by demonstration are not satisfactory, the CONTRACTOR shall provide other equipment that will clean the sewer line.

22. Cleaning equipment, hoses and/or piping shall never be in contact with the public water supply.

23. Prior to starting work, Contractor shall demonstrate that the standard operating procedure described herein is properly being followed.

Cleaning Accessories

24. When an additional quantity of water from the public water supply is needed, to meet the cleaning requirements of the equipment for sewer cleaning in the City water service area, Contractor shall contact Jeff Telmo at (209) 937-5647. The City will provide water free of charge. The Contractor will need to contact CAL WATER at (209) 547-7900 for hydrant water use in their water service area. Cal Water will provide water free of charge.

25. When using water from a fire hydrant for cleaning, equipment must be equipped with an air-gap twice the size of the fill pipe diameter to prevent backflow and possible contamination to the public water supply. (i.e. 2" diameter pipe must have a 4" diameter air-gap)

26. All City water usage shall be reported at the end of each month and given to Jeff Telmo at (209) 937-5647.

Cleaning

27. Do not begin cleaning until both upstream and downstream manholes have been checked for flow monitors (HACH FLO-DARS) and level sensors (SMART COVERS). Manholes with flow monitors or level sensors shall not be disturbed. Please contact Ann Okubo at (209) 937-8250 for further instructions.

28. Take precautions to protect sanitary sewer mains and manholes from damage that might be inflicted by the improper selection of cleaning processes or improper use of equipment. When using hydraulically propelled devices take precautions to ensure that the water pressure created does not cause damage to or flooding of public or private property. Do not surcharge any sanitary sewer to an elevation that could
cause overflow of sewage into area waterways, homes or buildings, or onto the surface.

29. Do not use or obstruct fire hydrants when there is a fire in the area. Remove water meters, fittings and piping from fire hydrants at the end of each working day.

30. Exercise care to prevent contamination of the potable water system. Use an appropriately sized backflow preventer as required by the Water Utility when drawing water from a public hydrant.

31. Do not waste water from the public water supply through poor connections, hydrants left open, or any other cause.

32. Remove sludge, soil, roots, rags, sand, rocks, bricks, grease, and other solid or semi-solid material resulting from the cleaning operation at the downstream manhole of the section being cleaned. Passing debris from any sewer section to any other sewer section is not allowed. Load debris from the manholes into a container permitted by the Health Department for waste hauling. Remove solids and semi-solids resulting from cleaning operations from the site and dispose them lawfully at the end of each workday. Do not accumulate debris, liquid waste, or sludge on the site except in totally enclosed containers approved by the City.

33. Operate high-velocity cleaning equipment so that the pressurized nozzle moves continuously. Turn off or reduce the flow to the nozzle to prevent damage to the line any time the nozzle becomes stationary.

34. The Contractor shall clean pipes until debris, grease, roots, structural-debris collected in the traps/catchers/baskets is less than half of a trap/catcher/basket.

35. Decant excess water before disposing debris to the Regional Wastewater Control Facility, 2500 Navy Drive, Stockton, CA. Debris will be placed on drying beds.

36. Do not, under any circumstances, allow sewage removed in the cleaning process to be released onto streets or into ditches, catch basins, cleanouts, storm drains, or storm sewer manholes.

**Damages from Cleaning**

37. Sewer lines, manhole frames, and covers that are found to be damaged must be reported to the City of Stockton immediately. Contact Jeff Telmo at (209) 937-5647. Locations that are damaged may be cleaned, as directed by the City.
38. Retrieval of any hydraulic or mechanical cleaning equipment or appurtenance that becomes stuck, seized or immobilized in the sewer line shall be removed at no cost to the City. Manholes and pipes damaged by cleaning equipment shall be repaired by Contractor at no cost to the City.

39. Damages caused by flooding of public or private property, overflows of sewage into area waterways, homes, and buildings, and spills to any surfaces from the cleaning process shall be repaired by the Contractor at no cost to the City.

Preventative Maintenance Daily Worksheet

40. Contractor shall maintain the “Preventative Maintenance Daily Worksheet” during the project for each pipe section cleaned. See Exhibit “A”.

41. Contractor shall document the number of traps/catchers/baskets with debris from each manhole from each pipe section cleaned. Each type of waste must also be documented, (debris= sediment and trash, grease, roots, structural=pipe fragments, soil, rock).

Completion of Assigned Work/ Retention

42. The Contractor shall complete the assigned monthly work. If the Contractor fails to complete the assigned monthly work, the City will hold back 5-percent (5%) of the monthly invoice. Upon the completion of the monthly assigned work in the following months, the City will release the retention to the Contractor.

43. Contractor shall provide a warranty period of 90 days from the last day of cleaning to allow any re-cleaning of pipes.
The bidder hereby agrees to furnish cleaning as listed below in accordance with the specifications and the foregoing Special Instructions for the amount quoted. Quantities stated herein are approximate - increases or decreases shall depend on the City of Stockton-Collections workload and are subject to City fiscal year appropriations.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Estimated Length to be cleaned</th>
<th>Price per foot</th>
<th>Subtotals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>6” diameter sanitary pipe</td>
<td>150,000 ft</td>
<td>$0.43</td>
<td>$64,500</td>
</tr>
<tr>
<td>2.</td>
<td>8” diameter sanitary pipe</td>
<td>325,000 ft</td>
<td>$0.43</td>
<td>$139,750</td>
</tr>
<tr>
<td>3.</td>
<td>10” diameter sanitary pipe</td>
<td>150,000 ft</td>
<td>$0.43</td>
<td>$64,500</td>
</tr>
<tr>
<td>4.</td>
<td>12” – 15” diameter sanitary pipe</td>
<td>225,000 ft</td>
<td>$0.43</td>
<td>$96,750</td>
</tr>
</tbody>
</table>

**NOTE:** Contractor agrees to hold the same unit price for any 20% increase or decrease in bid quantities.

(Total Cost of Items 1 through 4)

Bid Amount for Sewer Pipe Cleaning Services

Grand Total

$365,500
EXHIBIT C

INSURANCE REQUIREMENTS

CONTRACTORS

CONTRACTOR shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, volunteers, or employees.

1. INSURANCE

Throughout the life of this Contract, the Contractor shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

A. COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY insurance, endorsed for "any auto" with combined single limits of liability of not less than $1,000,000 each occurrence.

B. WORKERS' COMPENSATION insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than $1,000,000 per accident/injury/disease.

C. COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE;

FOR ADDITIONAL REQUIREMENT(S):

(i) COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY insurance which shall include Contractual Liability, Products and Completed Operations coverage's, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than $2,000,000 per occurrence, and if written on an Aggregate basis, $4,000,000 Aggregate limit. Contractors with excavation and underground risks shall have coverage for and exclusions removed for "x, c, and u."

(ii) ENVIRONMENTAL IMPAIRMENT/POLLUTION LIABILITY, to include liability for Lead & Asbestos projects, Groundwater contamination, Explosion, Sudden and Accidental and Environmental cleanup, etc. Same minimum limits as Commercial General Liability.

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

The Policy(s) shall also provide the following:

1. The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds. ISO form CG 20 37 10 01 edition shall be used as the Additional Insured Endorsement. This form must be used with either ISO form CG 20 10 10 01, or CG 20 33 10 01.

2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such
policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

3. For any claims related to services or products provided under this contract, the Contractor’s insurance coverage shall be primary insurance as respects the City of Stockton its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the Contractor’s insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.

4. Each insurance policy required by this clause shall have a provision that coverage shall not be cancelled by either party, except after thirty (30) days’ prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers’ compensation, or non-payment of premium, which shall permit ten (10) days advance notice. The insurer and/or the contractor and/or the contractor’s insurance agent shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.

5. Regardless of these contract minimum insurance requirements, the Contractor and its insurer shall agree to commit the Contractor’s full policy limits and these minimum requirements shall not restrict the Contractor’s liability or coverage limit obligations.

6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

7. The Company shall furnish the City of Stockton with the Certificates and Endorsement for all required insurance, prior to the CITY’s execution of the Agreement and start of work.

8. Proper address for mailing certificates, endorsements and notices shall be:

   City of Stockton
   Attention: Risk Services
   425 N. El Dorado Street
   Stockton, CA 95202

9. Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification, or reduction in coverage, the Contractor shall immediately file with the CITY a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the CITY’s Risk Manager (209) 937-8617. Our fax is (209) 937-8833.

If at any time during the life of the Contract or any extension, the Contractor fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Contractor should subcontract all or any portion of the work to be performed in this contract, the Contractor shall cover the sub-contractor, and/or require each sub-contractor to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-contractor’s insurance shall have the same impact as described above.
July 28, 2009

TO: Mayor and City Council

FROM: Richard E. Nosky, Jr., City Attorney

SUBJECT: SETTLEMENT AGREEMENT THAT WILL RESOLVE THE LITIGATION IN CALIFORNIA SPORTFISHING PROTECTION ALLIANCE v. CITY OF STOCKTON, EASTERN DISTRICT CASE NO. CV 08-02184 LKK-KLM

RECOMMENDATION

It is recommended that a resolution be adopted approving a settlement agreement in California Sportfishing Protection Alliance v. City of Stockton, Eastern District Case No. CV 08-02184 LKK-KLM.

Summary

The City has been engaged in litigation regarding the operation of the City's sanitary sewer system. The City was sued by the California Sportfishing Protection Alliance (CSPA) under allegations that the City had violated the federal Clean Water Act. The settlement agreement presented for City Council approval (the "Settlement Agreement") will settle this case. The City Council approved the proposed settlement in principal during the closed session of June 16, 2009.

DISCUSSION

Background

This matter is a citizen suit under the federal Clean Water Act (the "Act"). Under the Act, a citizen may bring an action to address continuing violations of the Act through declaratory and injunctive relief and the imposition of civil penalties. The Act imposes strict liability on violators, there being no need to prove that the violation occurred through negligence or some intentional activity. A prevailing plaintiff may also collect attorney fees and litigation costs.

In the suit, CSPA alleges that the City has violated the Act by causing the occurrence of an excessive number of overflows in the City's sanitary sewer system and that those overflows have been harmful to the environment. The complaint asks the Court to find the City in violation of the Act, enjoin the City from further violations, impose civil penalties, and award the plaintiff its attorney fees and litigation costs.

AGENDA ITEM 6.02
The Settlement Agreement is in the form of a consent decree, meaning that the settlement would form the basis of an order enforceable by the Court and effective for at least five years.

Present Situation

The Settlement Agreement contains two distinct elements: First, there is the direct payment to the plaintiffs for their attorney’s fees and costs in the amount of $250,000, an environmental “mitigation payment” in the form of a $300,000 donation to the non-profit Rose Foundation that will be used to fund some portion of an environmental betterment project to be undertaken by that foundation, and a payment of $15,000 for future monitoring of the City’s compliance with the terms of the Settlement Agreement. Second, the agreement provides that the City will significantly reduce its incidents of sanitary sewer overflows by making significant and necessary investments in its existing sewer collections processes and infrastructure.

The Settlement Agreement will require the City to engage in certain operational activities, including the preparation of operating procedures for the sanitary sewer system and the potential preparation of action plans aimed at reducing overflows. In addition, the City will be required to consider certain changes to the Municipal Code. Among the Municipal Code changes to be considered are requirements for inspection and repair of private sewer laterals when properties are sold or when significant building improvements are undertaken and a requirement regarding the installation of grease interceptors at new or remodeled food service establishments.

In addition to the operational activities set out above, the City will be required to: (1) conduct closed circuit television inspections of 1000 miles of the sanitary sewer system within the next five years; (2) clean all gravity sewers 15 inches or smaller in diameter; and (3) conduct grease interceptor inspections annually for all food service establishments.

FINANCIAL SUMMARY

Staff has estimated that to complete these requirements with in-house staff would require an additional vactor and camera truck with associated staff and one additional inspector. The total five year cost for life of Consent Decree is estimated at $4,065,000.
The break down is as follows:

<table>
<thead>
<tr>
<th>Items Included in 2009-10 Municipal Utilities Budget:</th>
<th>Cost</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year cost for Grease Interceptor Inspector</td>
<td>$100,000</td>
<td>431-4341-572</td>
</tr>
<tr>
<td>Purchase of Vactor</td>
<td>$300,000</td>
<td>431-4332-606</td>
</tr>
<tr>
<td>CSPA Attorney’S Fees</td>
<td>$250,000</td>
<td>431-4311-572</td>
</tr>
<tr>
<td>CSPA Monitoring Costs</td>
<td>$15,000</td>
<td>431-4311-572</td>
</tr>
<tr>
<td>Operational Plans And Procedures</td>
<td>$100,000</td>
<td>431-4332-571</td>
</tr>
</tbody>
</table>

| Immediate appropriation needed from fund balance:                        |       |                |
| Mitigation Payment                                                       | $300,000 | 431-4311-572  |

| Appropriation will be requested from City Council as items are brought forward for approval: |       |                |
| Purchase of Camera truck                                                 | $300,000 |               |
| Collections Staff                                                       | $460,000 | $760,000       |

| The following items will be budgeted for costs incurred in year 2-5 as part of the Municipal Utilities Budget, Wastewater fund: |       |                |
| Cost for Grease Interceptor inspector year 2-5                           | $400,000 |               |
| Collections Staff costs for year 2-5                                     | $1,840,000 | $2,240,000   |

| Total estimated cost*                                                   | $4,065,000 |               |

*The financial estimate does not include any estimate for repair costs for sanitary sewer pipelines.

Respectfully submitted,

RICHARD E. NOSKY, JR.
CITY ATTORNEY

REI:JML:th
RESOLUTION APPROVING THE SETTLEMENT AGREEMENT RESOLVING THE LITIGATION IN CALIFORNIA SPORTFISHING PROTECTION ALLIANCE v. CITY OF STOCKTON, EASTERN DISTRICT CASE NO. CV 08-02184 LKK-KLM

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the Settlement Agreement between the City of Stockton and California Sportfishing Protection Alliance is hereby authorized and approved.

2. That the City Manager and/or City Attorney are hereby authorized to execute the Settlement Agreement, in substantially the form as attached hereto as Exhibit "A."

3. That the City Manager and/or City Attorney are hereby authorized to take all actions appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED ________________________________.

ANN JOHNSTON
Mayor of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

::DDMA|GRPWISE|ECOS.CA.CA_LIBRARY:55750.1
United States District Court
Eastern District of California

California Sportfishing Protection Alliance, a non-profit corporation,

v.

City of Stockton, a municipal corporation,

Defendant.

[PROPOSED] CONSENT DECREES

Civil Case No.: CV 08-02184-LKK-KLM
CONSENT DECREE

The following Consent Decree is entered into by and between Plaintiff California Sportfishing Protection Alliance ("Plaintiff" or "CSPA"), and defendant City of Stockton ("City" or "Defendant"). The entities entering into this Consent Decree are each referred to herein as "Settling Party" and collectively as "Settling Parties."

WHEREAS, CSPA is a non-profit public benefit corporation dedicated to the preservation, protection, and restoration of the environment, the wildlife and the natural resources of all waters of California, including the San Joaquin River and the Sacramento-San Joaquin River Delta;

WHEREAS, the City is a municipal corporation and is the permittee on the Waste Discharge Requirements for City of Stockton Regional Wastewater Control Facility, National Pollutant Discharge Elimination System ("NPDES") Permit No. CA0079138, Order No. R5-2008-0154 ("2008 Stockton WWTP Permit") and the previous NPDES permit Waste Discharge Requirements for City of Stockton Regional Wastewater Control Facility, National Pollutant Discharge Elimination System ("NPDES") Permit No. CA0079138, Order No. R5-2002-0083 ("2002 Stockton WWTP Permit");

WHEREAS, the City is a permittee on the Waste Discharge Requirements for City of Stockton and County of San Joaquin Storm Water Discharges from Municipal Separate Storm Sewer System, San Joaquin County, National Pollutant Discharge Elimination System ("NPDES") Permit No. CAS083470, Order No. R5-2007-0173, California Regional Water Quality Control Board – Central Valley Region ("2007 Stockton Stormwater Permit") and the previous NPDES permit Waste Discharge Requirements for City of Stockton and County of San Joaquin Storm Water Discharges from Municipal Separate Storm Sewer System, San Joaquin County, National Pollutant Discharge Elimination System ("NPDES") Permit No. CAS083470, Order No. R5-2002-0181, California Regional Water Quality Control Board – Central Valley Region, as amended by Resolution No. R5-2003-0133 ("2002 Stockton Stormwater Permit");

WHEREAS, on July 1, 2008, CSPA provided the Defendant, the Administrator and the Regional Administrator for Region IX of the United States Environmental Protection Agency ("EPA"), the Executive Director of the California State Water Resources Control Board ("State Board"), and the Executive Officer of the California Regional Water Quality Control Board, Central
Valley Region ("Regional Board") with a Notice of Violation and Intent to File Suit ("Notice Letter") under section 505(a) of the Federal Water Pollution Control Act ("Clean Water Act" or "CWA"), 33 U.S.C. § 1365(a). The Notice Letter alleged that Defendant violated and continues to violate the Clean Water Act for discharges of pollutants in violation of the 2002 Stockton WWTP Permit;

WHEREAS, on September 16, 2008, Plaintiff filed its complaint in the United States District Court for the Eastern District of California ("District Court") against Defendant, Case No. CV-08-2184-LKK-KJM (hereinafter "Complaint");

WHEREAS, on September 17, 2008, Plaintiff sent Defendant a letter notifying the Defendant of Plaintiff's intent to seek a peremptory writ of mandate ordering the Defendant to comply with the Clean Water Act, the Porter-Cologne Water Quality Control Act ("Porter-Cologne"), the Statewide Waste Discharge Requirements for Sanitary Sewer Systems - State Water Resources Control Board Order No. 2006-0003 ("SSO WDR"), the 2002 Stockton WWTP Permit, the San Joaquin County Ordinance and City of Stockton Municipal Code;

WHEREAS, on October 13, 2008, CSPA provided the Defendant, the EPA, the State Board, and the Regional Board with a Supplemental Notice of Violation and Intent to File Suit ("Supplemental Notice Letter") under section 505(a) of the Clean Water Act, 33 U.S.C. § 1365(a). The Supplemental Notice Letter alleged that Defendant violated and continues to violate the Clean Water Act for discharges of pollutants in violation of the 2002 Stockton WWTP Permit;

WHEREAS, on October 30, 2008, Plaintiff filed its first amended complaint in this case (Case No. CV-08-2184-LKK-KJM) (hereinafter "First Amended Complaint");

WHEREAS, Defendant denies CSPA's allegations that it has violated the Clean Water Act and/or any of the permits as alleged in the First Amended Complaint, denies that it failed to perform its duties under the Clean Water Act, Porter-Cologne, the SSO WDR, the San Joaquin County Ordinance, or the Stockton Municipal Code as alleged in the First Amended Complaint, and denies it has liability to CSPA or other citizen groups;

WHEREAS, the Parties, through their authorized representatives and without either adjudication of the First Amended Complaint's claims or admission by Defendant of any alleged violation or other wrongdoing, have chosen to resolve this action through settlement and avoid the
costs and uncertainties of further litigation;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties each hereby agree as follows:

I. GENERAL OBJECTIVES

1. The objectives of this Consent Decree are:

   a. To ensure that Defendant uses, implements, and improves ways, means, and methods to prevent sanitary sewer overflows;

   b. To ensure that the City uses, implements, and improves ways, means, and methods to prevent violations of, or comply with, applicable permits, laws, and regulations as related to sanitary sewer overflows.

II. DEFINITIONS

2. Unless otherwise expressly defined herein, terms used in this Consent Decree, which are defined in the CWA, Porter-Cologne, or in regulations implementing these statutes, have the meaning assigned to them in the applicable statutes, regulations, or rules. Whenever terms listed below are used in this Consent Decree, the following definitions apply:

   a. "2002 Stockton WWTP Permit" means Waste Discharge Requirements for City of Stockton Regional Wastewater Control Facility, National Pollutant Discharge Elimination System ("NPDES") Permit No. CA0079138, Order No. R5-2002-0083, California Regional Water Quality Control Board – Central Valley Region.

   b. "2008 Stockton WWTP Permit" means Waste Discharge Requirements for City of Stockton Regional Wastewater Control Facility, National Pollutant Discharge Elimination System ("NPDES") Permit No. CA0079138, Order No. R5-2008-0154, California Regional Water Quality Control Board – Central Valley Region.

d. "2007 Stockton Stormwater Permit" means Waste Discharge Requirements for
City of Stockton and County of San Joaquin Storm Water Discharges from Municipal Separate Storm
Sewer System, San Joaquin County, National Pollutant Discharge Elimination System ("NPDES")
Permit No. CAS083470, Order No. R5-2007-0173, California Regional Water Quality Control Board
– Central Valley Region.

e. "CCTV" means closed-circuit television.

f. "City" means the City of Stockton located in San Joaquin County, California.

g. "Condition Assessment Inspection" means an inspection of a sewer reach by
CCTV that results in documentation of a Condition Assessment Rating for the inspected sewer reach.

h. "Condition Assessment Inspection" does not include CCTV inspection for cleaning quality
assurance/quality control, spill follow-up, FOG source investigations, or other types of CCTV
inspection unless those inspections yield a Condition Assessment Rating for the entire sewer reach.

i. "Condition Assessment Rating" means an assignment of the condition given
based on the Pipeline Assessment and Certification Program Standard ("PACP").

j. "CSPA" means California Sportfishing Protection Alliance.

k. "day" means a calendar day. In computing any period of time under this
Consent Decree, where the last day of such period is a Saturday, Sunday, Federal or State or City
Holiday, or City Furlough Day, the period runs until the close of business on the next day that is not a
Saturday, Sunday, Federal or State or City Holiday, or City Furlough Day. In no event shall the
number of City Furlough Days used for computing time periods as defined here exceed 14 days in a
calendar year.

l. "Easement Sewers" means sanitary sewers upon, over, across, or through land
not owned by the City but which the City owns an easement upon, over, across, and/or through for
the purpose of maintaining and providing sanitary sewer services, including for the purpose of
installing or maintaining sanitary sewer infrastructure.

m. "FOG" means fats, oil, and grease.

n. "FSE" means Food Service Establishment, any facility where food is served
and intended for individual portion service, and includes the site at which individual portions are
provided.

n. "Grease interceptor" is as defined in the Stockton Municipal Code and Stockton Standard Plans and Specifications.

o. "Lower Lateral Spill" or "Lower Lateral SSO" means an unintentional discharge, release, or spill of sewage caused by a blockage or other problem in a Lower Lateral owned by the City of Stockton, and has the same meaning as those terms defined in Section A.1. of the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, State Water Resources Control Board Order No. 2006-0003, or any amendment thereto, and which currently means: "any overflow, spill, release, discharge or diversion of untreated or partially treated wastewater from a sanitary sewer system.

p. "Lower Lateral" means the lateral line owned by the City connecting a home or other structure to the City's sewer main extending from the sewer main to the back of the public right-of-way or City clean out, whichever is applicable to the lateral connection. Lower Laterals are generally connected to Private Laterals.

q. "NPDES" means National Pollutant Discharge Elimination System.

r. "Private Lateral" means the private sanitary sewer lateral or line connecting a home or other structure to the Lower Lateral, generally extending from the outside of the foundation of the structure to the public right-of-way or the City's cleanout, whichever is applicable.

s. "Sanitary Sewer Overflow" or "SSO" has the same meaning as those terms are defined in Section A.1. of the SSO WDR, or any amendment thereto, and which currently means:

any overflow, spill, release, discharge or diversion of untreated or partially treated wastewater from the Stockton Collection System. SSOs include: (i) Overflows or releases of untreated or partially treated wastewater that reach waters of the United States; (ii) Overflows or releases of untreated or partially treated wastewater that do not reach waters of the United States; and (iii) Wastewater backups into buildings and on private property that are caused by blockages or flow conditions within the publicly owned portion of a sanitary sewer system." For purposes of this definition, "waters of the United States" has the meaning as set forth in 40 C.F.R. § 122.2.

t. "Sanitary Sewer Overflow Emergency Response Plan" shall mean the current
version of the City’s Sanitary Sewer Overflow Emergency Response Plan as of the Effective Date, as submitted to the State Board pursuant to the SSO WDR.

u. “sewer segment” means any section of publicly owned sewer line or pipe located between: (1) two manholes/maintenance holes; (2) a pump station and a manhole/maintenance hole; (3) a pump station or a manhole/maintenance hole and a headworks structure; or (4) a sewer line or pipe otherwise identifiable as a discrete section.

v. “SSMP” means the Sewer System Management Program developed and implemented by Stockton for the Stockton Collection System in accordance with the SSO WDR. The goal of an SSMP is to provide a plan and schedule to properly manage, operate, and maintain all parts of the sanitary sewer system. This will help reduce and prevent SSOs, as well as mitigate any SSOs that do occur. The bulk of Stockton’s SSMP includes collection system condition monitoring; collection system operations, maintenance and repair; a FOG program; legal authority; and an SSO response plan. Sections of Stockton’s SSMP are still being developed.


x. “Stockton Collection System” means the sewer pipes and lines, manholes or maintenance holes, pump stations, and all appurtenances thereto under ownership of the City of Stockton that are used to convey wastewater generated by residential, commercial, and industrial sources to the Stockton WWTP. For purposes of this Consent Decree, the Stockton Collection System does not include private laterals or other privately owned or operated infrastructure that connects to the Stockton Collection System.

y. “Stockton WWTP” means the wastewater treatment facility and all equipment, storage, and other infrastructure used by Stockton to treat sanitary sewage located downstream of the headworks to such facility until its point of discharge.

z. “Upper Lateral” means the private sanitary sewer lateral or line connecting a home or other structure to the Lower Lateral, generally extending from the outside of the foundation of the structure to the public right-of-way or the City’s cleanout, whichever is applicable.
aa. "year" shall mean a calendar year, unless otherwise specified.

III. JURISDICTION AND VENUE

3. Plaintiff alleges that: a) this District Court has jurisdiction over the subject matter of the claims asserted by Plaintiff pursuant to section 505(a)(1) of the Clean Water Act, 33 U.S.C. § 1365(a)(1), 28 U.S.C. §§ 1331 and 2201 (an action for declaratory and injunctive relief arising under the Constitution and laws of the United States), and 28 U.S.C. § 1367(a), which provides supplemental jurisdiction for claims based on state law, including, but not limited to, California Code of Civil Procedure § 1085, the California Water Code §§ 13000 et seq. (the "Porter-Cologne Water Quality Control Act" or "Porter-Cologne"), San Joaquin County Ordinance, Title 5, and the City of Stockton Municipal Code, Chapter 7; b) venue is proper in this judicial district pursuant to sections 309(b) and 505(c) of the Clean Water Act, 33 U.S.C. §§ 1319(b), 1365(c), and 28 U.S.C. §§ 1391(b) and (c); and c) the First Amended Complaint filed herein states claims for which relief can be granted. For purposes of settlement, the Settling Parties waive all objections that they may have to the Court's jurisdiction to enter and retain jurisdiction over this Consent Decree.

IV. EFFECT OF CONSENT DECREE

4. Plaintiff does not, by their consent to this Consent Decree, warrant or aver in any manner that the Defendant's compliance with this Agreement will constitute or result in compliance with any Federal or State law or regulation. Nothing in this Agreement shall be construed to affect or limit in any way the obligation of the Defendant to comply with all applicable Federal, State and local laws and regulations governing any activity required by this Consent Decree.

5. Nothing in the Consent Decree shall be construed as an admission by Defendant, and does not intend to imply any admission as to any fact, finding, issue of law, or violation of law, nor shall compliance with this Consent Decree be construed as an admission by Defendant of any fact, finding, conclusion, issue of law, or violation of law.

V. APPLICABILITY

6. The provisions of this Consent Decree apply to and bind the Settling Parties, including any successors or assigns. The Settling Parties certify that their undersigned representatives are fully authorized to enter into this Consent Decree, to execute it on behalf of the Settling Parties, and to
7. The Settling Parties agree to be bound by this Consent Decree and not to contest its validity in any subsequent proceeding to implement or enforce its terms. By entering into this Consent Decree, the Defendant does not admit liability for any purpose as to any allegation or matter arising out of the Notice Letter, Supplemental Notice Letter and/or First Amended Complaint.

8. No change in ownership or corporate or other legal status of the Defendant or any transfer of the Defendant’s assets or liabilities shall in any way alter the responsibilities of the Defendant or any of its successors or assigns thereof, under this Consent Decree. In any action to enforce this Consent Decree, the Defendant shall not raise as a defense the failure by any of its agents, servants, contractors, employees, and successors or assigns to take actions necessary to comply with this Consent Decree.

VI. EFFECTIVE DATE AND TERMINATION DATE

9. The term “Effective Date,” as used in this Consent Decree, shall mean the last date for the United States Department of Justice to comment on the [proposed] Consent Decree, i.e., the 45th day following the United States Department of Justice’s receipt of the [proposed] Consent Decree and Stipulated Dismissal.

10. This Consent Decree will terminate five (5) years from the Effective Date if the City meets its SSO Reduction Performance Standard for the year 2013 (as set forth in Section VII below). Failure to comply with the SSO Reduction Performance Standard in 2013 will result in year to year extensions of the Consent Decree until the City achieves an SSO rate of no more than five (5) SSOs per 100 miles of sewer in a year, in accordance with Section VII below. If either Settling Party has invoked the dispute resolution process pursuant to Section XVIII and the dispute has not been resolved at the time the Consent Decree would otherwise terminate, the Consent Decree shall continue in effect until the dispute is resolved, either through mutual agreement of the Settling Parties or by the Court.

VII. SSO AND SPILL REDUCTION PERFORMANCE STANDARDS

11. SSO Reduction. It is the goal of this Consent Decree to reduce Stockton Collection System SSOs, which are comprised of spills from both sewer mains and Lower Laterals. The City
shall reduce its SSOs from sewer mains and Lower Laterals as provided in Table 1 and subsections of this paragraph, which set forth the SSO Reduction Performance Standards that the City must meet.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Maximum Number of SSOs Per 100 Miles of Sewer /Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>24</td>
</tr>
<tr>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>2011</td>
<td>15</td>
</tr>
<tr>
<td>2012</td>
<td>10</td>
</tr>
<tr>
<td>2013</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 1 – SSO Reduction Performance Standards

a. For purposes of establishing the SSO Reduction Performance Standards, a SSO of 50 gallons or less caused by a blockage or defect in a Lower Lateral and not reaching a surface water body will not be counted.

b. For purposes of establishing the SSO Reduction Performance Standards, the miles of sewer lines excluding Lower Laterals as of the Effective Date equals 918.65 miles, and subsequently updated in the Annual Report required under Section XV of this Consent Decree.

c. Compliance with SSO Reduction Performance Standards shall be determined using the miles of sewer excluding lower laterals reported by the City in each year’s Annual Report required under Section XV of this Consent Decree.

d. Compliance or non-compliance with the SSO Reduction Performance Standard shall be documented by the City in each year’s Annual Report required under Section XV of this Consent Decree.

e. Failure to meet the SSO Reduction Performance Standards shall be a violation of this Consent Decree and subject to the dispute resolution process set forth in Section XVIII.

f. In order to assist in reaching the above SSO Reduction Performance Standards, the City shall implement the programs described hereafter.

VIII. SSO INVESTIGATION, RESPONSE AND REPORTING

12. The terms, conditions, obligations, and requirements of the City’s current Sanitary

---

1 Miles of Sewer in this table means miles of main line sewers plus miles of force mains.
Sewer Overflow Emergency Response Plan are incorporated into this Consent Decree, and are enforceable pursuant to this Consent Decree.

13. The City recognizes that proper identification of the cause of SSOs is essential to prevention of future SSOs.

14. Within ninety (90) days of the effective date of this Consent Decree the City shall prepare and implement a standard operating procedure ("SSO Cause Determination SOP") aimed at the proper and consistent determination of the cause of each SSO. At a minimum, for main line blockages the City shall ensure that its responders open the maintenance hole downstream of where the cause of the blockage appears, insert a trap, and observe and report FOG, roots, or specific types of debris that appear to have been the cause of the SSO. For Lower Lateral blockages, at a minimum the City shall ensure that responders identify any material retained on the cleaning tools used to clear the blockage. The City shall provide a copy of the SSO Cause Determination SOP to CSPA for review and comment within seven (7) days of its finalization. CSPA shall provide the City, in writing, with all recommended revisions to the SSO Cause Determination SOP within twenty-one (21) days of receipt of such SSO Cause Determination SOP. The City shall consider each of CSPA’s recommended revisions and indicate within forty-five (45) days of receipt whether the City accepts each such recommendation for revision. If the City does not accept each of CSPA’s recommendations, and remaining differences cannot be informally resolved promptly between the Settling Parties, then CSPA may seek dispute resolution pursuant to Section XVIII of this Consent Decree. In any such dispute resolution process, the City shall demonstrate that the elements or actions set forth in the SSO Cause Determination SOP are designed to ensure causes of the SSOs can be readily and accurately determined. To the extent the Settling Parties do not dispute specific original provisions of the SSO Cause Determination SOP or specific recommended revisions, the City shall implement all undisputed provisions or revisions. After the Settling Parties have reached agreement on the SSO Cause Determination SOP or after the dispute resolution process resolves any dispute concerning the SSO Cause Determination SOP, the City shall begin implementation of the SSO Cause Determination SOP as an enforceable requirement of this Consent Decree within sixty (60) days of agreement or upon the schedule set forth therein.
15. Within one hundred eighty (180) days upon reaching agreement with CSP regarding the SSO Cause Determination SOP, the City shall complete training of all City personnel that respond to SSOs in the methods and practices used to identify the root causes of SSOs and shall certify to CSP that the training has been completed. All new employees who may respond to SSOs shall be trained in the methods and practices used to identify the root causes of SSO and the City shall maintain records of such training.

16. The cause of the SSO shall be reported in the State Board’s California Integrated Water Quality System ("CIWQS") and entered into and maintained in a City database. The information in the database shall be used in evaluating the City’s programs. The City shall include in its Annual Report required under Section XV of this Consent Decree, a summary of SSO causes determined by analysis of its database.

17. In the first two Annual Reports required by Section XV of this Consent Decree, the City shall provide to CSP a compilation of individual SSO Reports for each spill it reported to the State Board. The City may discontinue providing CSP with compilations of individual spill reports after the first two Annual Reports required under Section XV of this Consent Decree, unless CSP requests in writing that the City continue to provide such compilations.

18. In the Annual Report required under Section XV of this Consent Decree, the City shall provide CSP with a summary of any changes to the total quantity of sewer line that will affect the calculation of the SSO Reduction Performance Standards.

19. The City shall include as part of its Sanitary Sewer Overflow Emergency Response Plan procedures that require the City to notify as soon as practicable the County of San Joaquin’s Emergency Dispatch of any SSO occurring within the County of San Joaquin’s jurisdictional area of the Stockton Urbanized Area MS4 ("County’s MS4 Jurisdiction") from the Stockton Collection System if the SSO has discharged to, or threatens to discharge to, the County MS4. The City’s notification to the County in no event shall be longer than that required by the SSO WDR to notify the State Office of Emergency Services after learning of an SSO occurring from the Stockton Collection System that has discharged to, or threatens to discharge to the County's MS4. The City’s obligation to notify the County of San Joaquin shall in no way halt the City’s emergency response.
actions to capture and/or recover any SSO from the Stockton Collection System. For any SSO from the Stockton Collection System that discharges to, or threatens to discharge to the County's MS4, the City shall take all feasible steps to prevent the SSO from reaching waters of the United States, and will work cooperatively with the County to:

a. control pump stations, as necessary;

b. obtain access to the County's MS4, as necessary; and

c. use reasonable best efforts to respond SSOs to the County's MS4 in a cooperative manner.

IX. SSO REDUCTION ACTION PLAN

20. If any Annual Report required under Section XV of this Consent Decree, provided by the City to CSPA documents compliance with the then-applicable SSO Reduction Performance Standards, the City shall have no obligation to prepare a SSO Reduction Action Plan as set forth herein. However, if an Annual Report required under Section XV of this Consent Decree documents SSOs in excess of the SSO Reduction Performance Standards set forth in this Consent Decree, the City shall submit to CSPA by June 1st of that same year a SSO Reduction Action Plan. An SSO Reduction Action Plan prepared pursuant to this section shall specify the actions taken in the calendar year for which the Annual Report was submitted, and shall specify additional measures to be taken during the next calendar year and thereafter, which are designed to achieve compliance with the SSO Reduction Performance Standards set forth in this Consent Decree. The SSO Reduction Action Plan shall include a proposed schedule for implementation of all actions proposed.

21. CSPA shall provide the City, in writing, with all recommended revisions to the SSO Reduction Action Plan within forty-five (45) days of receipt of such SSO Reduction Action Plan. The City shall consider each of CSPA's recommended revisions and indicate within forty-five (45) days of receipt whether the City accepts each such recommendation for revision. If the City does not accept each of CSPA's recommendations, and remaining differences cannot be informally resolved promptly between the Settling Parties, then CSPA may seek dispute resolution pursuant to Section XVIII of this Consent Decree. In any such dispute resolution process, the City shall demonstrate that the elements or actions set forth in the SSO Reduction Action Plan are designed to
achieve compliance with the SSO Reduction Performance Standards set forth in Section VII of this Consent Decree, and, taken as a whole, constitute good engineering and operational approaches to achieving compliance. To the extent the Settling Parties do not dispute specific original provisions of the SSO Reduction Action Plan or specific recommended revisions, the City shall implement all undisputed provisions or revisions. After the Settling Parties have reached agreement on the SSO Reduction Action Plan or after the dispute resolution process resolves any dispute concerning the SSO Reduction Action Plan, the City shall begin implementation of the SSO Reduction Action Plan as an enforceable requirement of this Consent Decree within sixty (60) days of agreement or upon the schedule set forth therein.

22. The City shall address in the SSO Reduction Action Plan the various elements of such a plan that it believes will be necessary to achieve future compliance with the SSO Reduction Performance Standards. The City may include any or all elements in the SSO Reduction Action Plan in its SSMP.

X. SEWER CONDITION ASSESSMENT/REHABILITATION/REPLACEMENT

23. Within one hundred twenty (120) days of the Effective Date of the Consent Decree, the City shall prepare a schedule for CCTV inspection and condition assessment of all gravity sewers in its collection system. The City shall provide CSPA with its CCTV inspection schedule immediately upon setting it, and no later than one hundred twenty (120) days from the Effective Date of the Consent Decree. In subsequent years, as part of its Annual Report required by Section XV of this Consent Decree, the City shall provide its schedule for CCTV inspection for the next year.

24. The inspections in the schedule proposed in Paragraph 23 shall be prioritized in the following order: First, inspect sanitary sewers with known or suspected structural deficiencies; second, inspect sanitary sewers that have experienced blockages; third, inspect sanitary sewers 15 inches and smaller in diameter greater than ten (10) years old; fourth, inspect sanitary sewers greater than 15 inches in diameter greater than ten (10) years old.

25. Within five (5) years of the Effective Date of the Consent Decree, the City shall complete a one-time CCTV inspection and condition assessment of all gravity sewer line segments in the Stockton Collection System that are ten (10) years old or older. In no event shall the City inspect
and assess less than eighty (80) miles of sewer each year until all required sewers are inspected as
required by this paragraph. Sewers inspected within the last five (5) years need not be re-inspected
under this program. In order to ensure the inspection of all required sewers, the City shall:

- inspect at least 8.7% (or 80 miles) of the required sewers within one year of the Effective
  Date;
- inspect at least 20% of the required sewers within two years of the Effective Date;
- inspect at least 40% of the required sewers within three years of the Effective Date;
- inspect at least 70% of the required sewers within four years of the Effective Date; and
- complete the inspection of 100% of the required sewers within five years of the effective
date.

26. The City will conduct a CCTV inspection of Lower Laterals under the following
conditions:

a. Within fifteen (15) days of any structural blockage causing an SSO (as
evidenced by pipe material, roots or backfill material captured on the cleaning tools);
b. Within thirty (30) days of any non-structural blockage causing an SSO;
c. Within sixty (60) days of any blockage not causing an SSO but does not allow the passage of cleaning tools; or
d. Within ninety (90) days of a second blockage (where no SSO has occurred) in any twelve (12) month period.

27. Any sewer line or Lower Lateral where the passage of the CCTV camera was blocked by the condition of the pipe shall result in the segment being defined as failed. That sewer line or Lower Lateral shall be repaired within 90 days and shall be re-inspected following the repair.

28. Sewer segments that are currently less than ten (10) years old but which reach the age of ten (10) years during the life of this Consent Decree shall be inspected by CCTV and their condition shall be assessed within one (1) year of reaching ten (10) years old.

29. Inspection under this section of the Consent Decree shall be accomplished using CCTV. The sewer line defects will be coded using the Pipeline Assessment and Certification Program ("PACP") standard. The work products will include an inspection database (which may be
included as part of a larger database), PACP Grade Score, prioritized repair projects, and prioritized rehabilitation/replacement projects. The annual inspection quantity will include the sum of the lengths of all of the gravity sewers and Lower Laterals where inspection was completed. The inspection work will be completed using the City’s CCTV crew and/or contract CCTV service.

30. The City is committed to correcting conditions that may cause an SSO within an appropriate timeframe. The City’s timeframes for actions to correct observed conditions are shown on Table 2 (Timeframe for Actions to Correct Observed Defects)².

<table>
<thead>
<tr>
<th>Observed Defect</th>
<th>Corrective Action</th>
<th>Time Frame (from date defect observed)</th>
<th>Other Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>PACP Grade 4 or 5 Maintenance Defect</td>
<td>Clean sewer or lower lateral</td>
<td>30 days</td>
<td>Place on hot spot cleaning or treatment schedule as appropriate</td>
</tr>
<tr>
<td>PACP Grade 3 Maintenance Defect</td>
<td>Clean sewer or lower lateral</td>
<td>4 months</td>
<td>Place on hot spot cleaning or treatment schedule as appropriate</td>
</tr>
<tr>
<td>PACP Grade 5 Structural Defect – Immediate Failure Likely</td>
<td>Repair or rehabilitate sewer or lower lateral</td>
<td>ASAP (no more than 90 days)</td>
<td>N/A</td>
</tr>
<tr>
<td>PACP Grade 5 Structural Defect – Immediate Failure Unlikely</td>
<td>Repair, rehabilitate, or re-inspect sewer or lower lateral</td>
<td>2 years</td>
<td>Reinspect within one year if corrective action not taken</td>
</tr>
<tr>
<td>PACP Grade 4 Structural Defect</td>
<td>Repair, rehabilitate, or re-inspect sewer or lower lateral</td>
<td>5 years</td>
<td>Reinspect within three years if corrective action not taken</td>
</tr>
</tbody>
</table>

Table 2 – Timeframe for Actions to Correct Observed Defects

31. In addition to actions required above, when an SSO occurs caused by a structural problem with a lower lateral (as evidenced by pipe material, roots or backfill material captured on the cleaning tools), the City shall, within fifteen (15) working days of the SSO, inspect the lower lateral with CCTV, assess its condition, and immediately repair defects that were the cause of the SSO. For all other Lower Lateral SSOs, the City shall conduct a CCTV inspection within thirty (30) days.

32. The Municipal Utilities Department for the City of Stockton shall propose and

² Any action specified in Table 2 that would occur beyond the termination date of this Consent Decree as specified in paragraph 10 shall not be an enforceable action subject to the terms and conditions set forth herein.
recommend to the City Council the adoption of legislation that would require a homeowner to inspect
the upper/private lateral and make all necessary repairs within one hundred twenty (120) days where
the City has determined that an SSO was caused by roots or debris entering the lower lateral as a
result of defects in the private lateral.

33. In the Annual Report required under Section XV of this Consent Decree, the City shall
provide information regarding condition assessment, rehabilitation, and replacement. At a minimum
the Annual Report must include: the miles of sewer and lower lateral that were assessed in the
previous year; the miles of sewer assessed receiving each grade in the PACP grading system; and, a
summary of the mileage of and identification of sewers and Lower Laterals repaired, rehabilitated
and/or replaced during the previous year.

XI. FATS, OILS AND GREASE PROGRAM

34. The City shall continue to implement and improve its current FOG Control Program as
described in Section IX of the City’s SSMP consistent with the terms set forth below. Facilities
permitted under the Federal Pretreatment Program will comply with the FOG Control Program
requirements to the extent that they are incorporated into those facilities’ permits.

35. Within one hundred twenty (120) days of the effective date of the Consent Decree, the
Municipal Utilities Department for the City of Stockton shall propose and recommend to the City
Council the adoption of proposed amendments to Municipal Code Section 7-089.19. Grease
Interceptors to:

   a. Require all new or substantially remodeled (greater than $75,000) food service
      establishments (“FSEs”) to install a grease interceptor unless the FSE demonstrates that it does not
      have the potential to discharge FOG in amounts greater than permitted to enter the City’s sanitary
      sewers.
   b. Require all facilities operating a grease interceptor to maintain maintenance
      and cleaning records for a period of no less than three (3) years and to make such records available
      for public inspection at any time.
   c. Add “schools” to the list of establishments already covered by that section of
      the Code.
36. **FOG Control Action Plan:** Within one hundred eighty (180) days of the effective date of this Consent Decree, the City shall prepare and submit to CSPA for review and comment a FOG Control Action Plan applicable to all FSEs within the City’s service area. The FOG Control Action Plan, at a minimum, shall include the following:

   a. Identification of all FSEs in the City’s service area.

   b. A schedule for, at least, annual inspections of all FSEs during which the inspector shall, at a minimum: evaluate Best Management Practices ("BMPs") designed to minimize the discharge of FOG; assess the condition of grease removal device(s); measure grease levels in grease interceptor(s); review grease removal records; and ensure that any deficiencies discovered in previous inspections have been remedied.

   c. Follow up inspections at all FSEs with deficiencies within thirty (30) days of the original inspection. Provision for a second follow-up inspection if the deficiency was not remedied by the time of the first re-inspection within fifteen (15) days of the initial re-inspection, and, continuing re-inspections on a schedule consistent with the City’s compliance plan.

   d. Provisions for inspections of all FSEs suspected of causing or contributing to an SSO within five (5) working days of the occurrence of the SSO.

   e. Provisions for inspection of all new or substantially remodeled FSEs within ninety (90) days of the FSE start-up or remodel completion.

   f. Distribution of outreach materials appropriate to FSEs informing FSE operators of BMPs applicable to their establishments within one hundred twenty (120) days of the adoption of the FOG Control Action Plan.

   g. A mechanism for review and analysis of FOG inspection results.

   h. An enforcement protocol to ensure compliance with FOG Control Action Plan requirements, including record keeping requirements.

   i. Twice a year outreach aimed at both educating residents that FOG discharges cause SSOs and impose increased costs on the ratepayers, and providing residents with BMPs for residential grease control.

   j. A staffing plan and budgeted resources to support the implementation of the
FOG Control Action Plan.

k. A schedule for implementation of the FOG Control Action Plan.

37. CSPA shall provide the City, in writing, with all recommended revisions to the FOG Control Action Plan within forty-five (45) days of receipt of the FOG Control Action Plan. The City shall consider each of CSPA’s recommended revisions and indicate within forty-five (45) days of receipt whether the City accepts each such recommendation for revision. If the City does not accept each of CSPA’s recommendations, and remaining differences cannot be informally resolved promptly between the Settling Parties, then CSPA may seek dispute resolution pursuant to Section XVIII of this Consent Decree. In such dispute resolution process, the City shall demonstrate that the elements or actions set forth in the FOG Control Action Plan are designed to achieve compliance with the SSO Reduction Performance Standards set forth in Section VII of this Consent Decree. To the extent the Settling Parties do not dispute specific original provisions or recommended revisions, the City shall implement all undisputed provisions or revisions. After the Settling Parties have reached agreement on the FOG Control Action Plan or after dispute resolution pursuant to Section XVIII of this Consent Decree resolves any dispute concerning the FOG Control Action Plan, the City shall begin implementation of the FOG Control Action Plan as an enforceable requirement of this Consent Decree within sixty (60) days of agreement or upon the schedule set forth therein.

38. In the Annual Report required under Section XV of this Consent Decree the City shall document the activities carried out under the FOG Control Action Plan during the previous year. The report shall at a minimum: summarize activities under the FOG Control Action Plan; document inspections, re-inspections, and results of inspections; provide an enforcement log for the previous year, which summarizes enforcement actions; summarize FOG outreach efforts; present the City’s analysis of the effectiveness of the previous year’s FOG Control Action Plan; include any changes to the FOG Control Action Plan to be implemented in the subsequent year; and discuss budget and staffing levels for the previous and current years.

XII. SEWER CLEANING, HOT SPOTS, AND LATERAL PROGRAMS

39. Routine Cleaning. The City shall clean all of its gravity sanitary sewer reaches, fifteen (15) inches in diameter or smaller in the Stockton Collection System at least once within five (5)
years of the Effective Date of this Consent Decree. Lower Laterals shall be cleaned as needed.

40. **Hot Spot Cleaning Program.** The City shall improve its hot spot (preventive maintenance) cleaning program. The City shall continue to implement its hot spot cleaning program as set forth in Attachment A. Within sixty (60) days of the effective date of the Consent Decree, the City shall implement and use the cleaning and evaluation methodology set forth below in Figure 1 ("Preventive Maintenance Scheduling Flow Chart").

![Figure 1 - Preventive Maintenance Scheduling Flow Chart](image-url)
41. The City shall collect all observations made by its sewer cleaning crews in accordance with the SSO Cause Determination SOP regarding the extent and nature of materials removed during the cleaning process. The observations shall be recorded in the City’s database. The City shall maintain or change the frequency of its hot spot cleaning for a sewer line segment based on the Sewer Cleaning Results Matrix set forth in Table 3 below in accordance with the section labeled Action.

<table>
<thead>
<tr>
<th>Debris</th>
<th>Clear</th>
<th>Light</th>
<th>Moderate</th>
<th>Heavy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Minor amount of debris</td>
<td>Less than 5 gallons of debris per line segment</td>
<td>More than 5 gallons of debris per line segment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15 minutes or less to clean</td>
<td>15-30 minutes to clean</td>
<td>More than 30 minutes to clean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 pass</td>
<td>2-3 passes</td>
<td>More than 4 passes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Operator concern for future stoppage</td>
</tr>
<tr>
<td>No observable</td>
<td>No observable grease</td>
<td>Minor amounts of grease</td>
<td>Small “chunks”</td>
<td>Big “chunks” or “logs”</td>
</tr>
<tr>
<td>grease</td>
<td></td>
<td>15 minutes or less to clean</td>
<td>No “logs”</td>
<td>More than 30 minutes to clean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 pass</td>
<td>15-30 minutes to clean</td>
<td>More than 4 passes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2-3 passes</td>
<td>Operator concern for future stoppage</td>
</tr>
<tr>
<td>No observable</td>
<td>No observable roots</td>
<td>Minor amounts of roots</td>
<td>Thin stringy roots</td>
<td>Thick roots</td>
</tr>
<tr>
<td>roots</td>
<td></td>
<td>15 minutes or less to clean</td>
<td>No “clumps”</td>
<td>Large “clumps”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 pass</td>
<td>15-30 minutes to clean</td>
<td>More than 30 minutes to clean</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2-3 passes</td>
<td>More than 4 passes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Operator concern for future stoppage</td>
</tr>
<tr>
<td>No observable materials</td>
<td>Specify material (if possible)</td>
<td>Specify material</td>
<td>Less than 5 gallons of material per line segment</td>
<td>Specify material</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minor amounts of material</td>
<td></td>
<td>More than 5 gallons of material per line segment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Operator concern for future stoppage</td>
</tr>
<tr>
<td>Action</td>
<td>Decrease frequency to next lower frequency after 3 consecutive CL results (e.g. 6 months to 12 months)</td>
<td>Continue current maintenance frequency</td>
<td>Increase current maintenance frequency to next higher frequency (e.g. 6 months to 3 months)</td>
<td>Increase current maintenance frequency to next higher frequency (e.g. 6 months to 3 months)</td>
</tr>
</tbody>
</table>

Note: Time frames for cleaning and quantities of materials removed are based on a 15-inch, 500-foot long segment.

Table 3 - Sewer Cleaning Results Matrix
42. Changes in cleaning frequency based upon cleaning results shall be as follows: no reduction in cleaning frequency shall be made in a sewer line segment with a previous history of SSOs without the approval of an appropriate collection system maintenance supervisor; three (3) consecutive results of “clear” will result in the cleaning frequency being reduced to the next lower cleaning frequency, and; results of “medium” or “heavy” will result in the cleaning frequency being increased to the next highest frequency.

43. Sewer Cleaning Quality Assurance/Quality Control Program: The City shall institute and maintain a quality assurance/quality control ("QA/QC") program adequate to ensure proper and complete cleaning of sewers. The quality assurance/quality control program shall consist of spot checking the cleaning quality in a minimum of two percent by sewer segment of the cleaned sewers on a monthly basis using CCTV to ensure adequate cleaning. If the cleaning is found to be inadequate, the sewer segment will be re-cleaned within thirty (30) days. If more than ten (10) percent of the spot checked segments require re-cleaning in any given month, spot checking of the system shall be increased to five (5) percent. Where spot checking of the system has increased to five (5) percent pursuant to this section, such spot checking will not be reduced to two (2) percent until three consecutive months show two (2) percent or less of the pipes inspected required re-cleaning. If a required inspection frequency increase is identified with a crew leader, the increased inspection schedule will only apply to that crew leader and his/her crew.

44. If scheduled or hot spot cleaning of a segment or area cannot be properly accomplished due to pipe condition or access limitations, the condition of the segment shall be considered failing and shall be repaired within one hundred twenty (120) days.

45. The City shall identify the sewer lines cleaned and the results of its QA/QC program each year in the Annual Report required by Section XVIII of this Consent Decree.

XIII. PRIVATE LATERALS

46. Within 180 days of this Consent Decree, the Municipal Utilities Department for the City of Stockton shall propose and recommend to the City Council the adoption of amendments to the Municipal Code to:

a. Require inspection of private laterals as a condition to sale of a property,
b. Require inspection of private laterals as a condition to obtaining a building permit if the value of the construction for non-residential structures either exceeds $150,000, or exceeds $75,000 and involves one or more plumbing fixtures connected to the City's sewer system;

c. Require inspection of private laterals as a condition to obtaining a building permit if the value of construction for residential structures either exceeds $50,000, or exceeds $25,000 and involves one or more plumbing fixtures connected to the City's sewer system; and,

d. Set standards for evaluating the condition of private laterals subject to the provisions in subsections (a)-(c) above.

e. Require any defects in the private lateral that causes the private lateral to fail the inspection be remedied prior to sale or as part of the Qualifying Remodel. Defects causing a private lateral to fail the inspection shall include but not be limited to the following: pipe failure; open joints; and/or openings in the pipe, which allow root intrusion.

f. Require the private lateral owner, within one hundred twenty (120) days of notification by the City, to remove roots from their laterals that are growing into Lower Laterals as determined by the City and make all necessary repairs to the private lateral necessary to prevent a reoccurrence of roots intrusion that reaches the lower lateral.

XIV. CHEMICAL ROOT CONTROL PROGRAM

47. The City shall continue to implement and improve its chemical root control program to supplement hot spot and routine cleaning to assure compliance with the SSO Reduction Performance Standards in Section VII of this Consent Decree.

XV. ANNUAL REPORT

48. By March 1 of each year that this Consent Decree remains in effect, the City shall submit an Annual Report to CSPA. The Annual Report shall:

a. Include the specific annual reporting requirements as set forth in Sections VII, VIII, X, XI, and XII of this Consent Decree.

b. Provide details relevant to the City’s implementation of, and compliance with, this Final Consent Decree during the preceding year, including any program modifications during the prior calendar year or delays.
c. Assess the City’s progress towards meeting the requirements of the Consent Decree.

XVI. PAYMENT OF LITIGATION COSTS, MONITORING OF CONSENT DECREE COMPLIANCE, AND MITIGATION PAYMENT

49. Litigation Fees and Costs. To help defray CSPA’s attorneys, consultant, and expert fees and costs, and any other costs incurred as a result of investigating, filing this action, and negotiating a settlement, Defendant shall pay Plaintiff the sum of Two Hundred Fifty Thousand Dollars ($250,000) which shall include all attorneys’ fees and costs for all services performed by and on behalf of CSPA by its attorneys and consultants up to and through the Effective Date of this Consent Decree. The payment shall be made within twenty-one (21) days of the Effective Date of this Consent Decree. The payment shall be made in the form of a check payable to “Lawyers for Clean Water Attorney Client Trust Account” addressed to: 1004 O’Reilly Avenue, San Francisco, CA 94129, sent overnight delivery, and shall constitute full payment for all costs of litigation incurred by CSPA that have or could have been claimed in connection with or arising out of CSPA’s lawsuit, up to and including the Effective Date.

50. Compliance Monitoring. To compensate Plaintiff for time to be spent by legal staff or technical consultants reviewing compliance reports and any other documents, or participating in any meet and confer process under this Consent Decree. To this end, the Defendant shall pay Ten Thousand Dollars ($15,000) within twenty-one (21) days of the Effective Date of this Consent Decree. Payment shall be made payable to “Lawyers for Clean Water Attorney Client Trust Account” addressed to 1004 O’Reilly Avenue, San Francisco, CA 94129, sent overnight delivery.

51. Mitigation Payment. To remediate perceived environmental harms resulting from the allegations in the First Amended Complaint, Defendant shall pay to the Rose Foundation for Communities and the Environment the total sum of Three Hundred Thousand Dollars ($300,000) (“the Mitigation Payment”) to be used to fund environmental project activities that will benefit the Sacramento-San Joaquin River Delta and its watershed. Payment shall be made within thirty (30) days of the Effective Date of this Consent Decree, to:
The Rose Foundation for Communities and the Environment
6008 College Avenue, Suite 10
Oakland, California 94618
Attention: Tim Little

XVII. COMMITMENTS OF CSPA

52. Submission of Consent Decree to Federal Agencies. CSPA shall submit a copy of this Consent Decree to EPA and the United States Department of Justice ("DOJ") within three (3) days of its execution for agency review consistent with 40 C.F.R. § 135.5. The agency review period expires forty-five (45) days after receipt by both agencies, as evidenced by the certified return receipts, copies of which shall be provided by CSPA to Defendant upon request. In the event that EPA or DOJ comment negatively on the provisions of this Consent Decree, the Settling Parties agree to meet and confer to attempt to resolve the issue(s) raised by EPA or DOJ.

XVIII. BREACH OF CONSENT DECREE AND DISPUTE RESOLUTION PROCEDURES

53. Force Majeure. Defendant shall notify CSPA pursuant to the terms of this paragraph, when implementation of the requirements set forth in this Consent Decree, within the deadlines set forth in those paragraphs, becomes impossible, despite the timely good-faith efforts of Defendant, due to circumstances beyond the control of Defendant or its agents, and which could not have been reasonably foreseen and prevented by the exercise of due diligence by Defendant. Any delays due to Defendant’s failure to make timely and bona fide applications and to exercise diligent efforts to comply with the terms in this Consent Decree in normal inclement weather shall not, in any event, be considered to be circumstances beyond Defendant’s control. Financial inability shall not, in any event, be considered to be circumstances beyond Defendant’s control.

a. If Defendant claims impossibility, it shall notify CSPA in writing within thirty (30) days of the date that Defendant first knew of the event or circumstance that caused or would cause a violation of this Consent Decree, or the date Defendant should have known of the event or circumstance by the exercise of due diligence. The notice shall describe the reason for the nonperformance and specifically refer to this Section of this Consent Decree. It shall describe the anticipated length of time the delay may persist, the cause or causes of the delay, the measures taken or to be taken by Defendant to prevent or minimize the delay, the schedule by which the measures will be implemented, and the anticipated date of compliance. Defendant shall adopt all reasonable
measures to avoid and minimize such delays.

b. The Settling Parties shall meet and confer in good-faith concerning the non-performance and, where the Settling Parties concur that performance was or is impossible, despite the timely good faith efforts of Defendant, due to circumstances beyond the control of Defendant that could not have been reasonably foreseen and prevented by the exercise of due diligence by Defendant, new performance deadlines shall be established.

c. If CSPA disagrees with Defendant’s notice, or in the event that the Settling Parties cannot timely agree on the terms of new performance deadlines or requirements, either Settling Party shall have the right to invoke the Dispute Resolution Procedures pursuant to Section XVIII of this Consent Decree. In such proceeding, Defendant shall bear the burden of proving that any delay in performance of any requirement of this Consent Decree was caused or will be caused by force majeure and the extent of any delay attributable to such circumstances.

54. The Dispute Resolution Procedures set forth in Paragraphs 55 and 56 shall be the exclusive mechanism for resolving disputes between the Settling Parties with regard to any aspect of this Consent Decree.

55. Informal Dispute Resolution. The Settling Parties agree to engage in Informal Dispute Resolution pursuant to the terms of this paragraph:

a. If a dispute under this Consent Decree arises, or any Settling Party believes that a breach of this Consent Decree has occurred, the Settling Parties shall meet and confer (telephonically or in-person) within twenty-one (21) days of receiving written notification of a request for such meeting. During the meet and confer proceeding, the Settling Parties shall discuss the dispute and make best efforts to devise a mutually acceptable plan, including implementation dates, to resolve the dispute. The Settling Parties may, upon mutual written agreement, extend the time to conduct the meet and confer discussions beyond twenty-one (21) days.

b. If any Settling Party fails to meet and confer within the timeframes set forth in paragraph 55(a), or the meet and confer does not resolve the dispute, after at least twenty-one (21) days have passed after the meet and confer occurred or should have occurred, either Settling Party shall be entitled to initiate the Formal Dispute Resolution procedures outlined in Paragraph 56 below.
56. **Formal Dispute Resolution.** The Settling Parties agree that any action or proceeding which is brought by any Settling Party against any other Settling Party pertaining to, arising out of or related to the requirements of this Consent Decree shall first utilize the Informal Dispute Resolution meet and confer proceedings set forth in the preceding paragraph and, if not successful, the Settling Parties shall utilize the Formal Dispute Resolution procedures in this paragraph. The Settling Parties agree that Formal Dispute Resolution shall be initiated by filing a Motion to Show Cause or other appropriately titled motion ("Motion") in the United States District Court, Eastern District of California, before the Honorable Judge Lawrence K. Karlton, or the District Court judge otherwise assigned to his matter at that time, to determine whether either party is in breach of this Consent Decree and, if so, to require the breaching party to remedy any breach identified by the District Court within a reasonable time frame. The party filing any such Motion may request expedited review of the Motion. If Judge Karlton is not available to perform the role identified herein, the Settling Parties agree that the Motion shall be re-assigned pursuant to applicable rules of the District Court. Litigation costs and fees incurred in the dispute resolution process shall be awarded in accord with the standard established by section 505 of the Clean Water Act, 33 U.S.C. § 1365.

**XIX. STIPULATED PAYMENTS**

57. **Penalties for Failure to Submit Complete, Timely Reports:** The City agrees to pay stipulated payments in the event complete reports covered by this Section are not timely submitted. Reports covered by this Section include the following Sections from this Consent Decree: the SSO Cause Determination SOP under Section VIII; the SSO Reduction Action Plan under Section IX; the FOG Control Action Plan under Section XI; and the Annual Reports under Section XV. The City shall have a fourteen (14) day grace period after the due date for the reports covered by this Section prior to imposition of stipulated penalties for the first instance of delayed reporting. CSP is not obligated to notify the City, however it may do so in order to allow the City to promptly address any alleged deficiency after any submission date has been missed.

58. The City shall pay the following stipulated payments in the event that they file a late or incomplete report covered herein after the grace period:

a. For a report submitted after the grace period, the City shall pay $100 per day
until the report is filed, up to thirty (30) days for a total amount of $3,000.

b. For any report more than thirty (30) days late, the City shall pay $5,000.

c. For any report more than ninety (90) days late, the City shall pay $10,000.

d. The above penalties are cumulative, as applicable, to a maximum penalty of $18,000 per report.

59. In the case of a late report, the City shall send CSPA the report per Section XX of this Consent Decree. CSPA shall notify the City of receipt of the late report and shall include an invoice for the amount of the stipulated penalty, if any, due and payable. The City shall contact CSPA within five (5) working days if the City disagrees with CSPA's stipulated penalty calculation and may meet and confer with CSPA or seek Dispute Resolution pursuant to Section XVIII of this Consent Decree.

The City shall pay any stipulated payments due pursuant to this Consent Decree within thirty (30) days after receipt of CSPA's invoice itemizing the stipulated payment liability, or thirty (30) days after resolution of a dispute if the dispute resolution process has been invoked pursuant to Section XVIII of this Consent Decree.

60. All payments of stipulated penalties described in this Consent Decree shall be paid by the City to the Rose Foundation for Communities and the Environment and sent via overnight mail to: Rose Foundation for Communities and the Environment, 6008 College Avenue, Oakland, CA 94618, Attn: Tim Little. Nothing in this Consent Decree shall prevent CSPA from waiving any stipulated penalties, which might be due under this Section, based on the outcome of the Informal Dispute Resolution process, or based on the City's good faith efforts.

XX. NOTICES AND SUBMISSIONS

61. Defendant agrees to provide Plaintiff with all documents or reports required by this Consent Decree. All documents shall be directed to the following individuals at the addresses specified below unless specifically stated otherwise herein. Any change in the individuals or addresses designated by any party must be made in writing to all Settling Parties.
If to CSPA:

Daniel Cooper
Drevet Hunt
LAWYERS FOR CLEAN WATER, INC.
1004 O'Reilly Avenue
San Francisco, California 94129
Telephone: (415) 440-6520
Email: daniel@lawyersforcleanwater.com
drev@lawyersforcleanwater.com

Michael Lozeau
Douglas Chermak (Bar No. 233382)
LOZEAU | DRURY LLP
1516 Oak Street, #216
Alameda, CA 94501
Telephone: (510) 749-9102
Email: michael@lozeaudrury.com
doug@lozeaudrury.com

California Sportfishing Protection Alliance
Bill Jennings, Executive Director
3536 Rainier Avenue
Stockton, California 95204
Telephone: 209-464-5067
Fax: 209-464-1028
Email: deltakeep@aol.com

If to the City:

Paul S. Simmons
Kanwarjit S. Dua
Somach Simmons & Dunn
813 Sixth Street, Third Floor
Sacramento, CA 95814
Telephone: (916) 446-7979
Fax: (916) 446-8199
Email: psimmons@somachlaw.com
Email: kdua@somachlaw.com
City of Stockton
Richard “Ren” E. Nosky, Jr.
City Attorney
John Luebberke
Deputy City Attorney
City of Stockton
425 N. El Dorado Street
Stockton, CA 95202-1997
Telephone: (209) 937-8009
Fax: (209) 937-8898
Email: Ren.Nosky@ci.stockton.ca.us
john.luebberke@ci.stockton.ca.us

Stockton Municipal Utilities
Mark J. Madison
Director
2500 Navy Drive
Stockton, CA 95206
Telephone: (209) 937-8700
Fax: (209) 937-8708
Email: mark.madison@ci.stockton.ca.us

62. Defendant also agrees to make available to CSPA any existing documents within the City’s custody or control that are reasonably necessary to evaluate system performance and/or compliance with this Consent Decree within thirty (30) days of written request by CSPA.

63. During the life of this Consent Decree, Defendant shall preserve at least one legible copy of all records and documents, including computer-stored information, which relate to performance of its obligations under this Consent Decree.

64. Any notice, report, certification, data presentation or other document submitted by Defendant to CSPA pursuant to this Consent Decree, which discusses, describes, demonstrates, or supports any finding or makes any representation concerning compliance or non-compliance with any requirement(s) of this Consent Decree, shall contain the following certification, signed and dated by a responsible official:

I certify, under penalty of perjury, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted and is, to the best of my knowledge and belief, true, accurate and complete.
XXI. MUTUAL RELEASE OF LIABILITY

65. Upon District Court approval and entry of this Consent Decree, the Settling Parties and their successors, assigns, directors, officers, agents, attorneys, representatives, and employees, releases all persons, including the City and their respective officers, council members, employees, agents, attorneys, representatives, contractors, predecessors, successors and assigns, past and present, from, and waives all claims, for injunctive relief, damages, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts, and others), costs, expenses or any other sum incurred or claimed in this action, including but not limited to the alleged failure of the City to comply with the 2002 Stockton WWTP Permit and the 2008 Stockton WWTP Permit, and for alleged violations of the Clean Water Act, Porter-Cologne Water Quality Control Act, the 2002 Stockton Stormwater Permit, 2007 Stockton Stormwater Permit, the SSO WDR, the San Joaquin County Ordinance, and City of Stockton Municipal Code as set forth in the Notice Letter, Supplemental Notice Letter, and/or First Amended Complaint up to the Termination Date of this Consent Decree, except as provided for in Sections XVIII and XIX of this Consent Decree. This release includes a release, and covenant not to sue, for any claims of injunctive relief, damage, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts and others), costs, expenses or any other sum incurred or claimed based on facts or allegations set forth in the Notice Letter, Supplemental Notice Letter, and/or First Amended Complaint up to the Termination Date of this Consent Decree, except as provided for in Sections XVIII and XIX of this Consent Decree.

66. Nothing in this Consent Decree limits or otherwise affects CSPA’s right to address or take any position that it deems necessary or appropriate in any formal or informal proceeding before any judicial or administrative body on any other matter relating to Defendant, including expressly any administrative or judicial challenge to the Regional Board’s decision to adopt the 2008 Stockton WWTP Permit.

XXII. GENERAL PROVISIONS

67. Continuing Jurisdiction. The Parties stipulate that the District Court shall retain jurisdiction to enforce the terms and conditions of this Consent Decree and to resolve disputes arising hereunder as may be necessary or appropriate for the construction or execution of this Consent Decree.
Decree up to and including the Termination Date in paragraph 9.

68. Construction. The language in all parts of this Consent Decree shall be construed according to its plain and ordinary meaning, except as to those terms defined in Section II above.

69. Choice of Law. The laws of the United States shall govern this Consent Decree.

70. Severability. In the event that any provision, paragraph, section, or sentence of this Consent Decree is held by a Court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

71. Counterparts. This Consent Decree may be executed in any number of counterparts, all of which together shall constitute one original document. Telecopy, scanned copies (i.e., pdf) and/or facsimile copies of original signature shall be deemed to be originally executed counterparts of this Consent Decree.

72. Modification of the Consent Decree. This Consent Decree, and any provisions herein, may not be changed, waived, discharged, or terminated unless by a written instrument, signed by the Settling Parties.

73. Full Settlement. This Consent Decree constitutes a full and final settlement of this matter.

74. Integration Clause. This is an integrated Consent Decree. This Consent Decree is intended to be a full and complete statement of the terms of the agreement between the Settling Parties and expressly supersedes any and all prior oral or written agreements, covenants, representations, and warranties (express or implied) concerning the subject matter of this Consent Decree.

75. Authority. The undersigned representatives for CSPA and the City each certify that he/she is fully authorized by the Settling Party whom he/she represents to enter into the terms and conditions of this Consent Decree.

The Settling Parties hereby enter into this Consent Decree.

CITY OF STOCKTON

Date: ________________________

By: J. Gordon Palmer, Jr. City Manager
CALIFORNIA SPORTFISHING PROTECTION ALLIANCE

By: Bill Jennings

For DEFENDANT CITY OF STOCKTON:
SOMACH SIMMONS & DUNN, PC

By: Kanwarjit S. Dua

For PLAINTIFF CALIFORNIA SPORTFISHING PROTECTION ALLIANCE:
LAWSYERS FOR CLEAN WATER INC.

By: Daniel Cooper
[PROPOSED ORDER]

IT IS HEREBY ORDERED that the above captioned action against all parties is dismissed with prejudice.

IT IS FURTHER ORDERED that, through the Termination Date specified in paragraph 10 of the Consent Decree, the Court shall retain jurisdiction over CSPA's claims against Defendant for the sole purpose of enforcing compliance by the Settling Parties with the terms of the Consent Decree;

IT IS SO ORDERED.

Date: __________________________

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

Honorable Lawrence K. Karlton
COUNCIL AUDIT COMMITTEE MEETING OF JUNE 11, 2013

RECOMMENDATION

Motion to accept for filing the Audit Committee meeting minutes of June 11, 2013.
1. ROLL CALL 3:01 PM

Roll Call 3:01 PM
Present:
Elbert Holman, Member
Michael D. Tubbs, Vice Chair
Paul Canepa, Chair

2. PUBLIC COMMENT 3:01 PM

Gary Malloy - committee meetings; City’s current fiscal situation

Ned Leiba provided a document to the Committee for consideration (filed).

Clerk's Note: The City Clerk received a letter submitted by Mr. Ned Leiba subsequent to the Audit Meeting of June 11, 2013, dated June 6, 2013 regarding the Audit Committee Meeting and included GFOA Best Practices guidelines (filed).

3. ITEMS FOR DISCUSSION 3:03 PM

3.01 Risk Assessment and Internal Control Audit Update 3:03 PM

Christian Clegg, Assistant to the City Manager, provided introductory comments and the proposed Audit Committee meeting schedule

Tom Krippaehe, Moss Adams, LLP, City Auditor, introduced Mark Steranka. Mr. Steranka provided the Internal Audit Status Report for the period of April 9, 2013 through June 4, 2013, which included: schedule status; budget status; activities for the reporting period; and, activities for the next reporting period

City Auditor Krippaehe provided information regarding enterprise risk assessment and internal control, which included methodology; expectations; internal control review; processes and procedures; accountability and integrity of business practices; and,
major risk areas

Mr. Krippaehne responded to Committee questions regarding:
- Auditor budget
- GFOA guidelines
- Best practices
- Auditor recommendation implementation
- Action Plan

3.02 **External Financial Audit Contract 3:30 PM**

Vanessa Burke, Chief Financial Officer, provided introductory remarks and reported that Council will consider awarding the Annual Audit Services contract to Pun & McGeady.

Ms. Burke and Deputy City Manager Laurie Manager responded to Committee questions regarding:
- Audit work completed by Maze
- RFP timeline
- Schedule to provide 2012 and 2031 CAFRs
- Auditor funding

3.03 **Calendar for 2013 Audit Committee Meetings 3:56 PM**

With Audit Committee members’ concurrence, future Audit Committee meetings to be scheduled on the second Monday of each month: July 8; August 12; September 9

Gary Malloy: good to see two auditors in place; get books closed and move forward

Elbert Holman - clear understanding for moving forward and make sure staff is expeditious and efficient. Appreciates direction we are going in

4. **ADJOURMENT 3:58 PM**
CITY OF STOCKTON
COUNCIL AUDIT COMMITTEE
MEETING NOTICE

June 11, 2013
3:00 pm
Council Chambers – City Hall
425 N. El Dorado St., Stockton CA

Committee Members

Paul Canepa, Chair
Michael Tubbs, Vice Chair
Elbert Holman (Member)
Dyane Burgos (Alternate)

1. ROLL CALL
2. PUBLIC COMMENT
3. ITEMS FOR DISCUSSION
   3.01) Risk Assessment and Internal Control Audit Update
   3.02) External Financial Audit Contract
   3.03) Calendar for 2013 Audit Committee Meetings
4. ADJOURNMENT

OFFICE OF THE CITY AUDITOR
22 E. WEBER STREET
STOCKTON, CA 95202
Date: June 4, 2012

To: City of Stockton Audit Committee

From: Tom Krippaehne, Mark Steranka

Subject: Internal Audit Status Report (April 9, 2013 through June 4, 2013)

Schedule Status:
- Enterprise Risk Assessment and Internal Control Review: Project initiated in March 2013 and on track for completion by August 2013.
- Basic Internal Auditor Services: Conducted Audit Committee kickoff meeting in April 2013. Plan to meet initially on a monthly basis.

Budget Status:
- Enterprise Risk Assessment and Internal Control Review: NTE $65,000 plus expenses, professional fees of $39,320.00 to date.
- Basic Internal Auditor Services: NTE $23,400 plus expenses, professional fees of $10,300.00 to date.

Activities for this Reporting Period:
- Enterprise Risk Assessment and Internal Control Review: Conducted interviews, reviewed relevant documentation, conducted confidential risk management and performance improvement survey, reviewed key internal controls, and formulated preliminary risk assessment and control findings.
- Basic Internal Auditor Services: Reviewed City Ethics Hotline documentation. Conducted Audit Committee Kickoff meeting.

Activities for the next Reporting Period:
- Enterprise Risk Assessment and Internal Control Review: Prepare risk assessment and internal controls review draft reports.
- Basic Internal Auditor Services: Respond to inquiries of Internal Auditor and apprise Audit Committee of activities.

Issues:
- Enterprise Risk Assessment and Internal Control Review: none
- Basic Internal Auditor Services: none
Goal: to get Audit Committee meaningfully involved in selecting and managing the external auditor; the external auditor must be dependent on the Audit Committee not management; and the Audit Committee should also begin to obtain current financial information; resolve prior audit issues, etc.

1. How was the Audit Committee and City Council agenda set.

2. Don't see Audit Committee notice on the website, and package of materials limited.

3. Why did the package not include NL letter of 6/6.

4. NL letter and suggestions - are they helpful for the Audit Committee.

5. What communication did the Audit Committee get about the selection by management of the proposed new auditor? When? Is it written?

6. Procedures so far do not seem to followed the GFOA guidelines. What can we do to follow best practices in the selection of our auditor.

7. The proposed new auditor Pun & McGeady LLP (Gary Caporrici) reviewed the 6/30/2011 CAFR and SAA reports and provided services to the City in prior periods:
   a. Nature and extent of those services. Was this firm selected by management for prior work based on a competitive bid? Was it disclosed and discussed with the Audit Committee. Was a report issued?
   b. Do they believe the 6/30/2011 CAFR and SAA were accurate,
   c. 12 findings of material weakness is very, very high, how can you we have confidence that the 6/30/2011 CAFR and SAA were correct. What is the effect on 2012.
   d. The prior auditors said audit scope was “severely impacted.” Does the 12 findings of material weakness and the audit scope limitation suggest there could be problems with the financial reports.
   e. The prior auditor noted that the City did not post over 2 million in adjustments they found. They said this could result in a material misstatement of the financial statements in the future. Were those adjustments posted. What is the result.
   f. Audit firm formed in 2012. No peer review report yet for the firm.
   g. SAA budget is low at only 20k of 376k. Might be too low to do a proper job.
   h. I did not see anything in the audit firms proposal that involved the Audit Committee. They report to management as part of the selection process; report to management when they start the audit; and report to management at the end.
   i. Why did we only get one response to the RFP.
j. Did management provide an explanation recently to the Audit Committee that it would by pass 'normal procedures' based on a 2010 resolution of the City Council.

k. Did Moss Adams get permission or direction from the Audit Committee to sit on the Audit Selection Committee.

l. Mark Steranka confirmed to NL that Moss Adams would recommend following the GFOA guidelines. Does not seem like that advice (if given) was followed.

m. Can we get a specific list of contacts between the Audit firm and management.

8. If the City's books are in good shape, we should be able to invite audit firms to visit, make inquiries and review some financial reports and documents. Many should be willing to make bids if they can see the City is ready with draft reports and supporting documents, then hopefully, the audit costs will not be as high as with only a single. They should be willing

9. It is important to get the audits started, but the City Manager at last week's budget study session seemed to say the CAFR and SAA were not so important, and usually resulted in little difference between the numbers used internally, and the amounts reported in the CAFÉ. The City should not rush to make an appointment without allowing the Audit Committee time to get more information and involved.
June 6, 2013

Paul Canepa
Chair Audit Committee
City of Stockton, City Council
City Hall, California

RE: Audit Committee Meeting
Tuesday, June 11, 2013

A strong, independent and knowledgeable Audit Committee is essential for the fiscal welfare of our City. Over time, the Committee should become more and more informed and educated about city accounting and finances, and will be able to discharge its responsibilities with greater confidence and effectiveness. Like a good auditor, an effective Audit Committee practices professional skepticism. I believe our city government would not have suffered the financial collapse that necessitated filing for bankruptcy protection if we had a strong Audit Committee. I pray for that now.

At the meeting on June 11, I hope the Committee can take the following actions.

1. Resolve to meet each month on a date and time certain, e.g., the second Monday of every month at 3pm.

2. Consider the role of the Audit Committee.

The Audit Committee should follow the standards per the 2008 Government Finance Officer Association (GFOA) Best Practices Guideline. I have attached another copy of that document for you and the Committee.

That guidance is consistent with other professional standards including the AICPA Audit Committee Toolkit for Government Organizations, the Institute of Internal Auditors, and other best practices reflected in the Association of Government Accountants Corporate Partners Research Series No 17, Nov 2008. The City receives federal awards and is subject to the Federal Single Audit Act. The federal Compliance Supplement essentially requires an active, independent Audit Committee consistent with the GFOA standards.

On May 17, I happen to speak to Mark Steranka of Moss Adams which is serving as our City Internal Auditor and advisor to the Audit Committee. I believe he pledged to urge the Audit Committee to follow the GFOA Standards.
3. Evaluate All External Auditor Responses to the RFP.

The engagement of an external auditor is not like the purchase of supplies or a contract for road work. It is a continuing professional relationship where there must be candor and substantive communication between the Audit Committee and the auditor.

Consistent with the GFOA and other standards recited above, the Audit Committee should be able to confer and act separate from management, and should be directly responsible for the appointment, compensation, retention and oversight of the work of the external auditor. The external auditor should report directly to the Audit Committee.

First, the Committee should have a direct, private conversation with the prior auditors Maze and Associates and the prior CFO Susan Mayer.

The Audit Committee should receive and review all of the responses to the RFP. If there are insufficient qualified responses, the Audit Committee should assume responsibility for issuance of a subsequent RFP that is designed to elicit responses from a broader pool of qualified external auditors. For any audit firm candidate, the Committee should ask for a full disclosure of all contacts between the firm and management in the last year, to assess the extent of possible management influence over the audit firm, and to make sure the RFP process was proper in all respects.

The Committee should take the time to evaluate the candidates and, accordingly, it should have direct discussions with prospective auditors before selecting a particular firm. Ultimately you must forge a strong relationship with the auditor you select, so there can be effective two-way communication, and so the auditor will know that the Committee is fully in charge of the engagement and not management.

4. Receive and review the Administrative Services Report showing the current status of all compliance audits and findings.

At the last Committee meeting, Administrative Services was asked to prepare a comprehensive report showing the status of each external audit, examination, monitoring or program review. This Report should show the amount of asserted or possible over awards, questioned costs, refund claims and other actual or proposed findings. It should include a summary of comments from audit exit conferences where reports have not yet been issues, e.g., State Controller's Audit. The Report should reflect
deadlines for responses and actions planned by the City to address open issues.

The Audit Committee should request that Moss Adams, as the City Auditor, inspect all significant correspondence and documents that underlie the Report, and investigate any elements of the Report that warrant follow up. Moss Adams should consider contacting directly the cognizant or awarding agency to confirm the accuracy of information in the Report.

5. If not already provided, request a complete set of the unaudited June 30, 2012, financial statements.

6. If not already provided, request a complete set of the unaudited financial statements for the current year, e.g., July 1, 2012 through March 31, 2013.

These unaudited financial statements #5 and #6 should consist of city-wide statements and statements for each fund, with budget vs actual comparisons for the various funds.

Request that Moss Adams, or an independent CPA firm, undertake the analytical review and other procedures that would satisfy the requirements of an SSARS (AICPA Statement on Standards for Accounting and Review Services) engagement for a financial statement review. If the work is undertaken by Moss Adams, then that firm will not be able to render a review report under SSARS, but it can render a similar report under applicable internal auditing standards.

These reports will aid the City Council in evaluating and adopting the FYE 2014 City budget which is now in process. Furthermore, properly conducted analytical review and similar SSARS work can be designed to assist the independent external auditors in their work for the FYE 2012 and 2013 audits.

7. Determine if Administrative Services requires additional resources.

The budget for Administrative Services may need to be increased in order for the department to effectively discharge its responsibilities. Discuss the needs for additional resources directly with the CFO.

Sincerely,

Ned Leiba

2013.0611 Draft Let AuC.03.wpd
BEST PRACTICE


Background. Three main groups are responsible for the quality of financial reporting: the governing body, financial management, and the independent auditors. Of these three, the governing body must be seen as “first among equals” because of its unique position as the ultimate monitor of the financial reporting process. An audit committee is a practical means for a governing body to provide much needed independent review and oversight of the government’s financial reporting processes, internal controls, and independent auditors. An audit committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, an audit committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management’s practices, and that the independent auditors, through their own review, objectively assess the government’s financial reporting practices.

Recommendation. The Government Finance Officers Association (GFOA) makes the following recommendations regarding the establishment of audit committees by state and local governments:

- The governing body of every state and local government should establish an audit committee or its equivalent;
- The audit committee should be formally established by charter, enabling resolution, or other appropriate legal means and made directly responsible for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services. Likewise, the audit committee should be established in such a manner that all accountants thus engaged report directly to the audit committee. The written documentation establishing the audit committee should prescribe the scope of the committee’s responsibilities, as well as its structure, processes, and membership requirements. The audit committee should itself periodically review such documentation, no less than once every five years, to assess its continued adequacy.

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1 For the purposes of this recommended practice, the term “governing body” should be understood to include any elected officials (e.g., county auditor, city controller) with legal responsibility for overseeing financial reporting, internal control, and auditing, provided they do not exercise managerial responsibilities within the scope of the audit. The term “governing body” also is intended to encompass appointed bodies such as pension boards.
2 Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, “Overview and Recommendations.”
4 For the purposes of this recommended practice, the term “governing body” should be understood to include any other elected officials (e.g., county auditor, city controller) with legal responsibility for overseeing financial reporting, internal control, and auditing, provided they do not exercise managerial responsibilities within the scope of the audit. The term “governing body” also is intended to encompass appointed bodies such as pension boards.
5 Nothing in this recommended practice should be interpreted so as to limit the full governing body from exercising ultimate authority.
6 Sarbanes Oxley Act, Section 301.
7 Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, “Overview and Recommendations.”

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Ideally, all members of the audit committee should possess or obtain a basic understanding of governmental financial reporting and auditing. The audit committee also should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose. Such a financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal accounting controls; and 5) an understanding of audit committee functions.

All members of the audit committee should be members of the governing body. To ensure the committee's independence and effectiveness, no governing body member who exercises managerial responsibilities that fall within the scope of the audit should serve as a member of the audit committee.

An audit committee should have sufficient members for meaningful discussion and deliberation, but not so many as to impede its efficient operation. As a general rule, the minimum membership of the committee should be no fewer than three.

Members of the audit committee should be educated regarding both the role of the audit committee and their personal responsibility as members, including their duty to exercise an appropriate degree of professional skepticism.

It is the responsibility of the audit committee to provide independent review and oversight of a government’s financial reporting processes, internal controls and independent auditors.

The audit committee should have access to the reports of internal auditors, as well as access to annual internal audit work plans.

The audit committee should present annually to the full governing body a written report of how it has discharged its duties and met its responsibilities. It is further recommended that this report be made public and be accompanied by the audit committee’s charter or other establishing documentation.

The audit committee should establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Such procedures should specifically provide for the confidential, anonymous submission by employees of the government of concerns regarding questionable accounting or auditing matters. The audit committee also should monitor controls performed directly by senior management, as well as controls designed to prevent or detect senior-management override of other controls.

The audit committee should be adequately funded and should be authorized to engage the services of financial experts, legal counsel, and other appropriate specialists, as necessary to fulfill its

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Committees, Recommendation 4.

8 Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, Recommendation 3. Continuity typically is a positive factor in achieving this goal, a fact that should be kept in mind when considering the appropriate length of service for audit committee members.

9 Sarbanes-Oxley Act, Section 407.

10 In certain limited instances, as noted later, the audit committee will need to meet privately to achieve its goals. If the audit committee constitutes a majority of the governing body, such private meetings may be hampered by “sunshine” laws and similar “open meetings” legislation.

11 SEC Regulation 330-8220, “Background and Overview.”

12 Sarbanes-Oxley Act, Section 301.

responsibilities\textsuperscript{14}; and

- In its report to the governing body, the audit committee should specifically state that it has discussed the financial statements with management, with the independent auditors in private\textsuperscript{15} and privately among committee members\textsuperscript{16}, and believes that they are fairly presented, to the extent such a determination can be made solely on the basis of such conversations.

Approved by the GFOA's Executive Board, October 17, 2008.

\textsuperscript{14} Nothing in this recommended practice should be interpreted so as to limit the full governing body from exercising ultimate authority.

\textsuperscript{15} It is important that the audit committee be able to meet privately with the independent auditors, as needed, to ensure a full and candid discussion. Governments are urged to amend "sunshine" laws and similar "open meetings" legislation to permit such encounters in these limited circumstances.

\textsuperscript{16} It is important that audit committee members be able to meet privately among themselves, as needed, to ensure a full and candid discussion. Governments are urged to amend "sunshine" laws and similar "open meetings" legislation to permit such an encounter in these limited circumstances.
APPROVAL OF MINUTES

RECOMMENDATION

Motion approving the minutes of the Stockton City Council/Successor Agency to the Redevelopment Agency/Public Financing Authority Concurrent meeting of May 21, 2013; and, Special City Council Meetings of May 14, 2013 (Proposed Charter Amendment Study Session); June 3, 2013 (Budget Study Session); June 4, 2013 (Budget Study Session); and, June 18, 2013 (Closed Session).
1. CLOSED SESSION CALL TO ORDER/ROLL CALL 3:36 PM

Roll Call
Present:
- Councilmember Burgos
- Mayor Silva
- Councilmember Holman
- Vice Mayor Canepa
Absent:
- Councilmember Tubbs, Councilmember Zapien, and Councilmember Miller.

Note: Councilmember Tubbs arrived to Closed Session at 3:39 p.m.
Note: Councilmember Zapien arrived to Closed Session at 3:42 p.m.

2. ADDITIONS TO CLOSED SESSION AGENDA

None.

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 13-0387 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Six

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)
Name of Case: City of Stockton v. Marina Towers LLC, et al. (San Joaquin County Superior Court Case No. CV022054)

Name of Case: Richard Price, et al. v. City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern District Case No. CIV.S-02-0065 LKK JFM)

Name of Case: City of Stockton v. J-M Manufacturing Company, Inc., et al. (San Joaquin County Superior Court Case No. 39-2011-00261267)

This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.

3.2 13-0388 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Bob Deis

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

3.3 13-0389 CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: Two

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(c).

3.4 13-0390 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One
Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(b).

4. PUBLIC COMMENT*

Tocan Nguyen shared her personal political views.

5. RECESS TO CLOSED SESSION

The Council recessed to Closed Session at 3:41 p.m. The Council returned from Closed Session and recessed at 4:35 p.m.

6. REGULAR SESSION CALL TO ORDER/ROLL CALL (5:32 PM)

Roll Call
Present:
  Councilmember Burgos
  Councilmember Tubbs
  Councilmember Zapien
  Mayor Silva
  Councilmember Holman
  Vice Mayor Canepa
Absent:
  Councilmember Miller.

7. INVOCATION/PLEDGE TO FLAG

Reverend Bill Brown, Gospel Center Rescue Mission provided the Invocation. The Pledge of Allegiance was led by Councilmember Zapien.

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

City Attorney John Luebberke announced that there was one matter to report. Tonight the City Council approved by unanimous vote with Councilmember Miller absent, a settlement in the case of City of Stockton vs. J-M Manufacturing Company, Inc., et al. (San Joaquin Superior Court Case No. 39-2011-00261267) wherein the City will pay $350,000 to resolve the matter in full.

9. ADDITIONS TO REGULAR SESSION AGENDA**

None.
10. PROCLAMATIONS, COMMENDATIONS, OR INVITATIONS


RECIPIENT: Healings in Motion

10.2 CERTIFICATE OF RECOGNITION: The First 50 Program

RECIPIENT: Jerron Jordan

10.3 CERTIFICATE OF RECOGNITION: Star of Life Award

RECIPIENT: Kyle Cacatoria

10.4 CERTIFICATE OF RECOGNITION: Graffiti Abatement Society

RECIPIENT: Dennis Cochran

10.5 CERTIFICATE OF RECOGNITION: Red Day

RECIPIENT: Keller-Williams Realty

11. CITIZENS' COMMENTS, ANNOUNCEMENTS, OR INVITATIONS*

Tocan Nguyen - shared personal political views

Leroy D. White - spoke regarding litigation

James Young - reporting a downed bike sign on Pershing Avenue; attended the electric bus launch on Monday

Diana Buettner - Sousa Pool; public servants and etiquette

Jesus Perez - 9-1-1 response time

Gary Malloy - on behalf of the San Joaquin County Taxpayer's Association, invited the public to a public forum on the two initiatives being proposed; The Marshall Plan and the Stockton Safe Streets, tomorrow at 6:30 p.m., Long Theater Center, University of the Pacific

Gale Collier - expressed concern regarding computer hacking and cyber stalking

Mary Nicholson - Certificate of Recognition presented to Healings in
Motion (stroke awareness), free event May 23, at the Worknet Building

Jamerson Hunt - showed video regarding "I am Ready"

Jaylen Bange - "I am Ready" charity event; opposed cost to rent City facility; asked for a copy of City Policy on holding public events

Darcel Jackson - "I am Ready"; information request for City policy on holding community events

Jason Lee - "I am Ready" event; request for information regarding event insurance requirements (document filed)

Anne Smith - audit conducted while Mayor Ann Johnston was in office

Richard Slezak - spoke in support of a County-wide income tax vs. sales tax

Traci Gregg - spoke in support of Mayor Silva; mediation between City and Police; asked for information regarding Marshall Plan; need for youth activities during the summer months

Jerron Jordan, Program Director for The First 50 - Certificate of Recognition; "We Can Project"; Student of First 50, Janet - Trash can painting

Motecuzoma Sanchez - spoke in support of "I am Ready" event; political responsibility of Council; community meetings platform for selling tax plan

Donna DeMartino, General Manager/CEO provided an update on the San Joaquin Regional Transit District (filed)

12. CONSENT AGENDA

Note: Mayor Silva left the meeting at 6:35 p.m. to attend another event. The Mayor returned to the meeting at 7:00 p.m.

Council passed a Motion to adopt the Consent Agenda with a single vote, save item 12.01 which was removed for further staff review.

Moved by: Councilmember Holman, seconded by Councilmember Zapien.

Vote: Motion carried 5-0

Yes: Councilmember Burgos, Councilmember Tubbs, Councilmember Zapien, Councilmember Holman, and Vice Mayor Canepa.
Absent: Councilmember Miller, and Mayor Silva.

12.1 43-0416 NOMINEES FOR THE CITIZENS ADVISORY COMMITTEE, CALIFORNIA CORRECTIONAL HEALTH CARE SERVICES

It is recommended that the City Council by motion action, approve the nomination of four individuals, two of which will be selected to serve on the California Correctional Health Care Services Facility’s Citizens Advisory Committee.

Note: Agenda Item 12.1 was removed for further staff review.

12.2 13-0357 STOCKTON ARTS COMMISSION (SAC): APPOINTMENT OF COMMISSIONER AND EXTENSION OF CURRENT COMMISSIONERS TERMS


12.3 13-0236 APPOINTMENT OF NOMINEES TO WATER ADVISORY GROUP

Resolution 2013-05-21-1203 authorizing the appointment of five nominees to the Council Water Committee’s Water Advisory Group.

12.4 13-0405 STOCKTON CONSOLIDATED STORM DRAINAGE MAINTENANCE ASSESSMENT DISTRICT 2005-1

Resolution 2013-05-21-1204 approving the Annual Engineer's Report for the 2013-2014 Fiscal Year annual assessments for the Stockton Consolidated Storm Drainage Maintenance Assessment District 2005-1, to provide preliminary approval of the proposed budgets for each zone, and to set a Public Hearing for June 11, 2013.


Resolution 2013-05-21-1205:
1) preliminarily approving the Stockton Consolidated Landscape Maintenance
Assessment District No. 96-2 Annual Engineer's Report for the 2013-2014 fiscal year;
2) preliminarily approving the proposed 2013-2014 budget;
3) setting a public hearing for June 11, 2013; and
4) authorizing the City Clerk to publish notice of the public hearing.


Resolution 2013-05-21-1206:
1) preliminarily approving the Central Stockton Lighting Maintenance District Annual Engineer’s Report for the 2013-2014 fiscal year;
2) preliminarily approving the proposed 2013-2014 budget;
3) setting a public hearing for June 11, 2013; and
4) authorizing the City Clerk to publish notice of the public hearing.

12.7 13-0402 SAN JOAQUIN COUNTY BEHAVIORAL HEALTH SERVICES GRANT IN THE AMOUNT OF $200,000

Resolution 2013-05-21-1207:
1) authorizing the City Manager to execute a grant agreement in the amount of $200,000 and all other necessary documents with San Joaquin County Behavioral Health Services as required by the granting agency; and
2) direct the City Manager to make all necessary appropriations in compliance with, and for the purposes stated in the grant application and grant agreement.

12.8 13-0340 RESOLUTION ADOPTING AN ADDENDUM TO THE PREVIOUSLY ADOPTED INITIAL STUDY/FINAL MITIGATED NEGATIVE DECLARATION FOR THE CALAVERAS ESTATES, UNIT NO. 3, TRACT NO. 3620 AND RELATED MOTION

Resolution 2013-05-21-1208 adopting an Addendum to the previously-adopted Initial Study/Final Mitigated Negative Declaration for the Alvarado Avenue Residential Annexation, Prezoning, Development Agreement and Tentative Map Project.

Motion 2013-05-21-1208 authorizing the City Manager to execute the first amendment to the Calaveras Estates, Unit No. 3, Tract No. 3620 Subdivision Agreement and authorizing its recording.
12.9 13-0341 REQUEST FOR PROPOSAL FOR PERMIT TRACKING SYSTEM IMPLEMENTATION SERVICES

Resolution 2013-05-21-1209 authorizing the issuance of a Request for Proposal (RFP) to hire an expert consultant to provide Permit Tracking System implementation services.

12.10 13-0342 AMENDMENT TO THE PUBLIC FACILITIES FEE PROGRAM ADMINISTRATIVE GUIDELINES FOR THE AGRICULTURAL LAND MITIGATION PROGRAM

Resolution 2013-05-21-1210 amending the Public Facilities Fee Program Administrative Guidelines for the Agricultural Land Mitigation Program.

12.11 13-0339 REHABILITATION LOAN TO CHC INGLEWOOD GARDENS, L.P. FOR THE INGLEWOOD GARDENS APARTMENTS, 6443 INGLEWOOD AVENUE

Resolution 2013-05-21-1211:
1. Approving a $181,440 HOME Investment Partnerships Program (HOME) loan to CHC Inglewood Gardens, L.P. to rehabilitate the Inglewood Gardens Apartments located at 6443 Inglewood Avenue; and
2. Authorizing the City Manager, or his designee, to execute all documents, including a subordination agreement, and take all necessary and appropriate actions to carry out the purpose and intent of the resolution.

12.12 13-0285 APPROVE A RESOLUTION ACCEPTING A GRANT IN THE AMOUNT OF $800,000 FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND APPROVE A RESOLUTION ADOPTING FINDINGS AND AUTHORIZING THE CITY MANAGER TO PURCHASE TWO FIRE PUMPERS FROM PIERCE MANUFACTURING INC. THROUGH THE HOUSTON-GALVESTON AREA COUNCIL COOPERATIVE PURCHASING PROGRAM IN THE AMOUNT OF $953,432.84

It is recommended that the City Council adopt resolutions authorizing the City Manager to:

1) Resolution 2013-05-21-1212-01 accepting a grant in the amount of $800,000 from the Federal Emergency Management Agency (FEMA) for the 2012 Assistance to Firefighters Grant (AFG);

2) Resolution 2013-05-21-1212 to purchase two fire pumpers from Pierce Manufacturing Inc., Appleton, Wisconsin, through the Houston-Galveston Area Council (H-GAC) Cooperative Purchasing Program in the amount of
$953,432.84;

3) direct the City Manager to make all necessary appropriations in compliance with, and for the purposes stated in the grant agreement, and,

4) authorize the City Manager to take appropriate actions to carry out the purpose and intent of the resolutions.

12.13 13-0317 CREATE A NEW UNCLASSIFIED/UNREPRESENTED CLASSIFICATION FOR THE POLICE DEPARTMENT

Resolution 2013-05-21-1213 creating the new unclassified/unrepresented part-time classification of Transportation Officer.

12.14 13-0363 MOTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH VISION SERVICES PLAN (VSP) AS THE CITY OF STOCKTON'S VISION CARRIER

Motion 2013-05-21-1214 the City Manager to execute a contract with Vision Services Plan ("VSP"), as the third party administrator for the City of Stockton's self-insured vision plan, effective July 1, 2013, with an initial term of three years, and the City's right to extend the agreement for two additional one-year periods.

12.15 13-0410 EMERGENCY PURCHASE CONTRACT - REPAIR OF 48-INCH CITY WATER TRANSMISSION MAIN

Motion 2013-05-21-1215 accepting the findings and ratifying the purchase agreement with Teichert Construction of Stockton, California for the emergency repair of a 48-inch City water transmission main. The final billing for the emergency work performed has not been received as of this date. If the amount exceeds the purchase authority limit established by Council, staff will return to Council for approval of the final amount.

It is further recommended that the City Manager be authorized to take appropriate actions to carry out the purpose and intent of this motion.

12.16 13-0297 AWARD CONSTRUCTION CONTRACT TO CAL PACIFIC CURB - GLACIER POINT DRIVE RAISED CURB MEDIAN INSTALLATION [PROJECT NO. 10-11/FEDERAL PROJECT NO. HSIPL-5008(102)]

Motion 2013-05-21-1216 adopting the plans and specifications for the Glacier Point Drive Raised Curb Median Installation [Project No. 10-11/Federal Project No. HSIPL-5008(102)], and authorizing the City Manager to execute a construction contract in the amount of $38,607.50 with Cal Pacific Curb.
It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

12.17 13-0343 AWARD A CONSTRUCTION CONTRACT TO TIM PAXIN'S PACIFIC EXCAVATION, INC. FOR THE FIBER OPTIC NETWORK EXPANSION - WESTON RANCH AND SJRTD OFFICES (PROJECT NO. 10-05, FEDERAL PROJECT NO. CML-5008(096))

Motion 2013-05-21-1217 approving the plans and specifications, and authorizing the City Manager to execute a construction contract in the amount of $273,532 with Tim Paxin's Pacific Excavation, Inc. of Elk Grove, CA for the Fiber Optic Network Expansion - Weston Ranch and San Joaquin Regional Transit District (SJRTD) Offices Project.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

12.18 13-0344 APPROVE PURCHASE OF ASPHALT PAVING MACHINE

Motion 2013-05-21-1218 approving findings and authorizing the purchase of a replacement asphalt paving machine (paver) through the County of Sacramento's contract with Holt of California in the amount of $343,026.65.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

12.19 13-0348 AWARD A CONSTRUCTION CONTRACT TO SIEMENS INDUSTRY, INC. FOR THE TRAFFIC SIGNAL CONTROLLER UPGRADE/RETIMING (PROJECT NO. 10-12, FEDERAL PROJECT NO. CML-5008(098))

Motion 2013-05-21-1219 approving the plans and specifications, and authorizing the City Manager to execute a construction contract in the amount of $373,000 with Siemens Industry, Inc. of West Sacramento, CA for the Traffic Signal Controller Upgrade/Retiming Project.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

12.20 13-0391 AWARD CONSTRUCTION CONTRACT, EXECUTE AMENDMENT TO PROFESSIONAL SERVICES MASTER CONTRACT, AND APPROVE FILING OF NOTICE OF EXEMPTION (CEPW11-05) - AIRPORT WAY STREETSCAPE BEAUTIFICATION, PHASE 4 (PROJECT NO. 11-05/FEDERAL PROJECT NO. STPL-5008(112))
Motion 2013-05-21-1220:

1. Approving the plans and specifications, and authorizing the City Manager to execute a construction contract in the amount of $974,912.85 to the lowest bidder, MCI Engineering, Inc., for the Airport Way Streetscape Beautification, Phase 4 (Project No. 11-05/Federal Project No. STPL-5008(112)).

2. Executing an amendment to the professional services master contract with Kjeldsen, Sinnock & Neudeck, Inc. (KSN), in the amount of $34,770, for engineering support during construction.

It is also recommended that the City Council adopt a resolution authorizing the filing of Notice of Exemption No. CEPW11-05 under the California Environmental Quality Act (CEQA) for the Airport Way Streetscape Beautification, Phase 4 (Project No. 11-05/ Federal Project No. STPL-5008 (112)).

It is further recommended that the motion and resolution authorize the City Manager to take appropriate actions to carry out the purpose and intent of the motion and resolution.

12.21 13-0419 APPROVAL OF MINUTES

Motion 2013-05-21-1221 approving the minutes of the February 15, 2013 Special City Council Meeting.

13. ADMINISTRATIVE MATTERS

None.

14. UNFINISHED BUSINESS

None.

15. NEW BUSINESS

Note: Agenda Items 15.1, 15.2 and 15.3 were heard and considered concurrently.

15.1 13-0353 AMENDMENTS TO THE MEMORANDUMS OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE BARGAINING UNITS OF: STOCKTON POLICE MANAGEMENT ASSOCIATION; STOCKTON CITY EMPLOYEES' ASSOCIATION; MID-MANAGEMENT/SUPERVISORY LEVEL UNIT; OPERATIONS AND MAINTENANCE UNIT; TRADES AND
MAINTENANCE UNIT; AND WATER SUPERVISORY UNIT

Motion 2013-05-21-1501 to adopt the attached Amendments to the various Memorandums of Understanding (MOU's) expiring on June 30, 2013, with the following employee groups:

1. Stockton Police Management Association (SPMA);
2. Stockton City Employees' Association (SCEA);
3. Mid-Management/Supervisory Level Unit (B&C);
4. International Union of Operating Engineers' Local No. 3 (OE3) - Operations and Maintenance Unit (O&M);
5. International Union of Operating Engineers' Local No. 3 (OE3) - Trades and Maintenance Unit (T&M);
6. International Union of Operating Engineers' Local No. 3 (OE3) - Water Supervisory Unit.

The City Council adoption will authorize the City Manager to execute the MOU Amendments between the SPMA, SCEA, B&C, O&M, T&M and Water Supervisory bargaining units. This action also authorizes the City Manager to take whatever actions are appropriate to carry out the implementation of the MOU Amendments.

Agenda Item 15.1 Supporting Documents:

15.2 13-0360 MODIFICATIONS TO THE UNREPRESENTED MANAGEMENT/CONFIDENTIAL AND LAW EMPLOYEES' COMPENSATION PLAN

Motion 2013-05-21-1502 to adopt modifications to the Unrepresented Management/Confidential and Law Employees' Compensation Plan. It is further recommended that the City Council authorize the City Manager to take whatever actions are appropriate to carry out the implementation of this Compensation Plan.

Agenda Item 15.2 Supporting Documents:

15.3 13-0361 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE PARKING ATTENDANT SERVICES UNIT

It is recommended that the City Council adopt by motion the attached
Memorandum of Understanding (MOU) between the City of Stockton (City) and International Union of Operating Engineers Local No. 3 (Parking Attendants) for a newly established two year term of July 1, 2013 through June 30, 2015. It is further recommended that the City Council authorize the City Manager to execute this agreement with the Parking Attendant Unit. This action also authorizes the City Manager to take appropriate actions to carry out the implementation of the contract.

Public comment was heard from Gary Malloy.

Note: Mayor Silva left the meeting at 6:35 p.m. to attend another event. The Mayor returned to the meeting at 7:00 p.m.

Motion 2013-05-21-1503 to adopt the proposed MOU Amendments effective July 1, 2013 for:
- B&C
- SCEA
- OE3 (O&M, T&M, and Water Supervisory)
- SPMA;

Adopting the proposed Unrepresented Management/Confidential and Law Employees Compensation Plan effective July 1, 2013; and

Adopting the proposed successor Memorandum of Understanding for the Parking Attendant Services unit effective July 1, 2013 - June 30, 2015.

Moved by: Councilmember Holman, seconded by Councilmember Zapien.

Vote: Motion carried 6-0

Yes: Councilmember Burgos, Councilmember Tubbs, Councilmember Zapien, Mayor Silva, Councilmember Holman, and Vice Mayor Canepa.

Absent: Councilmember Miller.

Agenda Item 15.3 Supporting Documents:

15.4 13-0380 DISPOSITION OF CITY-OWNED REAL PROPERTY

It is recommended that the City Council adopt a resolution authorizing actions related to the disposition of real property owned by the City of Stockton, as follows: 1. Deem forty-four (44) City-owned properties, included as Exhibit 1 to the Resolution, as excess and authorize the sale of those properties. 2. Authorize the City Manager to review and approve individual sales transactions within predetermined criteria, execute a Master Sales Listing Agreement with CB Richard Ellis (Exhibit 2 to the Resolution), and take all
other necessary and appropriate actions to carry out the purpose and intent of the Resolution.

Public comment heard from Virginia Gorman, Mary Delgado, Frances Wesson, James Gorman, Barnice Haynes, Linda Black, Nancy Jane Pozar, Loyce McCullough, Larry Johnson, Dennis Morgan, Don Rienhart, Reverend John Harris, Jeremy Terhnne, Bill Maxwell, Joni Anderson, Gail Francisco, and Wendy Coddington.

Resolution 2013-05-21-1504 authorizing actions related to the disposition of real property owned by the City of Stockton, as follows:

1. Deem forty-four (44) City-owned properties, included as Exhibit 1 to the Resolution, as excess and authorize the sale of those properties.

2. Authorize the City Manager to review and approve individual sales transactions within predetermined criteria, execute a Master Sales Listing Agreement with CB Richard Ellis (Exhibit 2 to the Resolution), and take all other necessary and appropriate actions to carry out the purpose and intent of the Resolution.

Moved by: Councilmember Burgos, seconded by Councilmember Holman.

Vote: Motion carried 5-0

Yes: Councilmember Burgos, Councilmember Zapien, Mayor Silva, Councilmember Holman, and Vice Mayor Canepa.
Absent: Councilmember Tubbs, and Councilmember Miller.

Agenda Item 15.4 Supporting Documents:

16. HEARINGS***

None.

17. COUNCIL COMMENTS

Councilmember Burgos - free event at Louis Park, June 1, 11:00 -2:00 p.m., in memory of Aaron Kelly

Vice Mayor Canepa - Town Hall Meeting, Thursday, 6:00 p.m. at the Seifert Center

Councilmember Zapien - Thank you to all who assisted with the American Legion Park clean up; free service--Lawyers in the Library, May 29, 4:30-
5:30 p.m. at the Crest Legal Center

Mayor Silva - thanked citizens for attending State of the City event

18. ADJOURNMENT (8:46 pm)

INFORMATIONAL ITEMS

13- CIVIL SERVICE/EQUAL EMPLOYMENT COMMISSION’S 2012 ANNUAL REPORT

Bonnie Paige
BONNIE PAIGE
CITY CLERK OF THE CITY OF STOCKTON
MINUTES
CITY COUNCIL STUDY SESSION
MEETING OF MAY 14, 2013
CITY COUNCIL CHAMBERS, CITY HALL, STOCKTON, CALIFORNIA

1. CLOSED SESSION CALL TO ORDER / ROLL CALL 4:01 PM

Roll Call
Present:
  Councilmember Holman
  Councilmember Miller
  Councilmember Zapien
  Vice Mayor Canepa
  Mayor Silva
Absent:
  Councilmember Burgos, and Councilmember Tubbs.

Note: Councilmember Tubbs arrived to Closed Session at 4:03 p.m. and Councilmember Burgos arrived to Closed Session at 4:10 p.m.

2. ADDITIONS TO CLOSED SESSION AGENDA

None.

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 13-0394 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Five

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)

Name of Case: City of Stockton v. Marina Towers LLC, et al. (San Joaquin County Superior Court Case No. CV022054)
Name of Case: Richard Price, et al. v. City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern District Case No. CIV.S-02-0065 LKK JFM)

This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.

3.2 13-0395 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Bob Deis

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

3.3 13-0396 CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: Two

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(c).

3.4 13-0397 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(b).

4. PUBLIC COMMENT

None.

5. ADJOURN TO CLOSED SESSION
The Council recessed to Closed Session at 4:02 p.m. The Council returned from Closed Session and recessed at 4:40 p.m.

6. SPECIAL SESSION CALL TO ORDER / ROLL CALL  5:32 PM

Roll Call
Present:
  Councilmember Burgos
  Councilmember Holman
  Councilmember Miller
  Councilmember Tubbs
  Councilmember Zapien
  Vice Mayor Canepa
  Mayor Silva

7. INVOCATION / PLEDGE TO FLAG

The Pledge of Allegiance was led by Councilmember Zapien.

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

City Attorney John Luebberke announced that there was no reportable action taken during Closed Session this evening.

9. PUBLIC COMMENT

Howard Seligman - Mayor’s Charter Review Committee meeting update
Dale Stocking, Concerned Citizens Coalition - include citizens in Charter review process
Cary Martin - Community Discussion on the Behavioral Health Needs of Veterans event

10. ITEMS FOR DISCUSSION

10.1 13-0393 PROPOSED CHARTER AMENDMENT PROCESS

City Manager Bob Deis provided introductory comments regarding the Study Session process. No action is taken during Study Sessions, but rather staff is requesting preferences of the Council for action to be voted on at a regular Council meeting. City Manager Deis also provided background information regarding the City’s Charter.
City Attorney John Luebberke presented the staff report and responded to questions posed by the Councilmembers regarding the following:

- District-wide Voting
- Differences between Mayoral Advisory Committee and Council Ad-Hoc Committee
- Commission Requirements; applications; residency
- Council Policy regarding appointments to multiple committees
- Next Steps

Agenda Item 10.1 Supporting Documents:

11. COUNCIL COMMENTS

None.

12. ADJOURNMENT

Bonnie Paige
BONNIE PAIGE
CITY CLERK OF THE CITY OF STOCKTON
MINUTES
SPECIAL MEETING - BUDGET STUDY SESSION
MEETING OF JUNE 3, 2013

Closed Session 4:00 PM :: Study Session 5:30 PM , STOCKTON, CALIFORNIA

1. CLOSED SESSION CALL TO ORDER / ROLL CALL (4:02 PM)

Roll Call
Present:
  Councilmember Burgos
  Councilmember Holman
  Councilmember Miller
  Councilmember Zapien
  Councilmember Tubbs
  Mayor Silva

Absent:
  Vice Mayor Canepa.

2. ADDITIONS TO CLOSED SESSION AGENDA

None.

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 13-0465 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Five

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)

Name of Case: City of Stockton v. Marina Towers LLC, et al. (San Joaquin County Superior Court Case No. CV022054)

Name of Case: Richard Price, et al. v. City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern
District Case No. CIV.S-02-0065 LKK JFM)

This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.

3.2 13-0466 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Bob Deis

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

3.3 13-0467 CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: Two

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(c).

3.4 13-0468 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(b).

4. PUBLIC COMMENT

None.

5. ADJOURN TO CLOSED SESSION

The Council recessed to Closed Session at 4:03 p.m. The Council returned
from Closed Session and recessed at 4:50 p.m.

6. SPECIAL SESSION CALL TO ORDER / ROLL CALL (5:32 PM)

Roll Call
Present:
  Councilmember Burgos
  Councilmember Holman
  Councilmember Miller
  Councilmember Zapien
  Councilmember Tubbs
  Mayor Silva
Absent:
  Vice Mayor Canepa.

7. INVOCATION / PLEDGE TO FLAG

The Pledge of Allegiance was led by Councilmember Holman.

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

City Attorney John Luebberke announced that the Council authorized the initiation of litigation; details of which will be available once the matter is filed.

9. PUBLIC COMMENT

Ned Leiba - timing of budget and audits; audit committee meetings

10. ITEMS FOR DISCUSSION

10.1 13-0469 BUDGET STUDY SESSION

City Manager Bob Deis provided introductory comments on the City’s Budget, Budget Study Session schedule, Chapter 9 protection Pendency Plan, and Council priorities and direction.

2013-2014 Proposed Budget Presentations were provided for the following:

- Police Department
- Fire Department
- Public Works Department
- Capital Improvement Plan
- Municipal Utilities Department
Police Chief Eric Jones presented the Police Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Property and sales tax components of General fund revenues
- Police Foundation donations to animal services
- Diversity
- Recruitment
- Overtime costs
- Request for mid-year diversity report
- Ceasefire staffing
- Recruitment of African-American officers

Fire Chief Jeff Piechura presented the Fire Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Measure W funds
- Alternative Response Program Truck
- Developing Revenue
- Collecting Receivables
- Liens on fees
- Charging off old collectibles

Public Works Director Gordon MacKay presented the Public Works Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Deferred Maintenance Fund
- Parking Meters
- LED bulbs in Street Lights
- Fleet Replacements
- Infrastructure Issues

Public Works Director Gordon MacKay presented the Capital Improvement Plan (CIP) Budget and responded to questions...
posed by the Councilmembers regarding the following:

- Thornton Road Improvements
- Animal Shelter

Municipal Utilities Director Mel Lytle presented the Municipal Utilities Department Budget

Deputy City Manager Kurt Wilson presented the Economic Development Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Boat Launch Revenue
- Development Fees and Permits
- Economic Development Strategic Plan
- Housing Funds
- Hiring Economic Development Director
- Plan to Recruit and Retain Businesses

11. COUNCIL COMMENTS

None.

12. ADJOURNMENT (8:16 PM)

NOTE: The Budget Study Session continued to June 4, 2013.

[Bonnie Paige]

BONNIE PAIGE
CITY CLERK OF THE CITY OF STOCKTON
1. CLOSED SESSION CALL TO ORDER / ROLL CALL 4:02 PM

Roll Call
Present:
  - Councilmember Holman
  - Councilmember Miller
  - Councilmember Zapien
  - Vice Mayor Canepa
Absent:
  - Councilmember Burgos, Councilmember Tubbs, and Mayor Silva.

Note: Councilmember Burgos arrived to Closed Session at 4:07 p.m.

2. ADDITIONS TO CLOSED SESSION AGENDA

None.

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 13-0470 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Five

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)

Name of Case: City of Stockton v. Marina Towers LLC, et al. (San
Joaquin County Superior Court Case No. CV022054)

Name of Case: Richard Price, et al. v. City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern District Case No. CIV.S-02-0065 LKK JFM)

This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.

3.2 13-0471 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Bob Deis

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

3.3 13-0472 CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: Two

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(c).

3.4 13-0473 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(b).
4. PUBLIC COMMENT

None.

5. ADJOURN TO CLOSED SESSION

The Council recessed to Closed Session at 4:03 p.m. The Council returned from Closed Session and recessed at 5:05 p.m.

6. SPECIAL SESSION CALL TO ORDER / ROLL CALL  5:35 PM

Roll Call
Present:
   Councilmember Burgos
   Councilmember Holman
   Councilmember Miller
   Councilmember Zapien
   Vice Mayor Canepa
   Mayor Silva
Absent:
   Councilmember Tubbs.

7. INVOCATION / PLEDGE TO FLAG

The Pledge of Allegiance was led by Vice Mayor Canepa.

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

Assistant City Attorney Michael Roush announced that there was no reportable action taken during Closed Session this evening.

9. PUBLIC COMMENT

Tocan Nguyen - made suggestions on how to help balance the City budget

Greg Pitsch - asked that the City consider providing nets for basketball hoops at City parks

Ted Gonzales - invited Council to a public meeting; crime in Stockton in Normandy Village

Gary Malloy - requested that public make comments after the budget presentations
10. ITEMS FOR DISCUSSION

10.1 13-0475 BUDGET STUDY SESSION

City Manager Bob Deis provided introductory comments on the City's Budget.

2013-2014 Proposed Budget Presentations were provided for the following:

- Community Services Department
- Community Development Department
- Charter Offices
- Non-Departmental
- Human Resources Department
- Administrative Services Department
- Debt Services

Deputy City Manager Laurie Montes presented the Community Services Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Library and Recreation Center Staffing and Hours
- Strategic Management Plan
- Department Head Recruitment
- Fines and Fees
- Children's Museum

Community Development Director Steve Chase presented the Community Development Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Development Fees
- General Fund Subsidy
- Department Policy of being self-sufficient

Deputy City Manager Laurie Montes presented the Charter Offices Budget (City Council, City Manager, City Clerk, City Auditor) and responded to questions posed by the Councilmembers regarding the following:
using law students as City Attorney interns

Department City Manager Laurie Montes presented the Non-Departmental Budget and responded to questions posed by the Councilmembers regarding the following:

- Oak Park Ice Arena management
- Event Attendance, Corporate Events, Graduations
- Projected Bankruptcy Costs
- Community Partnership for Families

Human Resources Director Teresia Haase presented the Human Resources Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Recruitment for Workforce Diversity
- Charter Review
- Customer Service Training
- Health Internal Service Fund
- Workers Compensation
- Part-Time Employee Costs

Chief Financial Officer/Administrative Services Director Vanessa Burke presented the Administrative Service Department Budget and responded to questions posed by the Councilmembers regarding the following:

- Profit and Loss Statements (monthly and year-to-date)
- Comprehensive Annual Financial Report (CAFR) submissions to State Controller
- Department staffing, hiring, and training
- Revenue and Recovery

Chief Financial Officer/Administrative Services Director Vanessa Burke presented the Debt Services Budget and responded to questions posed by the Councilmembers regarding the following:

- Bond Rating Agencies
• City Policy on Debt
• Firewall separates General Fund and Restricted (Utility) Funds
• Multi-year Budgets

9. PUBLIC COMMENT

Gary Malloy - rating agencies; catching up on audits; lease rate at 400 East Main

11. COUNCIL COMMENTS

None.

12. ADJOURNMENT 9:06 PM

BONNIE PAIGE
CITY CLERK OF THE CITY OF STOCKTON
1. CLOSED SESSION CALL TO ORDER/ROLL CALL 5:34 PM

Roll Call
Present:
Councilmember Burgos
Councilmember Holman
Councilmember Miller
Councilmember Tubbs
Councilmember Zapien
Vice Mayor Canepa
Mayor Silva

2. ADDITIONS TO CLOSED SESSION AGENDA

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 13-0529 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Five

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)

Name of Case: City of Stockton v. Marina Towers LLC, et al. (San Joaquin County Superior Court Case No. CV022054)

Name of Case: Richard Price, et al. v. City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern District Case No. CIV.S-02-0065 LKK JFM)

This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.
3.2 13-0530 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Bob Deis

Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA)

This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

3.3 13-0532 CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: Two

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(c).

3.4 13-0533 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances, there is significant exposure to litigation pursuant to Government Code Section 54956.9(b).

4. PUBLIC COMMENT*

Tocan Nguyen - shared her personal political views; labor negotiations; Record editorial (filed)

Document filed: 2013-06-18 Special Closed Session; Nguyen filed.pdf

The Council recessed to Closed Session at 5:40 p.m.

5. ADJOURNMENT 7:00 PM

Closed Session adjourned at 7 p.m. No reportable action taken.

Bonnie Paige
CITY CLERK OF THE CITY OF STOCKTON
NEW BUSINESS

AGENDA ITEM 15.01
MINOR AMENDMENT TO CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM BOARD OF ADMINISTRATION AND THE CITY OF STOCKTON TO PROVIDE THE PROVISIONS OF RETIREMENT LAW SECTION 20475 (DIFFERENT LEVEL OF BENEFITS) TO POLICE SAFETY EMPLOYEES

RECOMMENDATION

It is recommended that the City Council adopt a Resolution of Intention to Approve an Amendment to its contract with the California Public Employees’ Retirement System (CalPERS), to establish a third tier of retirement benefits for new employees in the Stockton Police Management Association (SPMA), the Stockton Police Officers’ Association (SPOA), and unrepresented police safety employees, pursuant to the SPOA and SPMA Memoranda of Understanding and Government Code section 20475 (Different Level of Benefits).

SUMMARY

As of January 1, 2013 a different level of retirement benefits was created for new CalPERS eligible employees via the recently enacted Public Employees’ Pension Reform Act (PEPRA). This new legislation mandated a lower retirement benefit formula for all employees hired on or after January 1, 2013, who have no prior service under a public retirement system or who have a break in service under a public retirement system of more than six months. This new legislation effectively created a second retirement tier to be applied to all future City employees. However, the new legislation did not reduce or change a majority of optional benefit enhancements that public agencies agreed to provide to employees as part of their contract with CalPERS. These benefits can only be changed via the collective bargaining process.

Optional retirement benefit enhancements are a major factor in the ever increasing cost of public employee retirement benefits. These optional benefits include such things as unused sick leave at retirement being applied to service credit, and the ability for employees to purchase service credit for up to four years of military service. Memoranda of Understanding (MOU’s) between the City and SPMA and SPOA were approved by motion by the Stockton City Council on July 24, 2012 and December 11, 2012, respectively (motion numbers 2012-07-24-1501 and 2012-12-11-1504) and include provisions for eliminating some optional benefits for new employees in the SPMA and the SPOA bargaining units who are hired after the effective date of the proposed contract amendment. These changes will apply to unrepresented police safety employees who are subject to PEPRA as well. The terms of these agreements permit the City to establish a third retirement tier for new police safety employees, which include eliminating some of the optional retirement benefits that are currently part of the City’s contract with CalPERS.
To establish a third tier retirement benefit for new police safety employees, the City must amend its CalPERS contract to remove these optional benefits. The City Council must adopt a Resolution of Intention (Attachment A) to approve the contract amendment. The City Council must then adopt an Ordinance authorizing amendment to the contact with CalPERS at least 20 days following adoption of the Resolution of Intention. The Ordinance will be placed on the agenda for adoption by the City Council at the July 16, 2013, council meeting.

The recommended action before you is to implement the provisions of the SPMA and SPOA MOU’s, adopted July and December, 2012 respectively, and amend the CalPERS contract to include the minor optional benefit reductions agreed to between the City and the two Police Safety bargaining units.

DISCUSSION

Background

It is essential that the City maintain competitive pay and benefit programs to attract and retain qualified employees. However, in the past, the City’s pay and benefit packages were among the most generous in its market area. Under the direction of the City Council, the City’s labor team worked diligently over the last few years with the City’s employee bargaining groups to negotiate reductions in benefit programs through the collective bargaining process. These reductions in pay and benefits are also consistent with the Action Plan for Fiscal Sustainability approved by the City Council on June 22, 2010.

In 2012, most of the City’s bargaining units had agreed to lower benefit tiers for new employees. CalPERS requires that all bargaining units within a CalPERS “coverage group” agree to the new benefit tier before a contract amendment implementing the change can be sought. The City has three coverage groups: Police Safety, Fire Safety, and Miscellaneous. The City had reached agreement with all bargaining units in the Fire Safety and Miscellaneous coverage groups. In October of 2012, the City Council adopted a Resolution of Intention, and in November of 2012 adopted the Ordinance, modifying the CalPERS contract to create lower tiers for employees in the Fire Safety and Miscellaneous coverage groups. These lower benefit tiers reduced the retirement formula and removed optional benefits for new hires. SPMA had agreed to a lower tier, but SPOA had not agreed until late November of 2012. Council adopted the new SPOA MOU in December of 2012, and this MOU provides for a lower benefit tier for new police safety employees by removing certain optional benefits. The City could not amend the PERS contract for police safety employees until both police bargaining units had agreed to do so, since they are part of the same coverage group.

Retirement law does not allow agencies to reduce retirement benefits for existing employees or retirees. However, the law does allow public agencies to establish a different level of retirement benefits for new employees. Through state legislation in September 2012, PEPRA was enacted, creating a lower retirement benefit formula tier for new employees hired on or after January 1, 2013. Due to the fact that the proposed contract amendment is effective after January 1, 2013, the amendments will only apply to new employees who are subject to PEPRA.

While PEPRA created a lower retirement benefit formula for new hires, it did not mandate reductions
or changes to optional benefit enhancements. Most of the optional retirement benefits that are part of the retirement contract with CalPERS must be extended to employees who are subject to PEPRA, until such time as the contract is amended to eliminate some, or all, of the optional benefits.

Present Situation

The current retirement plan for the City’s police safety employees provides a variety of optional retirement benefit enhancements that increase the cost of employee retirement benefits. The SPMA and SPOA bargaining units have agreed that the Unused Sick Leave Credit benefit (Retirement Law Section 20695), the Post-Retirement Survivor Allowance (Retirement Law Sections 21624 & 21626) benefit, and the Post-Retirement Survivor Allowance to Continue after Remarriage (Retirement Law Section 21535) will be eliminated for new employees subject to PEPRA, who are hired after the proposed contract amendment effective date.

To determine projected employer contribution rates for a new retirement tier, staff requested a valuation from CalPERS (Attachment B) for this new retirement tier. This valuation projects the impact on the City’s employer contribution rate if the City’s contract with CalPERS is amended to eliminate certain optional benefits from the retirement plan for new police safety employees and is discussed in more detail in the Financial Summary below.

The request for a valuation and the proposed amended contract from CalPERS is the first step in this process. Staff first requested that CalPERS prepare a valuation in December 2012, shortly after Council adoption of the new SPOA MOU. Due to the implementation of PEPRA and CalPERS’ inability to process contract amendment requests, the amendment valuation was not completed by CalPERS until April of 2013, and the amendment documents were not provided to the City from CalPERS until May 2, 2013.

The attached Police Safety Employees Retirement Plan Comparison (Attachment C) summarizes the first and second retirement tiers currently in place for police safety employees, as well as the third retirement tier (shaded column) that will be created with the proposed contract amendment currently before Council. The proposed amendment to remove the optional benefits is relatively minor. However, it brings the Police Safety coverage group in line with the Fire and Miscellaneous coverage group employees in terms of optional benefits for new employees.

CalPERS requires specific actions and timelines in order for the City to amend its contract to provide a different level of benefits. Stockton City Council must adopt a Resolution of Intention to Approve an Amendment to Contract to include the provisions of Government Code Section 20475 (Attachment A). At least 20 days must elapse following adoption of the Resolution of Intention, then the Stockton City Council must adopt an Ordinance Authorizing an Amendment to the Contract. A draft ordinance is attached for your review (Attachment D). This Ordinance, which will be placed on the agenda for adoption by the City Council at the July 16, 2013, council meeting, will be effective 30 days following adoption (August 15, 2013). The contract amendment will be effective on August 16, 2013. Police safety employees hired on or after August 16, 2013, who have no prior service under CalPERS or no prior service under a reciprocal public retirement system, will be a subject to this third retirement tier.

Retirement law also requires a Certification of Compliance with Government Code Section 20475 (certification that the agency has met the obligations imposed by the Meyers-Milias-Brown Act).
(Attachment E), a Certification of Compliance with Government Code Section 7507 (certification that the future annual costs have been made public at a public meeting) (Attachment F), and a Certification of Governing Body’s Action (certification to be submitted to CalPERS with Resolution of Intention) (Attachment G) to be completed upon adoption of the Resolution of Intention.

FINANCIAL SUMMARY

The attached valuation from CalPERS for the police safety retirement plans was obtained by staff to determine the reduction in costs that can be expected from implementing a third retirement tier for new police safety employees. CalPERS has indicated there will be no immediate employer rate impact from implementation of a third retirement tier for new employees. A reduction in the employer rate would be seen gradually, beginning July 1, 2015, for employees hired on or after June 30, 2013. For subsequent fiscal years, the reduction in pension costs would occur as new employees are hired under this new retirement tier. Employees hired prior to the effective date of this contract amendment would continue to be provided benefits of the existing retirement plans, consistent with public employees’ retirement law.

Attachment A - Resolution of Intention
Attachment B - CalPERS Amendment Valuation
Attachment C - Police Safety Employee Retirement Plan Comparison
Attachment D - Draft Ordinance
Attachment E - Certification of Compliance with Government Code Section 20475
Attachment F - Certification of Compliance with Government Code Section 7507
Attachment G - Certification of Governing Body’s Action
RESOLUTION OF INTENTION
TO APPROVE AN AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
CITY OF STOCKTON

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20475 (Different Level of Benefits) to remove Sections 21624 and 21626 (Post-Retirement Survivor Allowance), Section 21635 (Post-Retirement Survivor Allowance to Continue After Remarriage) and Section 20965 (Credit for Unused Sick Leave) for new local police members entering the retirement system after the effective date of this amendment to contract.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

By: ____________________________
    Presiding Officer

Title

Date adopted and approved
AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Stockton


A. Paragraphs 1 through 18 are hereby stricken from said contract as executed effective December 28, 2012, and hereby replaced by the following paragraphs numbered 1 through 18 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members entering membership in the miscellaneous classification on or prior to December 28, 2012, age 60 for local miscellaneous members entering membership for the first time in the miscellaneous classification after December 28, 2012, age 55 for local police members and those local fire members entering membership in the fire classification on or prior to December 28, 2012 and age 55 for local fire members entering membership for the first time in the fire classification after December 28, 2012.
2. Public Agency shall participate in the Public Employees' Retirement System from and after September 1, 1944 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:

   a. Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.

   b. Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas

   c. Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Local Fire Fighters (herein referred to as local safety members);

   b. Local Police Officers (herein referred to as local safety members);

   c. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

a. ALL CENTRAL PARKING DISTRICT EMPLOYEES HIRED ON OR AFTER AUGUST 16, 1973; AND

b. ALL ELECTED OFFICIALS ELECTED INTO OFFICE ON OR AFTER DECEMBER 28, 2012.

6. Prior to January 1, 1976, those members who were hired by Public Agency on a temporary and/or seasonal basis not to exceed 6 months were excluded from PERS membership by contract. Government Code Section 20336 superseded this contract provision by providing that any such temporary and/or seasonal employees are excluded from PERS membership subsequent to January 1, 1976. Legislation repealed and replaced said Section with Government Code Section 20305 effective July 1, 1976.

7. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.

8. Public Agency and the Stockton Redevelopment Agency have agreed to a merger of their contracts, and this contract shall be a continuation of the benefits of the contract of the Stockton Redevelopment Agency, pursuant to Section 20507.6 of the Government Code. Such merger is effective as of July 1, 1975. Public Agency, by this contract, assumes the assets and liabilities accumulated under the former contract of the Stockton Redevelopment Agency. Legislation repealed said Section effective January 1, 1988.

a. Service performed for the former agency prior to July 1, 1975 shall be subject to the terms and conditions of the former agency's contract as it was in effect at that time. Service performed after July 1, 1975 shall be subject to the terms and conditions of this contract. For purposes of computing retirement allowances, separate calculations shall be made for service performed under each contract.

9. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members entering membership in the miscellaneous classification on or prior to December 28, 2012 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service on and after January 1, 1956, the effective date of Social Security coverage, and prior to June 30, 1978, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
10. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after December 28, 2012 shall be determined in accordance with Section 21353 of said retirement law (2% at age 60 Full).

11. The percentage of final compensation to be provided for each year of credited prior and current service as a local police member and for those local fire members entering membership in the fire classification on or prior to December 28, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 60 Full).

12. The percentage of final compensation to be provided for each year of credited current service as a local fire member entering membership for the first time in the fire classification after December 28, 2012 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

13. Public Agency elected and elects to be subject to the following optional provisions:

   a. Sections 21624 and 21625 (Post-Retirement Survivor Allowance) for first tier classic local miscellaneous members and first tier classic local fire members entering membership on or prior to December 28, 2012 and for local police members entering the retirement system on or prior to the effective date of this amendment to contract.

   b. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.

   c. Section 20042 (One-Year Final Compensation) for local police members and for those local miscellaneous members and local fire members entering membership on or prior to December 28, 2012.

   d. Section 21326 (One-Time 1% to 7% Increase For Local Miscellaneous Members and Local Safety Members Who Retired or Died Prior to July 1, 1974). Legislation repealed said Section effective January 1, 2002.

   e. Section 21024 (Military Service Credit as Public Service) for local police members and for those local miscellaneous members and local fire members entering membership on or prior to December 28, 2012.

   f. Section 21027 (Military Service Credit for Retired Persons) for local police members and for those local miscellaneous members and local fire members entering membership on or prior to December 28, 2012.

   g. Section 20965 (Credit for Unused Sick Leave) for first tier classic local miscellaneous members and first tier classic local fire members entering membership on or prior to December 28, 2012 and for local police members entering the retirement system on or prior to the effective date of this amendment to contract.
h. Section 21674 (Fourth Level of 1959 Survivor Benefits).

i. Section 21635 (Post-Retirement Survivor Allowance to Continue After Remarriage) for first tier classic local miscellaneous members and first tier classic local fire members entering membership on or prior to December 28, 2012 and for local police members entering the retirement system on or prior to the effective date of this amendment to contract.

j. Section 21551 (Continuation of Pre-Retirement Death Benefits After Remarriage of Survivor).

k. Section 20892 (Employer Paid Member Contributions Converted to Payrate During the Final Compensation Period) for local police members and for those local miscellaneous members and local fire members entering membership on or prior to December 28, 2012.

I. Section 21335 (5% Cost-of-Living Allowance, base year 2001) for those local miscellaneous members entering membership on or prior to December 28, 2012.

m. Section 20903 (Two Years Additional Service Credit).

n. Section 20516 (Employees Sharing Cost of Additional Benefits):

Section 21362.2 (3@ 50 Full formula) effective December 16, 2001 for those local fire members entering membership on or prior to December 28, 2012.

The employee cost sharing contributions are not to exceed 14.078%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond December 18, 2021. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 5.614% of payroll.

o. Section 20475 (Different Level of Benefits). Section 21353 (2@ 60 Full formula), Section 20037 (Three-Year Final Compensation) and Section 21329 (2% Cost-of-Living Allowance) without Sections 20692 (Employer Paid Member Contributions Converted to Payrate During the Final Compensation Period), 20965 (Credit for Unused Sick Leave), 21024 (Military Service Credit as Public Service), 21027 (Military Service Credit for Retired Persons), 21624 & 21626 (Post-Retirement Survivor Allowance) and 21636 (Post-Retirement Survivor Allowance to Continue After Remarriage) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after December 28, 2012.
Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) without Sections 20516 (Employees Sharing Cost of Additional Benefits), 20592 (Employer Paid Member Contributions Converted to Payrate During the Final Compensation Period), 20665 (Credit for Unused Sick Leave), 21024 (Military Service Credit as Public Service), 21027 (Military Service Credit for Retired Persons), 21624 & 21626 (Post-Retirement Survivor Allowance) and 21635 (Post-Retirement Survivor Allowance to Continue After Remarriage) are applicable to local fire members entering membership for the first time in the fire classification after December 28, 2012.

Sections 21624 and 21626 (Post-Retirement Survivor Allowance), Section 21635 (Post-Retirement Survivor Allowance to Continue After Remarriage) and Section 20966 (Credit for Unused Sick Leave) are not applicable to local police members entering the retirement system after the effective date of this amendment to contract.

14. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on January 1, 1975. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.

15. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

16. Public Agency shall also contribute to said Retirement System as follows:

a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.

b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
17. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

18. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the ___ day of ____________.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF STOCKTON

BY
KAREN DE FRANK, CHIEF
CUSTOMER ACCOUNT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY
PRESIDING OFFICER
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Witness Date

Attest:

Clark
April 3, 2013
CALPERS ID: 6373973665
Employer Name: CITY OF STOCKTON
Rate Plan: SAFETY PLAN

Re: New Tier within a Non-pooled Plan (Section 20475: Different Level of Benefits Provided for New Employees) continuing 2.7% @ 57 but without the following: Section 20965 (Unused Sick Leave Credit) and Section 21624 & 21626 (Post-Retirement Survivor Allowance) applicable to Safety Police members entering membership for the first time in the Safety Police classification after the effective date of this amendment to contract who also meet the definition of new member under the Public Employees’ Pension Reform Act (PEPRA)

Dear Requestor:

As requested, employer contribution rate information on your proposed new tier follows.

If you are aware of others interested in this information (i.e. payroll staff, county court employees, port districts, etc.), please inform them.

This information is based on the June 30, 2011 annual valuation and the Public Employees’ Pension Reform Act of 2013 (PEPRA) rates that were recently mailed to you, and is good until the next annual valuation is released. If your agency has not taken action to amend its contract by then and you still wish to do so, you must contact the Retirement Contract Services Unit for an updated cost analysis.

Note that this cost analysis is for a different level of benefits for new employees who also meet the definition of new member under PEPRA. Classic members entering the plan will still be subject to the contracted benefits as of December 31, 2012.

If the employee contribution rate changes, that change would take place immediately for all those members in your Safety plan that are covered by the 2.7% @ 57 formula. Following adoption of this proposed amendment, the member contribution rate for non-classic members will be 11.25%, which is subject to change in the future.

There will be no immediate employer contribution rate impact from this amendment. Ultimately, though, your employer normal cost will decrease. If the mix of active member entry ages were the same for both the continuing employees and the new tier employees, the decrease in the employer normal cost would be 0.4% of payroll.

The employer rate reduction will occur gradually, beginning on July 1, 2015, if there are new tier employees hired on or before June 30, 2013. For fiscal years 2015/2016 and beyond, the projected annual amount of rate reduction you can expect from introducing a new tier is approximately equal to the ratio of your new tier annual payroll to your total plan annual payroll two and a half years earlier. For example if 1/10 of your Safety Plan members were in the new tier on June 30, 2013 and the ultimate expected normal cost decrease was 0.4% of payroll, the cumulative rate reduction you can expect by the 2015/2016 fiscal year would be 1/10 x 0.4% = 0.04% of payroll.

To initiate an amendment to the contract, please follow the Contract Amendment Request process on MyCalPERS with our Retirement Contract Services Unit, indicating your wish to contract for Section 20475 (Different Level of Benefits) and identifying the group(s) to which the benefit reduction applies.

In sections 20463 (b) and (c), the California Public Employees’ Retirement Law requires the governing body of a public agency within five days of receipt of the contract amendment cost analysis, to provide each employee organization with a copy of the analysis. If this cost analysis was requested by an employee organization, the employee organization is also required within five days of receipt of the analysis, to provide a copy of the analysis to the public agency.
If you have questions, please call (888) CalPERS (225-7377).

Kelly Sturm, ASA, MAAA
Senior Pension Actuary, CalPERS
# Police Safety Employees Retirement Plan Comparison

<table>
<thead>
<tr>
<th>First Retirement Tier:</th>
<th>Second Retirement Tier:</th>
<th>Third Retirement Tier:</th>
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<tbody>
<tr>
<td>• Employees hired before December 31, 2012; or</td>
<td>Public Employees' Pension Reform Act (PEPRA): • Employees Hired on or After January 1, 2013, with no prior service under CalPERS or a reciprocal retirement system and a break in service of less than six months</td>
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<tr>
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<th>3% at 50 (Section 21362.2)</th>
<th>2% at 50, increasing to 2.7% at 57</th>
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<tbody>
<tr>
<td>One-Year Final Compensation (Section 20042)</td>
<td>Three-Year Final Compensation (Section 20037)</td>
<td>One-Year Final Compensation (Section 20042)</td>
<td></td>
</tr>
<tr>
<td>2% Annual COLA – Mandatory (Section 21329)</td>
<td>PEPRA did not address mandatory COLA. Assumption is current minimum will apply.</td>
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<tr>
<td>1959 Survivor Benefit 4th Level (Section 21574)</td>
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<td>PEPRA did not address mandatory survivor benefit. Assumption is current will apply.</td>
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Optional Benefits:

**Military Service Credit as Public Service – Actives & Retirees (Section 21024 & 21027)**

- Member may purchase up to 4 years service credit for military service

**Employer-Paid, Member Contributions Converted to Pay Rate (Section 20692)**

Optional Benefits:

**Military Service Credit as Public Service – Actives & Retirees (Section 21024 & 21027)**

- Member may purchase up to 4 years service credit for military service

**Employer-Paid, Member Contributions Converted to Pay Rate (Section 20692)**

Two Optional Benefits:

**Military Service Credit as Public Service – Actives & Retirees (Section 21024 & 21027)**

- Member may purchase up to 4 years service credit for military service

**Employer-Paid, Member Contributions Converted to Pay Rate (Section 20692)**
### Police Safety Employees Retirement Plan Comparison

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<td>- Member contributions paid by employer can be paid to employee during final compensation period (increases average pay used to calculate retirement benefit)</td>
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<td>- Unused accumulated sick leave at retirement converted to service credit</td>
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<td>Credit for Unused Sick Leave (Section 20965)</td>
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<td>- An allowance paid to eligible survivor upon death of retirement member</td>
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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STOCKTON
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY
OF STOCKTON AND THE BOARD OF ADMINISTRATION OF THE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

THE CITY COUNCIL OF THE CITY OF STOCKTON DOES ORDAIN AS
FOLLOWS:

SECTION I. AMENDMENT TO CONTRACT

That an amendment to the contract between the City Council of the City of
Stockton and the Board of Administration, California Public Employees' 
Retirement System is hereby authorized, a copy of said amendment being
attached hereto, marked Exhibit 1, and by such reference made a part hereof as
fully set forth herein.

SECTION II. EXECUTION OF AMENDMENT

The Mayor of the City of Stockton is hereby authorized, empowered, and
directed to execute said amendment for and on behalf of the City of Stockton.

SECTION III. SEVERABILITY

If any part of this Ordinance is held invalid for any reason, such decision
shall not affect the validity of the remaining portion of this Ordinance, and the City
Council hereby declares that it would have passed the remainder of this
Ordinance, if such invalid portion thereof had been deleted.
SECTION IV. EFFECTIVE DATE

This Ordinance shall take effect 30 days after the date of its adoption, and at least 10 days prior to the passage thereof shall be published at least once in The Record, a newspaper of general circulation in the City of Stockton, and thenceforth and thereafter the same shall be in full force and effect.

ADOPTED: ________________

EFFECTIVE: ________________

ATTEST:

BONNIE PAIGE
City Clerk of the City of Stockton

ANTHONY SILVA, Mayor
of the City of Stockton
CERTIFICATION OF COMPLIANCE WITH GOVERNMENT CODE SECTION 20475

I hereby certify that the ____________________________ of the
(governing body)

________________________________________
(public agency)

has fully discharged all of the obligation imposed by Chapter 10 (commencing with
Section 3500) of Division 4 of Title 1, Government Code.

By________________________________________

___________________________
Title

Witness

___________________________
Date

PERS-CON-30 (Rev. 1/96)
CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 7507

I hereby certify that in accordance with Section 7507 of the Government Code
the future annual costs as determined by the System Actuary for the
increase/change in retirement benefit(s) have been made public at a public meeting of the

_________________________________________ of the
(governing body)

_________________________________________
(public agency)

on __________________ which is at least two weeks prior to the adoption of the
(date)

Resolution / Ordinance.

Adoption of the retirement benefit increase/change will not be placed on the consent
calendar.

_________________________________________
Clerk/Secretary

_________________________________________
Title

Date __________________________

PERS-CON-12A (rev. 1/98)
CERTIFICATION OF GOVERNING BODY’S ACTION

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the
__________________________________________ of the
(governing body)

__________________________________________
(public agency)

on __________________________ .
(date)

_____________________________________
Clerk/Secretary

_____________________________________
Title
NEW BUSINESS

AGENDA ITEM 15.02
FUNDING PROPOSAL FOR STOCKTON’S MARSHALL PLAN ON CRIME AND RECOVERY FROM BANKRUPTCY

RECOMMENDATION

Schedule a noticed public hearing and consideration of a tax measure on July 9, 2013, for placement before the voters at the regularly scheduled election of November 5, 2013. On July 9 it will be recommended that the Council adopt a Resolution declaring a fiscal emergency; calling for the election and approving an Ordinance establishing the specificity for a ¾ cent sales tax to be considered by the voters.

Summary

This report presents a recommendation to place a tax measure before the voters on November 5, 2013. Its purpose will be twofold. First, it will provide the necessary general fund resources to fund the City’s comprehensive Marshall Plan on Crime. Second, it will provide the necessary resources to put the general fund back into a solvent position and fund the City’s bankruptcy exit plan. While six of you directed me to come back with this funding plan, explained later in this report such action will require a unanimous vote of the Councilmembers present to hear the item.

As you know, bankruptcy was a necessary action to maintain health and safety services to our community. It was a necessary but interim condition for the City to develop an ultimate recovery plan. In addition to emerging from bankruptcy and becoming solvent again, the City must restore services and, most importantly, invest in the Marshall Plan on Crime. In order to meet these objectives the City needs additional tax revenues. It is important to note that while the tax measure will result in significant new revenues, it will not get the City back, revenue-wise, to where it was before the Great Recession (which was nothing short of a disaster for Stockton), nor provide the means to restore all service reductions. Moreover, even with all the restructuring savings the City is seeking and can obtain only under Chapter 9, the general fund will fall an average of $11 million short each year from being balanced just at its current level of inadequate public services. This leaves no resources to pay for the Marshall Plan, and leaves the City stuck in a service insolvent position. This is not a feasible option if the City is to achieve a sustainable budget that pays for adequate public services.

The only way to balance the general fund budget sustainably over time, restore adequate reserves, and improve public safety in the community, is to seek voter approval of additional tax revenue. The City has polled likely voters and determined that a 0.75% local sales tax, if structured so that the City could pay for improved safety services, has a good chance of garnering the needed majority vote for
a general tax measure. A unanimous vote of the members of the Council present on July 9, the date of the public hearing, is required to declare a fiscal emergency that allows such a tax on the November 5, 2013 ballot. Given the critical need to improve public safety funding, the lag time before tax proceeds come in and the lengthy process to fully implement the Marshall Plan, the City needs to pursue this tax in November, rather than wait until 2014. While the City has not concluded its bankruptcy proceeding, and may not have done so by the November 5 election, we have been declared eligible for Chapter 9 protection, and we will have a bankruptcy exit plan (Plan of Adjustment) before the judge by the election. The judge has made various rulings that minimize our concerns about voter approval of a tax before exiting bankruptcy. Furthermore, even if we received the judge’s approval of a Plan of Adjustment, it would be contingent upon a voter approval of additional revenues, given the insolvent nature of the general fund from a cash and service delivery standpoint. Given the time constraints for a November ballot, the City must take action now.

The “old” City of Stockton

Prior to beginning the road to Chapter 9 protection, staff felt and the Council concurred, the City was not in a supportable position to ask voters for additional tax revenues. At that time, we had: (1) compensation that was above the labor market average; (2) a retiree medical insurance program that would require setting aside 30% of payroll for the next 30 years to fund; (3) outstanding lawsuits with two labor groups over past compensation impositions; (4) a growing debt burden; and, (5) no realistic potential to restore services. Any new taxes would have been consumed by the above factors. Professional polling supported the City assertions that voters would not approve new taxes without restoring services.

The “new” City of Stockton

However, we now have new labor agreements that have radically reduced compensation to a level that is below the labor market average for similar public agencies. We have resolved any outstanding lawsuits with the two labor groups. We have agreements with labor and retirees that will lead to the complete elimination of retiree medical insurance. The general fund’s annual budget is $40 million lighter due to these reforms. We are in the process of restructuring our debt burden. We now have an omnibus plan for restoring public safety services via the Marshall Plan on Crime. We have a new management team implementing “best practices” throughout the organization. In other words, we now have something to offer the voters. We have a reformed City organization with a comprehensive plan to restore public safety services.

The recommended action will give voters a chance to restore the revenues necessary to operate the City effectively. Management and policy changes made since the disaster will allow the City to operate efficiently. There are alternatives, of course, and they are presented here. The primary alternative approach would be more service reductions and expense cutting, but I do not believe this is consistent with a viable municipality. It should be noted the suggestion that the City somehow pull out of CalPERS to solve our problems is just a variation on this theme. Losing retirement benefits that are the standard statewide would, as the prevailing evidence showed in the bankruptcy eligibility
proceedings, result in a mass exodus of employees, leaving the City unable to staff at the numbers and quality needed to sustain critical public services. Cancelling the CalPERS contract would also saddle the City with a $946 million termination payment obligation to pay for accrued liability, which the City has no ability to fund. We would have a crippled organization with a mass employee exodus and no potential for hiring replacements. We would also gain a new “battle front” with another creditor that will consume time and resources, but to what ends? We would have to replace CalPERS with a market competitive pension plan. Instead, we need to continue advocating for CalPERS reform in Sacramento.

Finally, there is the nature of the tax proposal itself. While it is currently being drafted, some basic concepts I heard from Council members and the public include: (1) it should be a general tax to address the two goals of exiting bankruptcy and the Marshall Plan; (2) if “good times” come back, there should be some measures to reduce the likelihood of monies being “wasted” on new risky adventures or excessive employee compensation; and (3) the vast majority of the new tax proceeds should be spent on restoring public safety services. I look forward to any further goals from the Mayor or Council before the City Attorney and I submit ballot measure language for the July 9th City Council agenda.

BACKGROUND

Budget Impacts

Given Stockton’s heavily leveraged position, the Great Recession was nothing short of a fiscal disaster for the City. General fund revenues plunged from about $203 million to $166.5 million in one year and kept falling with a projected low of $156.8 million as of your Quarter 2 Budget Report. This revenue implosion coincided with growing costs for debt service, retiree medical coverage and compensation and benefits for employees. The City initially drew down any and all reserves, followed by deep cuts to services and reductions in any discretionary cost categories. Eventually the City was forced to declare a fiscal emergency and unilaterally implement employee compensation and benefit cuts. When these efforts all proved insufficient the City was forced to enter the AB506 mediation process and finally bankruptcy in order to address debt, labor and retiree medical cost obligations.

In other words, the City of Stockton was and remains service insolvent, meaning it is unable to pay all costs of providing services at the level and quality required for community health, safety and welfare. The budgets for fiscal years 2008-09, 2009-10 and 2010-11 combined to implement $52 million in labor compensation reductions and $38 million in staffing and service level reductions, for a total of $90 million in cuts, equivalent to a 36% reduction in the general fund budget.

Employee compensation was reduced to levels that surveys now show to be below the labor market. Depending on the labor group, compensation was cut between 12% and 34%, including the following impacts:

- Furloughs since 2008
Salary COLAs eliminated beginning in 2008
Employees paying their own employee retirement contribution of 7-9% of salary
Medical plan design changes resulting in higher deductibles and co-pays, with a cap on City contribution
Add-pays, deferred compensation, longevity, education, uniform allowances either eliminated or reduced
Reduction in leave accruals and change in sick/vacation leave cash outs at retirement

Staffing level reductions resulted in the following general fund position cuts:

- Sworn police officers down 25% (-98 FTE)
- Non-sworn police staffing down 20% (-47 FTE)
- Fire staffing down 30% (-76 FTE)
- Non-safety staffing down 43% (-203 FTE)

In addition to 424 total general fund position cuts (31% of total), a net reduction of 42 positions in all other funds resulted in a loss of 466 positions for all funds, or 25% of the entire City workforce. Back when the budget cuts began in FY 2008-09, about 69% of general fund expenditures were allocated to labor costs, and most labor costs (86%) were for public safety. As a result, Stockton has been unable to avoid making reductions in police and fire services, despite the fact that the City ranks low in median income and high in total crime rate. The following factors highlight why the impact of these public safety reductions is more critical in Stockton than in most other California cities.

Police Service Impacts: Low staffing levels have had the following significant impacts on safety for the community:

- Activation of a “condition blue” during times of peak activity where residents must use on-line or telephone reporting and depending on the type of report, the department may only respond to crimes-in-progress.
- Elimination of the School Resource Officer Program which puts the burden on school districts to provide funding for a law enforcement presence on campus. This has contributed to a rise in juvenile crime and gang membership.
- Reduction in gang and drug focused missions to only those funded with grants or outside agencies. Gang-related homicides have increased 525% in three years
- Elimination of the Narcotics Enforcement Team resulted in an increase of drug trafficking within the City and also reduces the funds received through disposition of asset forfeiture
proceeds. These proceeds are used to fund capital equipment and other one-time needs such as tactical gear, weapons and protective equipment critical to equipping sworn staff.

- Significant cutbacks to Proactive Policing Strategy have erased all progress made in the mid-2000s, returning the city to the high crime rates and overwhelming perception that the city is no longer a safe place to live, work or raise a family. A limited Proactive Policing Strategy is employed only on a case-by-case basis. However, there is a complete inability to sustain any efforts after a major mission. The officers are simply too busy responding to calls and cannot get out of their cars to interact with the community as part of any community policing effort. The detectives group has been greatly reduced, thus triaging what crimes they do investigate.

- Reduction of Community Service Officers has severely limited the ability of the Police Department to attend community meetings and respond to non-emergency accidents and calls for service including traffic control and parking enforcement (which has also reduced traffic violation revenue).

Fire Service Impacts: Sworn staffing has been reduced from 225 total sworn positions at the beginning of FY 2010-11 to the current level of 181 for a total reduction of 44 positions, a reduction of nearly 32% in the past 24 months. Staffing on each piece of equipment has been reduced by one person per company, with truck companies currently staffed at four persons, and engine companies staffed with three personnel. In addition, one fire station and one engine company have closed due to the reduced staffing plan. These reductions have had the following major service impacts on the community:

- Reduction in the number of trucks assigned in the northern half of the City, which increases the response time for a second truck company, when required, on all structure fires.

- Increase in response times for engines located outside of the Fire Station One area by 1-3 minutes on average and an average increase in 5 to 7 minutes to residents and businesses within in the Fire Station One area.

Exacerbating these impacts are the following workload demands:

- The Fire Department responded to more than twice the number of fire calls of Fresno, Sacramento, or Oakland, each of which have 50,000-150,000 more in total population served and have more than twice the on-duty staffing.

- The Fire Department responded to 483 working structure fires in 2011, compared to 599 in the City of Fresno, 273 in the City of Oakland and 444 in the City of Sacramento. The City of Stockton has fewer than half the fire sworn staffing of the Cities of Fresno, Oakland, and Sacramento.

- AMR (the paramedic service provider in Stockton) exceeded its maximum emergency response time every 4 hours in the City of Stockton, compared to exceeding that response time criteria only every 70 plus hours in the cities of Lodi and Tracy.
Public Infrastructure and City Facility Impacts: The City has been unable to dedicate sufficient dollars of regular and periodic maintenance of the city’s public infrastructure or facilities for many years. The general fund contributed just $575,000 in FY 2012-13 to capital improvements, with no funding programmed in the FY 2012-17 Capital Improvement Program for the succeeding four years of the proposed five-year program. While not a complete list, the following illustrates the magnitude of the deferred maintenance and capital investment:

- **Vehicles**: The replacement backlog is $8.5 million, with 172 units past their useful life.
- **Trees**: About $3.1 million is needed to bring the urban forest up to an acceptable standard, with an additional $3.5 million is needed annually to provide proper maintenance.
- **Roadways**: Approximately $10 million per year is needed to maintain the City’s roadways in their current condition; the City’s current street maintenance program allocates only $2 million per year. The current condition can be quantified using a Pavement Condition Index (PCI) which provides an overall rating between 0 and 100 of the entire pavement in a community. The current PCI for Stockton is 66, which, while in the middle of the fair range, will degrade 2 to 3 points per year. If the network is allowed to deteriorate, repairs become more expensive as cost effective maintenance strategies are no longer feasible.
- **Parks**: About $12 million would be required to bring play areas, park furnishings, irrigation systems, buildings, courts, ball fields, and flatwork up to a standard level, able to be maintained in the future.
- **City Facilities**: The proposed program to provide critically needed improvements to City Hall includes $7 million to replace the roof, replace the HVAC system, and update interior finishes. For a complete renovation, the cost is likely double that amount ($14 million). Other City facilities would require at least $6 million to catch up on maintenance, not including about $7 million for roof repair alone.

Library Service Impacts: A reduction in the Stockton-San Joaquin County Public Library system-wide operating hours by 28% and staffing levels by 50%. Customer services and literacy programs in the libraries have been reduced and there are fewer books and library materials available to the public, as well as long wait times for materials that are available. Specific reductions in library services include:

- Reduction of open hours by 48% and 11% in City and County branches, respectively.
- Reduction of Mobile Library hours by 60%.
- Reduction in books and materials by 50% over the last six years, which severely impacts the ability to acquire new format materials, e.g., digital books.
- Suspension of Homework Center Grants offered to elementary and middle school students
Community Program Service Impacts: As a result of the elimination of 15 full-time positions and an 80% reduction in part-time hours, Recreation programs have experienced significant service reductions including:

- Partial Closure of the McKinley Community Center in 2009. Most of the recreation programs were moved to other community centers, so residents have to travel further to participate in these recreation opportunities.
- Reduction in operating hours at all other community centers of 20%.
- Fewer recreational classes.
- Decrease in operational hours at the Children’s Museum, Pixie Woods amusement park, and Oak Park Senior Center.
- Consolidation of After School Program (ASP) sites resulting in reduced programs for at-risk youth.

Internal Support Needs: What is invisible to most citizens is the degradation of programs necessary to support all services, including public safety.

- The internal self-insurance funds were gradually drained of their resources to the point our workers compensation fund has a negative $43 million fund balance. Our liability fund has a negative $5 million fund balance.
- Our technology systems have not been replaced in a timely fashion. For example, our financial system is 21 years old, with an estimated replacement cost of $10 million.

This level of cuts, while unheard of among California cities, was still not enough to avoid insolvency. To be truly sustainable, many of these prior cuts will have to be reinstated at some point. As emphasized in its AB506 restructuring proposal, the City must remain viable as a municipality by achieving a sustainable fiscal position and regain service solvency. Chapter 9 was the only possible option for creating a viable foundation to meet these goals. However, while the restructuring savings achievable only under Chapter 9 are vitally necessary, they are insufficient, even with all of the prior City budget cuts, to resolve the City’s financial woes, without additional resources.

Bankruptcy Process

The City has experienced massive budget deficits for the past several years, owing to the economic collapse of the Central Valley economy during the Great Recession, an excessive debt burden amassed by the City since 2003, the granting of unsustainable labor contracts and retiree medical benefits, past financial miscalculations and the elimination by the state of redevelopment agencies. Even after implementing $90 million of extraordinary service reductions, privatization measures and
huge employee compensation reductions, the FY 2012-13 Budget faced a shortfall of $26 million.

In February 2012 the City implemented budget corrections to retain a balanced budget through June
30, and started the AB506 mediation process in an effort to avoid bankruptcy. During the AB506
process some participants worked very hard to understand the City’s financial status and many tried
to reach agreements that would improve the City’s unsustainable financial position. The City was
required by its Charter and by state law to adopt a balanced budget by June 30, and so on June 26,
2012 the City closed its remaining deficit by approving the 2012-13 Pendency Plan. The Pendency
Plan suspended debt payments, phased out all retiree medical benefits over one year, continued
reductions of pay and benefits imposed under previous Declarations of Fiscal Emergency and
reduced compensation components that exceeded those in the City’s labor market to close the $26
million gap.

The City’s eligibility for bankruptcy was immediately challenged by a consortium of financial debt
creditors consisting of Assured Guaranty, National Public Finance Guaranty and Franklin Funds,
collectively known as the Capital Markets Creditors. While the eligibility issue was being litigated, the
City’s bankruptcy Judge, the Honorable Christopher Klein, ordered the City to mediate obligations in
dispute and appointed Judge Elizabeth Perris to act as our Mediation Judge.

In mediation with Judge Perris, the hard work and good faith efforts of the City’s labor team and labor
groups begun in AB506 continued, resulting in six amended labor agreements by July 24, 2012.
Another two agreements with labor were reached on August 28, 2012. Those agreements resulted in
waiving claims to prior imposed pay and benefit reductions, achieving approximately 85% of the
original AB506 ask with respect to future savings, and avoided further litigation costs between the
labor groups and the City.

In March 2013 the City was able to negotiate a tentative agreement with Ambac relating to the 2003
Certificates of Participation debt obligation. This agreement was finalized in April 2013.

As mentioned above, the Capital Markets Creditors challenged the City’s eligibility for bankruptcy,
which consumed months of effort. This legal process culminated in Judge Klein’s ruling on April 1,
2013 granting Stockton access to bankruptcy protection, in which he ruled that Stockton officials and
financial experts had demonstrated the City was indeed insolvent on June 28, 2012, that it needed
the muscle of Chapter 9 to maintain its viability and that the City had acted in good faith. Through
this bankruptcy case the judge has made another important decision. He confirmed that the judiciary
cannot tell the City Council how to run itself and spend its money. We believe this is an important
decision that greatly reduces the risk of seeking more tax revenues before the judge actually rules on
a bankruptcy Plan of Adjustment. Since then the City has continued to be engaged in mediation
efforts with retirees, bond creditors and other claimants.

In June 2013 the City was able to reach a tentative agreement with one of the largest creditors in the
bankruptcy, the Association of Retired Employees of the City of Stockton (approximately 1,100
retired individuals who had been promised lifetime medical insurance coverage at no cost for the
retiree and a spouse). This agreement should be finalized in July 2013.

We also have a tentative agreement with the Marina Towers group.

We have continued to mediate with the remaining creditors which consist of

- The Capital Markets Creditors (Assured, NPFG and Franklin), which have five secured and one unsecured debt obligation between them
- Sports teams (the Stockton Thunder and Ports), which are both subsidized by the City
- Two legal settlements known as the Price and Jarvis matters
- The State of California Department of Boating and Waterways relative to loan funding for the Stockton Marina

Our schedule calls for submittal of a plan of adjustment in the third Quarter of 2013 which will set the stage for a final resolution via a litigated confirmation process. Once the plan is approved it becomes the basis for exiting bankruptcy. However, I do not think Stockton’s recovery of much needed services should be held hostage to an unknown court schedule and creditor actions.

Bankruptcy presents a special challenge in the context of voter consideration of a new general tax measure. It introduces some uncertainty but because of the previously mentioned judge’s decision we think it is a manageable risk. As I said earlier, neither the Court nor the creditors override the discretion of the elected City Council to determine the requirements for the municipal corporation and to make decisions about the allocation of the resources available. Stockton has been completely honest and transparent about the need to obtain additional general fund revenues for the purposes of addressing the critical public safety needs which exist and addressing the other critical needs of the City. We have shared this fact with creditors.

In addition, such revenues are necessary to allow the City to meet the requirements of the restructuring proposals which have been made in the AB506 process and bankruptcy mediation. Any plan of adjustment approved by the judge will be contingent on voter approval, anyways. Thus, voter approval of more resources makes for a stronger plan from the City. The Court has rebuffed efforts by the creditors to submit alternative spending proposals which are implicitly anchored in alternative public policy determinations, in order to substitute them for the considered determinations actually made by the elected City Council. Our proposal to submit a general tax measure for consideration is shaped by the fact that such a tax best meets the needs of the City and its citizens, and the settled law under Chapter 9. The City retains its ability to make the determinations about resource allocation which are fundamental to elected representative governance.
DEVELOPMENT OF MARSHALL PLAN TO IMPROVE PUBLIC SAFETY

In April 2012 the City initiated development of a Marshall Plan to reduce homicides and violence. This is a multi-generational chronic problem that has only gotten worse with a hard economy and reduced police staffing levels, as illustrated by the following points:

- The City of Stockton has the second highest total crime rate per capita for any city with a population of 100,000 or greater in California.
- While violent crime rates dropped 5.5% nationwide in 2010, they were up in Stockton, which ranked 10th in the entire U.S. with 13.81 violent crimes per 1,000 residents.
- Despite this high service demand, budget cuts have reduced sworn police staffing from 1.52 per 1,000 residents in 2005 to 1.17 currently (before addition of 17 grant-funded positions), which is the lowest ratio for cities over 250,000 population, notwithstanding our high crime rate.
- The City has a lower level of sworn police staffing than has been recommended by industry standards or which is observed in other similar service settings. The 2006 Braga study recommended sworn officer staffing levels at 2.0 per 1,000 residents, which even with the pending addition of 17 grant-funded officers, would require the addition of 240 police officers at a total annual cost (including equipment and support costs) of $50 million when fully implemented in FY 2020-21.

As the Marshall Plan report endorsed by the City Council stated, violence is a learned and contagious behavior perpetrated by a relatively small number of individuals. There is no single solution to violence, and the Marshall Plan has engaged key stakeholders in the community and criminal justice system to develop workable strategies. This will require a significant financial commitment by the City in excess of $20 million annually.

With five of the six City Council Town Hall Meetings concluded, the feedback has been cautiously supportive. The most common concern revolves around past Council decisions in the areas of employee compensation, retiree health and new business ventures (debt and operating subsidies). Other feedback on the Marshall Plan was consistent with what you heard at your Council meeting, e.g. we need additional employment opportunities and can we really impact the balance of the criminal justice system. On the topic of mistrust due to previous decisions, I will be submitting a tax proposal on July 9 that responds to these concerns.

Table 1 shows the projected cost by major element of the Marshall Plan, including additional sworn officers added over a three-year period, and staffing level relative to population. Officer costs include supervisory positions needed for an expanded force, vehicles, equipment and overtime. Salaries and benefits include projected future cost increases. Support positions include additional crime analysts and records assistants needed to service the increased number of officers and a small Office of Violence Reduction, whose sole focus will be to ensure the sustainability of the Marshall Plan goals. Operation Ceasefire (currently grant-funded) would be continued and Operation Peacekeepers would
be expanded. Neighborhood improvement programs include expanded code enforcement and neighborhood “blitz” teams.

Table 1

<table>
<thead>
<tr>
<th></th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
<th>14-15</th>
<th>15-16</th>
<th>16-17</th>
<th>17-18</th>
<th>18-19</th>
<th>19-20</th>
<th>20-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected Marshall Plan Cost Over General Fund Forecast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>($ in Millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Officers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Sworn FTE</td>
<td>345</td>
<td>362</td>
<td>362</td>
<td>402</td>
<td>442</td>
<td>482</td>
<td>482</td>
<td>482</td>
<td>482</td>
<td>482</td>
</tr>
<tr>
<td>Est City Pop (000)</td>
<td>295.0</td>
<td>296.5</td>
<td>297.9</td>
<td>299.4</td>
<td>300.9</td>
<td>302.4</td>
<td>303.9</td>
<td>305.5</td>
<td>307.0</td>
<td>308.5</td>
</tr>
<tr>
<td>Sworn FTE/1000 Pop</td>
<td>1.17</td>
<td>1.22</td>
<td>1.22</td>
<td>1.34</td>
<td>1.47</td>
<td>1.59</td>
<td>1.59</td>
<td>1.58</td>
<td>1.57</td>
<td>1.56</td>
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<tr>
<td>Costs:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Officers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Support Staff</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.52</td>
<td>0.60</td>
<td>0.75</td>
<td>0.76</td>
<td>0.78</td>
<td>0.79</td>
<td>0.81</td>
</tr>
<tr>
<td>Violence Reduction Offi</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.25</td>
<td>0.26</td>
<td>0.26</td>
<td>0.27</td>
<td>0.27</td>
<td>0.28</td>
<td>0.28</td>
</tr>
<tr>
<td>Ceasefire/Peacekeepers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.61</td>
<td>0.63</td>
<td>0.64</td>
<td>0.65</td>
<td>0.66</td>
<td>0.68</td>
<td>0.69</td>
</tr>
<tr>
<td>Neighborhood Imprvmt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.31</td>
<td>0.71</td>
<td>0.52</td>
<td>0.53</td>
<td>0.54</td>
<td>0.55</td>
<td>0.56</td>
</tr>
<tr>
<td>Total Cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9.33</td>
<td>14.91</td>
<td>21.53</td>
<td>22.18</td>
<td>23.76</td>
<td>25.40</td>
<td>26.78</td>
</tr>
</tbody>
</table>

TRANSACTIONS AND USE TAX TO FUND THE MARSHALL PLAN AND OTHER CRITICAL NEEDS

In fall 2012 the City polled likely voters to assess attitudes toward a potential ballot measure to enact an additional local sales tax rate. In January 2013, Mayor Silva proposed a special tax initiative devoted to public safety. On April 2 the City Council discussed that proposal and concerns about harming our bankruptcy efforts and exacerbating the general fund’s financial condition. The Council directed me to facilitate town hall meetings on the Marshall Plan and return with a funding proposal for it. Following discussions with business leaders the City was urged to bring forward a general tax proposal that would both balance the general fund budget and fund the Marshall Plan for improved public safety, which will be the measure before you on July 9.

A local sales tax, technically known as a transactions and use tax, requires voter approval. Normally, a general tax requiring majority voter approval must appear on a municipal ballot along with council elections. The next Stockton municipal ballot does not occur until June 2014, which is too long to wait given the City’s dire financial condition and the need to begin recovery. However, pursuant to Section 2(b) of Article XIIIC of the California Constitution, the City Council may, upon declaration of a fiscal emergency by a unanimous vote of the members of the Council present at the public hearing, submit the proposed transactions and use tax as a special election, in this case consolidating it with the county’s uniform district election of November 5, 2013.
As shown by the magnitude of the budget cuts already enacted, the City is not in a position to absorb any more cuts. The only alternative to further reducing public services is additional tax revenue. The California Constitution requires voter approval for new taxes, and a number of other California cities have taken tax proposals to their residents in recent years. As reported by the California Local Government Finance Almanac, on the November 2012 statewide ballot a total of 48 of 60 city general tax (majority vote) measures were passed (80% approval rate), while 5 of 15 city special tax (two-thirds vote) measures passed (33.3% approval rate). As to local transactions and use tax measures specifically, 31 of 33 city general tax measures passed (93.9% approval rate) versus 1 of 3 city special tax measures (33.3% approval rate). This recent level of success of general taxes is significantly higher than the outcome for such measures since 1995, as shown in Table 2.

<table>
<thead>
<tr>
<th></th>
<th>Passed</th>
<th>Failed</th>
<th>Total</th>
<th>% Passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Tax</td>
<td>115</td>
<td>54</td>
<td>169</td>
<td>68.0%</td>
</tr>
<tr>
<td>Special Tax</td>
<td>27</td>
<td>28</td>
<td>55</td>
<td>49.1%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>82</td>
<td>224</td>
<td>63.4%</td>
</tr>
</tbody>
</table>

Table 3 breaks down the city transaction and use taxes currently in effect by level of tax rate. Section 7285.9 of the Revenue and Taxation Code provides that a city may levy a transactions and use tax in multiples of 0.125% provided all overlapping tax rates do not exceed 2.00%. No city in California has ever levied greater than a combined 1.00% local rate. There are 10 other cities that have two transaction and use tax rates, as would Stockton if this measure is enacted. Stockton has the 0.25% Measure W rate now, and adding 0.75% would go to the maximum any other city is charging. For competitive reasons, it would not be prudent to go in excess of this amount.

<table>
<thead>
<tr>
<th>Rate</th>
<th>General Tax</th>
<th>Special Tax</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.250%</td>
<td>14</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>0.375%</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>0.500%</td>
<td>59</td>
<td>17</td>
<td>76</td>
</tr>
<tr>
<td>0.750%</td>
<td>6</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>1.000%</td>
<td>20</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>City Total</td>
<td>100</td>
<td>25</td>
<td>125</td>
</tr>
<tr>
<td>Other Agencies</td>
<td></td>
<td></td>
<td>39</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td>164</td>
</tr>
</tbody>
</table>
The City’s poll of likely voters last fall showed an initial 71% support for a 0.75% general sales tax to “improve and maintain essential City services, which may include a community-wide plan, developed by local leaders and criminal justice experts, with strategies to reduce crime in Stockton, including expanding the police force, improving 9-1-1 emergency response services, increasing anti-gang and crime prevention programs, and other general services such as street repair, libraries and parks.” After hearing both pro and con arguments the level of support moved to 68%. Alternatively, only 21% supported a measure whose proceeds “would primarily provide funding to pay existing debt holders, employee compensation and benefits, and city paid retiree medical benefits, but would not improve existing services or restore services that have previously been cut.”

PROPOSED TAX

The proposed ballot measure language is currently being drafted and will be available during the normal publication of the July 9 City Council Agenda. The proposed new tax would be a 0.75% transaction and use tax (sales tax) that as a general tax requires a majority voter to enact. It is expected to produce approximately $28 million in its first full year and grow at a rate of about 3.5% annually. Over a ten-year period approximately $219 million would be used to fund the Marshall Plan, and approximately $112 million would be used to fund the City’s exit from bankruptcy. With a three-year phase-in to full additional police staffing, and the need to eliminate the remaining general fund shortfall and re-establish reserves at the outset, in the initial years a larger proportion of funds would be devoted to the Bankruptcy Recovery Plan. By year four and thereafter the added public safety services would require 70-75% of the additional tax revenues; over time the ratio is projected to be approximately 66% for Marshall Plan expenses and 34% for the Bankruptcy Recovery Plan and other services. Given the well documented poor practices of the past, I will be recommending very unique accountability measures in the tax ordinance that ameliorate the risks going forward.

Table 4 shows the recent and future changes in total sales tax rate applicable in Stockton, assuming implementation of a 0.75% transactions and use tax.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.00%</td>
<td>1/1/12</td>
<td>Before Prop 30</td>
</tr>
<tr>
<td>8.25%</td>
<td>1/1/13</td>
<td>After Prop 30</td>
</tr>
<tr>
<td>9.00%</td>
<td>4/1/14</td>
<td>Approval of New Tax</td>
</tr>
<tr>
<td>8.75%</td>
<td>1/1/16</td>
<td>Prop 30 Expires</td>
</tr>
</tbody>
</table>

Table 5 compares the current and proposed level of total sales tax rate in Stockton to the current total rates applicable in surrounding jurisdictions.
Table 5
Surrounding Jurisdiction Tax Rates

<table>
<thead>
<tr>
<th>Rate</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.000%</td>
<td>Lathrop</td>
</tr>
<tr>
<td>9.000%</td>
<td>Livermore</td>
</tr>
<tr>
<td>9.000%</td>
<td>Stockton (proposed)</td>
</tr>
<tr>
<td>8.625%</td>
<td>Fairfield</td>
</tr>
<tr>
<td>8.500%</td>
<td>Manteca</td>
</tr>
<tr>
<td>8.500%</td>
<td>Sacramento</td>
</tr>
<tr>
<td>8.500%</td>
<td>Tracy</td>
</tr>
<tr>
<td>8.250%</td>
<td>Stockton (current)</td>
</tr>
<tr>
<td>8.000%</td>
<td>Elk Grove</td>
</tr>
<tr>
<td>8.000%</td>
<td>Lodi</td>
</tr>
<tr>
<td>7.625%</td>
<td>Modesto</td>
</tr>
</tbody>
</table>

FINANCIAL SUMMARY

Revenue Generating Capacity

If the tax is approved on the November 5, 2013 ballot, it will take effect on April 1, 2014, and the City will accrue one quarter’s worth of revenue (approximately $6.8 million) for FY 2013-14, with full year collection starting in FY 2014-15 at approximately $28 million annually.

A transaction and use tax may raise less (or more) than the equivalent rate of sales tax due to special provisions affecting vehicle sales and other transactions that are based on residency of the buyer, rather than location of the sale. HdL Companies, a sales tax consultant, summarizes the revenue effect as follows: “In projecting revenues, cities who serve a regional market for vehicles or merchandise to be delivered elsewhere such as contractor materials or industrial equipment and goods, will find that their transactions and use tax is proportionally lower than their sales tax revenues. A city whose residents and businesses must shop outside the city for vehicles and business and construction related goods, will find that their transactions and use tax receipts are proportionally higher than their sales tax revenues.”

As a regional market, a transactions and use tax in Stockton would raise proportionately less than its sales tax revenue, which is the experience with the City’s current 0.25% tax for public safety (Measure W), which generates around 94.6% of a comparable rate of sales tax. The revenue projected from the proposed 0.75% tax is based on the revenue-generating capacity of Measure W (i.e., three times the revenue collected from Measure W’s 0.25% tax rate).
Table 6 shows the projected use of the new tax proceeds between balancing the general fund budget (Bankruptcy Recovery Plan) and improving public safety services (Marshall Plan). Initially more proceeds are devoted to bankruptcy recovery, and then as Marshall Plan costs are fully phased in, more proceeds will be used to fund this improvement in public safety services. Over a ten-year period, it is estimated that safety services will consume approximately 66% of total tax proceeds, and balancing the general fund budget and emerging from bankruptcy will require approximately 34% of total tax proceeds.

Table 6

| Projected Use of New Tax Revenue Over Ten Year Period |
|---------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| New Tax Revenue | $6.9 | $28.4 | $29.4 | $30.4 | $31.5 | $32.7 | $33.8 | $35.0 | $36.2 | $37.5 | $29.1 |
| Marshall Plan | - | $9.3 | $14.9 | $21.5 | $22.2 | $23.8 | $25.4 | $26.8 | $27.0 | $27.5 | $21.0 |
| % Annual Use of Tax | 0% | 33% | 51% | 71% | 70% | 73% | 75% | 77% | 75% | 73% | 72% |
| % Cumulative Use | 0% | 26% | 37% | 48% | 54% | 58% | 61% | 63% | 65% | 66% | 66% |
| Bankruptcy Recovery | $6.9 | $19.1 | $14.5 | $8.9 | $9.4 | $8.9 | $8.4 | $8.2 | $9.2 | $10.0 | $8.1 |
| % Annual Use of Tax | 100% | 67% | 49% | 29% | 30% | 27% | 25% | 23% | 25% | 27% | 28% |
| % Cumulative Use | 100% | 74% | 63% | 52% | 46% | 42% | 39% | 37% | 35% | 34% | 34% |

General Fund Forecast

Unless this tax is approved by the voters, the City will continue to run shortfalls. Tables 7, 8 and 9 on the following pages are based on 2011-12 financial statements pending audit and 2012-13 projections as of your Quarter 2 Budget Report. Table 7 shows the annual general fund shortfall and ending fund balance after Chapter 9 restructuring savings, but without both the Marshall Plan and new tax revenue, over the City’s 10-year forecast period; the annual shortfall ranges from $8.6 million in FY 2013-14 to $79.1 million by FY 2020-21, and deficits begin in FY 2014-15.

Table 7

| Summary Forecast After Chapter 9 But No Marshall Plan and No New Tax |
|------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|
| ($ in Millions) | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 20-21 |
| Total Revenue | $160.3 | $156.8 | $159.5 | $161.5 | $165.5 | $171.1 | $176.0 | $181.1 | $186.3 | $190.1 |  |
| Total Expenditures | 166.8 | 156.9 | 159.5 | 170.1 | 177.0 | 179.1 | 186.0 | 192.9 | 200.7 | 204.9 |  |
| Net Annual | (6.6) | (0.1) | - | (8.6) | (11.5) | (8.0) | (10.0) | (11.8) | (14.4) | (14.8) |  |
| Beginning Balance | 6.6 | 0.1 | - | - | (8.6) | (20.1) | (28.1) | (38.1) | (49.9) | (64.3) |  |
| Ending Balance | 0.1 | 0.0 | - | (8.6) | (20.1) | (28.1) | (38.1) | (49.9) | (64.3) | (79.1) |  |
| Bal as % of Total Exp | 0.0% | 0.0% | 0.0% | -5.0% | -11.3% | -15.7% | -20.5% | -25.9% | -32.0% | -38.6% |  |
Table 8 shows the impact of adding the cost of the Marshall Plan to Chapter 9 savings, but without the new tax, which results in annual shortfalls $17.9 in FY 2014-15 to $223.0 million by FY 2020-21; the ending fund balance falls dramatically farther into deficit.

<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
<th>14-15</th>
<th>15-16</th>
<th>16-17</th>
<th>17-18</th>
<th>18-19</th>
<th>19-20</th>
<th>20-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$160.3</td>
<td>$156.8</td>
<td>$159.5</td>
<td>$161.5</td>
<td>$165.5</td>
<td>$171.1</td>
<td>$176.0</td>
<td>$181.1</td>
<td>$186.3</td>
<td>$190.1</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$166.8</td>
<td>$156.9</td>
<td>$159.5</td>
<td>$179.4</td>
<td>$191.9</td>
<td>$200.6</td>
<td>$208.2</td>
<td>$216.7</td>
<td>$226.1</td>
<td>$231.7</td>
</tr>
<tr>
<td>Net Annual</td>
<td>(6.6)</td>
<td>(0.1)</td>
<td>-</td>
<td>(17.9)</td>
<td>(26.4)</td>
<td>(29.5)</td>
<td>(32.2)</td>
<td>(35.6)</td>
<td>(39.8)</td>
<td>(41.6)</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>6.6</td>
<td>0.1</td>
<td>-</td>
<td>(17.9)</td>
<td>(44.3)</td>
<td>(73.8)</td>
<td>(106.0)</td>
<td>(141.6)</td>
<td>(181.4)</td>
<td>(223.0)</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>0.1</td>
<td>0.0</td>
<td>-</td>
<td>(17.9)</td>
<td>(44.3)</td>
<td>(73.8)</td>
<td>(106.0)</td>
<td>(141.6)</td>
<td>(181.4)</td>
<td>(223.0)</td>
</tr>
<tr>
<td>Bal as % of Total Exp</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-10.0%</td>
<td>-23.1%</td>
<td>-36.8%</td>
<td>-50.9%</td>
<td>-65.4%</td>
<td>-80.2%</td>
<td>-96.2%</td>
</tr>
</tbody>
</table>

Table 9 shows the impact of adding a 0.75% local sales tax, as well as the cost of the Marshall Plan and Chapter 9 savings, which results in a balanced budget throughout the forecast period, with reserve levels averaging approximately 8% for the period of FY 2013-14 through 2020-21. While the balance declines in the latter years of the City’s 10-year forecast, beyond that forecast period the rate of decline slows in the mid-2020’s and the general fund is projected to avoid going into deficit due largely to the expected long-term trend of pension costs.

CalPERS rates are projected to increase significantly through 2020 due to recently adopted rate smoothing and unfunded liability amortization policies, an expected further reduction in the discount rate (actuarial investment return), and other changes. However, the Public Employee Pension Reform Act (PEPRA) grants lower benefits to new employees, so savings will accrue over time with turnover in the workforce. Also, under the smoothing and amortization changes the City pays more in the near-term, but less later on. As a consequence of this restructuring, pension contribution rates as a percent of payroll will level off and then begin to decline, resulting in projected annual surpluses and increasing fund balance by the late 2020’s. The City is projecting this rate of decline at a much more conservative rate than that discussed by CalPERS staff.
### Table 9

<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
<th>14-15</th>
<th>15-16</th>
<th>16-17</th>
<th>17-18</th>
<th>18-19</th>
<th>19-20</th>
<th>20-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$160.3</td>
<td>$156.8</td>
<td>$166.4</td>
<td>$190.1</td>
<td>$195.3</td>
<td>$202.0</td>
<td>$208.0</td>
<td>$214.2</td>
<td>$220.5</td>
<td>$225.3</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>166.8</td>
<td>156.9</td>
<td>159.5</td>
<td>179.4</td>
<td>191.9</td>
<td>200.6</td>
<td>208.2</td>
<td>216.7</td>
<td>226.1</td>
<td>231.7</td>
</tr>
<tr>
<td>Net Annual</td>
<td>(6.6)</td>
<td>(0.1)</td>
<td>6.9</td>
<td>10.8</td>
<td>3.4</td>
<td>(0.2)</td>
<td>(2.5)</td>
<td>(5.6)</td>
<td>(6.3)</td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>6.6</td>
<td>0.1</td>
<td>-</td>
<td>6.9</td>
<td>17.6</td>
<td>21.0</td>
<td>22.3</td>
<td>22.2</td>
<td>19.7</td>
<td>14.0</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>0.1</td>
<td>0.0</td>
<td>6.9</td>
<td>17.6</td>
<td>21.0</td>
<td>22.3</td>
<td>22.2</td>
<td>19.7</td>
<td>14.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Bal as % of Total Exp</td>
<td>0.0%</td>
<td>0.0%</td>
<td>4.3%</td>
<td>9.8%</td>
<td>11.0%</td>
<td>11.1%</td>
<td>10.6%</td>
<td>9.1%</td>
<td>6.2%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

**ALTERNATIVE TO NEW TAX REVENUE IS ADDITIONAL BUDGET CUTS**

The alternative to enacting a new tax is to make additional reductions in service levels. Otherwise, the City cannot present a viable Plan of Adjustment for exiting bankruptcy.

- Balancing the general fund budget without both the Marshall Plan and new tax would require a 7% reduction in the total general fund expenditures remaining after Chapter 9 restructuring. This would generate approximately $11 million in savings when fully implemented in FY 2014-15 (half that amount in FY 2013-14 by the time cuts could be started), with growth in the value of the avoided costs over time.

- Balancing the general fund budget with the Marshall Plan but no new tax would require a 15% reduction in total general fund expenditures remaining after Chapter 9 restructuring, which would generate approximately $26 million in savings when fully implemented in FY 2014-15 (half that amount in FY 2013-14 by the time cuts could be started), with growth in the value of the avoided costs over time.

Additional budget cuts in this range of $11-26 million, especially if the weight of cuts were borne by non-safety services, would seriously undermine the long-term viability of Stockton. Even if the Marshall Plan is adopted, the City’s viability is not determined by public safety services alone. As important as is public safety, citizens and businesses don’t move to or stay in a city solely on the basis of police services. Parks, libraries, recreation and/or entertainment opportunities, schools, employment opportunities, reputation, sense of safety, predictability and lifestyle are all part of a city’s long-term viability.

Table 10 shows the type of budget cuts that might be required in the absence of new tax revenue. These items were on a contingent cut list from the FY 2011-12 budget and total $22 million. This is more than enough to balance the general fund budget without the Marshall Plan, or just enough to
balance the budget while funding about 75% of the Marshall Plan.

**Table 10**

**Example of $22 Million in Additional Cuts That Might Be Required in the Absense of New Tax Revenue Based on Contingent Departmental Cut List from 2011-12 Budget (in $000)**

<table>
<thead>
<tr>
<th>Non-Safety:</th>
<th>Fire:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin, CC, Non-Dept-cut 5 FTE $354</td>
<td>Truck 2-cut 1 FF/shift $405</td>
</tr>
<tr>
<td>Admin Svc-cut 9 FTE 442</td>
<td>Truck 3-cut 1 FF/shift $405</td>
</tr>
<tr>
<td>Auditor-15% reduction 65</td>
<td>Truck 7-cut 1 FF/shift $405</td>
</tr>
<tr>
<td>City Atty-cut 1 advisory atty 126</td>
<td>Close Engine 6 1,351</td>
</tr>
<tr>
<td>City Clerk-cut 1 FTE 79</td>
<td>Close Engine 11 1,351</td>
</tr>
<tr>
<td>Econ Dev-15% reduction 103</td>
<td>Close Engine 14 1,351</td>
</tr>
<tr>
<td>Ent Venue-reduce maint/other 244</td>
<td>Close Truck 3 1,351</td>
</tr>
<tr>
<td>Ent Venue-close ballpark 366</td>
<td>Other savings 65</td>
</tr>
<tr>
<td>Develop Svcs-elim GF subsidy 1,000</td>
<td>Reduced Fire Dist reimburse (662)</td>
</tr>
<tr>
<td>Golf-close Van Buskirk 250</td>
<td>Subtotal Fire Dept 6,022</td>
</tr>
<tr>
<td>CIP-cut GF funding 575</td>
<td></td>
</tr>
<tr>
<td>HR-reduce training 80</td>
<td>Police:</td>
</tr>
<tr>
<td>HR-cut 3 FTE 184</td>
<td>Cut 30 CSOs (net of rev loss) 1,751</td>
</tr>
<tr>
<td>Library-cut 7 FTE/31% fewer hrs 500</td>
<td>Records staff cut 3 FTE 199</td>
</tr>
<tr>
<td>Library-cut landscaping 50% 10</td>
<td>Telecommunication cut 3 FTE 267</td>
</tr>
<tr>
<td>Rec-cut 3 FT/3 PT 242</td>
<td>Investig/traffic/other cut 14 f 1,139</td>
</tr>
<tr>
<td>Rec-after school reduction 48</td>
<td>Traffic section cut 12 FTE 1,368</td>
</tr>
<tr>
<td>Peacekeepers-cut GF 15% 27</td>
<td>Investig cut 21 FTE (6 left) 2,543</td>
</tr>
<tr>
<td>PW-park maint to min levels 185</td>
<td>Patrol cut 31 FTE 3,727</td>
</tr>
<tr>
<td>PW-cut water use 50% 165</td>
<td>Subtotal Police Dept 10,994</td>
</tr>
<tr>
<td>PW-cut 1 FTE, fund shift to Gas 170</td>
<td></td>
</tr>
<tr>
<td>Subtotal Non-Safety Depts 5,214</td>
<td>Grand Total Cuts 22,230</td>
</tr>
</tbody>
</table>

It would be difficult, however, to implement the Marshall Plan while simultaneously cutting other key elements of the Police Department. Table 11 shows that if the $11 million in Police cuts were spread to other departments, the percentage impact jumps to unsustainable levels: if both Police and Fire were held harmless from cuts of this magnitude, non-safety would suffer a 54% reduction in budget levels.
Table 11

Sample Impact Assuming Re-Allocation of Contingent Cut List Among Safety and Non-Safety Departments ($ in 000)

<table>
<thead>
<tr>
<th></th>
<th>Other Depts</th>
<th>Fire Dept</th>
<th>Police Dept</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuts from Contingent List</td>
<td>$5,214</td>
<td>$6,022</td>
<td>$10,994</td>
<td>$22,230</td>
</tr>
<tr>
<td>% Cut (13-14 dollars)</td>
<td>13%</td>
<td>17%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>No Cuts to Police</td>
<td>$11,125</td>
<td>$11,105</td>
<td>-</td>
<td>$22,230</td>
</tr>
<tr>
<td>% Cut (13-14 dollars)</td>
<td>27%</td>
<td>31%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>No Cuts to Police+Fire</td>
<td>$22,230</td>
<td>-</td>
<td>-</td>
<td>$22,230</td>
</tr>
<tr>
<td>% Cut (13-14 dollars)</td>
<td>54%</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

These impacts are limited to the $22 million value of the cuts on the existing list. Cutting the entire $26 million needed to both balance the budget and fund the full Marshall Plan, without affecting the Police and Fire departments, would boost the cuts to the remaining non-safety departments from 54% to 62%. All of this comes on top of previously implemented cuts totaling 36% of total general fund expenditures. Even if none of these cuts came from the Police Department, this action would be like building a structure on a crumbling foundation. It would be difficult, if not impossible, to run the entire City without the administrative, planning, financial and other support functions that would be largely eliminated through an effort to balance the general fund budget, and pay for the Marshall Plan, without any additional resources.

CONCLUSION

It is recommended that the City Council call for a public hearing for July 9 and consider placing a tax measure before the voters for approval on November 5, 2013. On July 9 it will be recommended that the Council adopt the Resolution calling the election, and approve the Ordinance establishing the terms and conditions of a sales tax for consideration by the voters. First reading of the ordinance is done by Council and under state law the second reading is the action by voters at the election.
FISCAL YEAR 2012-13 GENERAL FUND THIRD QUARTER BUDGET UPDATE AND YEAR END PROJECTION

RECOMMENDATION

This item is informational only and does not require City Council action.

Summary

The City’s General Fund budget for Fiscal Year 2012-13 was balanced by making $26 million in reductions to creditors and retirees under the Pendency Plan adopted on June 26, 2012. The discussion that follows assumes all pendency plan reductions continue through the end of the fiscal year.

Staff provided the City Council with two status reports on the 2012-13 General Fund - the first quarter results on December 11, 2012 and second quarter results on March 19, 2013. The second quarter report concluded that based on information available at that early point, and if trends apparent at that time continued, the General Fund would end the year with a positive available balance between $4.7 and $6.7 million.

The Budget Office has reviewed and analyzed revenues and expenditures in the General Fund for the nine months ended March 31, 2013 fiscal year with results shown in Attachment A. Based on the year to date revenue and expenses and input from departments, the General Fund is projected to end the year with a positive available fund balance between $6.9 and $8.9 million, depending on whether the $2.0 million contingency budget is used. The General Fund ending balance will be transferred to the Bankruptcy Fund in the Fiscal Year 2013-2014 budget to be used for claims and related costs to exit bankruptcy. This $2.2 million increase in General Fund available balance is the result of several factors. General Fund departments have accumulated more vacancy savings than expected in the third quarter of 2012-13 which is a $900,000 increase from second quarter projections. In addition, anticipated subsidy to the successor agency has decreased ($319k). Revenues also improved in the third quarter for Property Tax, business license, rents, reimbursements, and fines categories ($825k). The results of that analysis and projections for the year end status of General Fund revenues and expenditures are described in this memorandum. No City Council action for budget amendments is necessary at this time.
DISCUSSION

Background

One of the strategic initiatives developed to support the City Council’s “Fiscal Sustainability - Getting our Fiscal House in Order” goal was to provide regular analysis and reporting of the City’s financial status. This report is provided as part of that effort.

Prior Budget Actions

During the prior three years, several massive budget actions have been brought before Council that included huge service reductions and compensation reductions. The Fiscal Year 2011-12 Budget, as adopted by Council on June 21, 2011, was balanced using a combination of service reductions (approximately $12 million) and significant employee and retiree compensation reductions (approximately $25 million) imposed under the City’s second declaration of fiscal emergency. On February 28, 2012 a Fiscal Condition Update was presented to Council that included a revised Fiscal Year 2011-12 net annual operating deficit projection of $8.6 million. The change was primarily due to declines in revenue, Redevelopment Agency backfill for expenditure overdrafts, and other items described in that report. The Council approved $15 million in solutions to resolve deficit fund balances (FY 2010-11 $6.6 million and FY 2011-12 $8.6 million) through fund transfers, suspending certain general fund supported debt payments, and other actions to address prior year accounting adjustments (e.g. writing off accounts receivables, cash reconciliation variances, etc.). Without these actions at year end, the General Fund would have ended 2011-12 with a large deficit fund balance and a negative cash balance.

On June 26, 2012 the Council closed a $26.0 million budget deficit by approving the 2012-13 Annual Budget and Pendency Plan assuming the protection of Chapter 9 (bankruptcy). The Pendency Plan suspended debt payments, reduced retiree medical benefits, continued reductions of pay and benefits imposed under Declarations of Fiscal Emergency and reduced compensation components that exceeded those in the City’s labor market. The City filed for Chapter 9 Bankruptcy on June 28, 2012 and on April 1, 2013 the judge ruled that Stockton is eligible for bankruptcy relief. The City continues to provide services under the Pendency Plan while under Chapter 9 protection. The 2012-13 Pendency Plan was amended by Council on September 11, 2012, to adjust for new property tax information and agreements reached with labor.

Budget Monitoring Current Fiscal Year

On March 19, 2013 staff provided the City Council with a status report on the General Fund results for the first half of Fiscal Year 2012-13. The second quarter report concluded the General Fund would end the year with a positive available balance between $4.7 and $6.7 million which, if realized, would likely be used for bankruptcy costs and claims settlements. These projections have now been updated with third quarter results.

This nine month update continues to project that the General Fund will end the year positively, with an estimate for a year-end balance that has been raised to a $6.9 to $8.9 million range. General Fund revenue collections are now estimated to end the year above the amended budget by $1.7 million or 1.1%. It is projected that the overall annual savings in General Fund expenditures will be
approximately $4.8 million or 3.1%. Details of the variances are explained below.

Present Situation

2012-13 General Fund Third Quarter Results

A review of revenues and expenditures for the first nine months of Fiscal Year 2012-13 has been conducted with results shown on Attachment A. This was based on 9 months of actual activity. From this review the Budget Office has made projections for likely year-end results based on current trends and known actions that will affect the remainder of the fiscal year. Explanations and details regarding specific revenue and expenditures are presented in the following pages.

Revenue

Based on current information, it is expected that the General Fund revenues will end the year approximately $1.7 million greater than budgeted, which is greater than the $842,000 projected in the second quarter status report accepted by Council on March 19, 2013 (the variance is $825,000). The slight positive variance (1.1%) from budget reflects offsetting revisions in both the tax and non-tax revenue categories. A review of new information available to date provides a basis for adjustment of the City’s collections in General Tax Revenues for an estimated variance of $2,127,000 above budget. This is partially offset by a reduction in the estimate for Police Department revenues for code enforcement activities and parking citations. Overall Program Revenues are projected to end the year below budget by $945,000 based on current information. Additionally, reimbursements and rent revenues are anticipated to exceed budgets by $486,000. Further details regarding these revenue projections are described below.

The General Fund received $94.2 million in revenue in the first nine months of the fiscal year or 60% of the budgeted revenues. Sales tax and many other revenues are not received on a monthly basis but weighted more toward the end of the fiscal year. Attachment B details the year to date revenue received and projected revenues by category.

Property Taxes - Property tax revenues are received primarily in December and May. As the general economy of the City slowly improves, median home prices are trending upward slightly. Overall property tax revenues projections of $43.6 million are $292,000 more than projected in the second quarter report. The increase in projected property tax revenue is based on payments received from the County in May. The projection is $701,000 greater than budget, but still 1% lower than 2011-12 receipts.

Sales Tax - Sales tax revenue received consisted of a combination of advances that the State calculated on estimated anticipated sales and actual sales tax collected with two quarters of actual Sales Tax receipts. The fourth quarter of 2012 brought lower sales tax revenues than previously projected primarily due to companies reporting sales tax receipts in the wrong quarter and audit corrections. As a result projected 2012-13 sales tax revenues are $96,000 less than the second quarter budget update. This is still an increase of $624,000 over budget and would represent a 6% increase over Fiscal Year 2011-12 revenues. This growth is attributable to 3% increase in point of sale transactions and 18% increase due to a State true-up of the 2011-12 triple flip back fill. The growth in point of sales tax is a result of automobile sales, the new Wal-Mart Supercenter, improved
consumer sentiment and pent-up demand for general consumer goods, and a recovery in travel and tourism boosting sales at restaurants, hotels and car rentals.

Utility Users Tax - Total Utility Users Tax (UUT) revenues are projected to come in about 1% above the budget for a total of $31.8 million. Projected UUT revenues are $154,000 lower than projected in the second quarter report because electricity related gains experienced in the first six months did not continue. Receipts are received monthly and monitored by an outside consultant. Based on a combination of all data received thus far in the fiscal year, this status report assumes higher than budgeted collections for Water, Cable and Electric while Gas and Telecommunications revenues are trending below budget. Cable tax revenue increases are due to a reporting change by AT&T last September which separates cable from telecommunications revenues. The result is that cable revenue reports higher than projected while the telecommunications revenue reports lower. Receipts from Comcast Cable are at the budgeted level of three percent less than prior year. Growth in wireless telecommunications revenues from rate increases, additional wireless customers and prior year catch up payments found by the City’s consultant has offset most of the loss due to AT&T reporting corrections.

Franchise Tax - Overall Franchise revenue is projected to be $335,000 more than budgeted. This is primarily due to improvements in the commercial and industrial sectors leading to increased volume and need for services provided by waste hauler companies. PG&E franchise revenues are not received until after the close of the fiscal year but the projection has been reduced based on the decline in gas utility users tax revenues compared to prior year. Cable/video franchise revenues are remitted quarterly with two payments received in the first nine months of the fiscal year.

Business License Tax - The majority of the Business License tax is received in the last five months of the fiscal year. There was very little information available at the time of the second quarter report so business license revenue was projected to be the same as the prior year. As of the end of April, the City has received $7.9 million of the $9.2 million budget. The Administrative Services Department now projects that it will achieve $9.1 million by fiscal year end which is $225,000 more than projected in the second quarter budget update, but still below the budgeted level by $110,000. The growth over prior year collections can be attributed to improved overall compliance and an 11.7% increase in the number of licenses including 261 new and 1,423 renewed licenses.

Program Revenues

- Fire contracts - Four local fire districts contract with the City for services and reimburse the City based on a percentage of the City’s total actual Fire Department operating costs. Fire contract revenues are projected to be $3.3 million or $583,000 less than the budgeted amount due to the reduction in fire personnel expenditures implemented as part of the 2012-13 Pendency Plan. Revenue from contracts with local Fire Districts have been reduced an additional $112,000 since the second quarter report to adjust for additional staff savings that will be passed on through these contracts.
- Code Enforcement - Projected revenues of $2.8 million are in line with the second quarter revenue projection. Code Enforcement revenues continue to be 11% lower than the $3.2 million budget reflecting the impact of the discontinuation of the Teeter Plan by San Joaquin County. Previously, under the Teeter Plan, the City was reimbursed for all amounts owed through the lien process, regardless of what had been collected. Under the new system, the
City is reimbursed only when and if monies are collected by the County. It was very difficult to estimate the impact of the change going into this fiscal year absent information on collection rates under the Teeter Plan. Police Department staff used what was thought to be a conservative estimate that the City would collect 40% of the amount liened. Actual receipts to date indicate we are only receiving approximately 30%, although receipts may increase throughout the year as the April property tax payments are made and as the real estate market continues to slowly improve. Collection data for Police revenues early in the year was limited and the trend for lower than anticipated collections only became apparent as a result of the availability of the additional data.

- **Fines & Forfeitures** - The second quarter report projected this category would end the year $365,000 below budget due to reductions in traffic and parking citations, criminal fines and a prior year correction in DUI fines by San Joaquin County. Third quarter projections have improved with the resolution of several outstanding issues between the contractor, Inglewood Citation Management Services (ICMS) and Police Department staff.

Reimbursements - Police Reimbursements have increased over second quarter and are well above budgeted levels ($279,000) as a result of several multi-agency enforcement missions and the ability to receive reimbursement for overtime hours incurred. These revenues from agencies such as the FBI and ATF are offset by an increase in overtime expenses within the Police Department, particularly in the Special Investigations Section.

Rents/Leases/Concessions - The Municipal Utilities Department (MUD) pays rent for use of properties and office space purchased and maintained by the General Fund. The rent is adjusted annually based on market value, depreciation and City overhead costs. As a result of the annual adjustment calculated and posted during the third quarter, MUD paid an additional $200,000 in fiscal year 2012-13 rent.

Budget projections are subject to various risks, some unanticipated and some significant. One risk factor in the revenue projections that may be significant is the Sales Tax receipts. In California, cities do not receive information regarding the final quarter of Sales Tax receipts until September, well after the close of the fiscal year. Although we have based our estimate on the data provided to us by our Sales Tax consultant and collections recorded year to date, the final quarter collections could obviously vary from that estimate. To achieve the level of Sales Tax collections included in the current projection, growth in the third and fourth quarters would need to be approximately 2%. This would be relatively consistent with our experience year-to-date, but to give you some sense of the risk of lower performance, should the final quarter come in with no growth from last year’s fourth quarter, we would fall below our current projection by approximately $300,000. This difference may not be known at time of final budget status update as the final state information is received in mid-September. Other risks may be identified and quantified in the final budget status update.

**Expenditures**

The Budget Office staff has looked at each departmental and non-departmental General Fund expenditure account, and worked with the departments where appropriate, to provide year-end projections. These projections are also summarized in an attachment to this memorandum. In the first nine months of the fiscal year the General Fund spent $107.8 million or 68% of the budgeted expenditures. Based on current information, it is expected that the General Fund expenditures will
end the year approximately $4.8 million lower than budgeted which is an increase ($1.3 million) in the savings projected in the second quarter status report accepted by Council on March 19, 2013. Savings from vacant positions continue to generate expenditure savings. Police, Fire, and Human Resources have all added to their vacancy savings projections. We are still seeing increased turnover largely due to concerns about our bankruptcy. Additional savings has also been projected in the Labor Litigation line based on current activity and estimates from the labor team. These savings are partially offset by the need to increase funding for external audit contract ($146,500), Chapter 9 legal costs ($1,549,000) and Debt Service administration ($68,000). Further details regarding these revenue projections are described below.

Police - At current expenditure levels, the Police Department is on track to experience savings of close to $3.5 million (4.3% of budget) which is attributable to salary and benefit savings from vacancies. The Police Department continues to carry a large number of vacancies despite their continued efforts to increase staff. The department has 30 vacancies in sworn staffing, including 17 new grant funded officers. The Police Department reports that both attrition and hiring rates continue at levels higher than previously anticipated. As of April 1st, the department has increased officer staffing from the approximate 320 level as of the beginning of the fiscal year, to 332 (up 2 from the Second Quarter status report). Provided no additional separations occur, an additional 10 officers are expected to be hired for a total of 342 officers by the end of the fiscal year. Savings from vacancies are partially offset by increases associated with additional hiring and background costs, and overtime costs of the existing Police Department officers and staff. These additional expenses are reflected in the anticipated net savings noted above. Projected expenses decreased since the second quarter by $482,000 because the department continued to experience higher than expected attrition of Police Officers.

Fire - The entire $1.1 million savings in the Fire Department is attributable to salary and benefit savings due to vacancies. The department expects to spend $258,000 less than the amount reported in the second quarter report as a result of the increase in vacancies between January and May 2013. Five additional employees separated since December 2012 for a total of 11 vacancies in Fire Suppression. These vacancies have taken longer to fill than anticipated due to the re-hire process involved from a firefighter lay-off list, the time necessary to comply with Civil Service promotional processes, and the three months it took to negotiate Civil Service Rule language on promotional probationary periods with the affected bargaining unit. The department also expects to spend less on overtime than previously anticipated for staff needing to reduce their vacation accrual to bring them below their caps. It should be noted however, that Fire Department overtime can be very unpredictable in the months of May and June because of summer vacation requests and state wildfire emergencies.

Redevelopment Successor Agency - The projected General Fund subsidy for administration of the Successor Agency has been reduced by $319,000 since the second quarter report based on recent experience as the winding down of redevelopment activities continues and legal expenses remain minimal.

City Attorney - Several vacancies occurred early in the fiscal year in the City Attorney’s Office. Due to uncertainties around workloads and due to the City’s Bankruptcy filing, the City Attorney has delayed filling these vacancies until early next fiscal year. If current trends were to continue, savings in that department are projected to be $360,000 by year end which is $34,000 less savings than
projected in the second quarter report. Expenditures in the City Attorney’s Office are anticipated to return to budgeted levels in the 2013-14 fiscal year.

City Auditor - External audit costs are expected to increase for the audit of the City’s Fiscal Year 2011-12. This increase is due to the extensive work necessary to audit fiscal conditions uncovered by staff and complications related to the City’s bankruptcy. The in depth approach that is needed in the City’s external audit and the dramatic increase in cost is expected to continue throughout the bankruptcy process. The second quarter estimate has been updated to reflect the need for an additional $146,500 in the City Auditor budget. A staff report authorizing the audit contract and increasing the City Auditor budget was presented to Council on June 11, 2013.

Human Resources - Overall Human Resources is projecting a savings of $385,000 due to vacancies, postponed training and recruitments, reduced legal service needs and cost savings on pre-employment screening services. Vacancy savings account for $88,000 of the total primarily due to a Supervising Human Resources Analyst position that was vacant for 10 months. Legal services can vary depending on grievances and labor issues. So far legal costs have been lower than in previous years resulting in a savings of approximately $85,000. A Leadership Development Academy was budgeted at $85,000 but will not be implemented until next fiscal year. Compared to the second quarter report savings in Human Resources increased $279,000 because the savings from legal services and training were not anticipated at that time.

Labor Litigation/Chapter 9 Legal - The 2012-13 legal services budget of $2 million was based on the assumption that all labor agreements would have to be renegotiated before they expired on June 30, 2013. Since the Council has decided to make only minimal changes to most of the labor agreements, attorney and consultant costs are estimated at $1.5 million lower than the budget.

Legal and consultant services related to the bankruptcy are by nature very volatile and hard to project, given the unpredictable nature of the litigation process. Chapter 9 funds are being expended at a high rate due to the creditor’s aggressive litigation strategy. The cumulative funding set aside to support the chapter 9 process totals $5.58 million, of which $4.2 million is budgeted in the General Fund. The General Fund has been paying approximately 69% of the total Chapter 9 costs while the remaining amount is allocated to other impacted funds. Based on new year-end expenditure projections completed in May, we expect to spend close to $7.7 million on bankruptcy in Fiscal Year 2012-13, of which the total General Fund share is anticipated to be $5.7 million. The savings in the Labor Litigation appropriation are sufficient to cover the projected overage in the Chapter 9 budget. Labor litigation and Chapter 9 are both budgeted in Non-Departmental within the General Fund so the bankruptcy budget will be adjusted administratively.

Debt Service - Staff and overhead costs related to management of City bonded debt is distributed between assessment districts and City funds based on their share of bond issuances. The General Fund’s share was underestimated in the 2012-13 budget. Debt administration costs are projected to be about $10,000 more than budgeted and based on the allocation of these costs, the General Fund share is $68,000 above the budgeted amount and the second quarter projection.

All other General Fund departments not mentioned above appear to be spending at or slightly below budgeted levels.
It should also be noted that for purposes of this status report, staff expenditure savings estimates are exclusive of the Contingency Reserve ($2.0 million). However, this Contingency Reserve represents the range in projected estimated ending fund balance of $6.9 to $8.9 million. The Contingency is intended for unexpected expenditures or emergencies that, by its very nature, is impossible to predict. Any savings in that appropriation at year-end would be available to be utilized in the following fiscal year.

The projected ending fund balance range of $6.9 to $8.9 million will be committed for Bankruptcy legal costs and claims settlements budgeted in Fiscal Year 2013-2014. This balance is only 4.4% of the City’s General Fund revenues, significantly below Government Finance Officers Association recommended fund balance of 17%. Again, this projected balance is only achievable because of the $26 million of reductions made to creditors and retirees through the Pendency Plan assuming the protection of Chapter 9 (Bankruptcy).

FINANCIAL SUMMARY

Taking into account the uncertainties discussed above, and the lack of precision inherent in any set of projections that are based on nine months of actual data, it is estimated that the City General Fund will end the fiscal year with $6.9 to $8.9 million positive fund balance. This information will continue to be updated as additional data becomes available. This report is for informational purposes and does not recommend any Council action.

Attachment A - 2012-13 Third Quarter Budget Update - General Fund
Attachment B - 2012-13 Revenues - General Fund
# City of Stockton
## 2012-13 Third Quarter Budget Update
### General Fund - 010 by Program

<table>
<thead>
<tr>
<th>FY 2012-2013</th>
<th>Approved Budget</th>
<th>Year to Date Activity as of 3/31/13</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Available Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year AB506/Encumbrance*</td>
<td>$2,713,214</td>
<td>$2,713,214</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Tax Revenues</td>
<td>136,112,867</td>
<td>59%</td>
<td>138,239,578</td>
<td>2,126,711</td>
</tr>
<tr>
<td>Program Revenues</td>
<td>11,506,189</td>
<td>67%</td>
<td>10,560,789</td>
<td>(945,400)</td>
</tr>
<tr>
<td>Transfers In</td>
<td>7,532,129</td>
<td>74%</td>
<td>8,018,552</td>
<td>486,423</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>155,987,713</td>
<td>60%</td>
<td>157,654,828</td>
<td>1,667,115</td>
</tr>
</tbody>
</table>

## Expenditures

### Programs

<table>
<thead>
<tr>
<th>Type</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>82,593,751</td>
<td>71%</td>
<td>79,071,700</td>
<td>3,522,051</td>
</tr>
<tr>
<td>Fire</td>
<td>36,343,178</td>
<td>67%</td>
<td>35,261,468</td>
<td>1,081,710</td>
</tr>
<tr>
<td>Public Works</td>
<td>6,829,013</td>
<td>69%</td>
<td>6,829,013</td>
<td>-</td>
</tr>
<tr>
<td>Economic Development</td>
<td>682,744</td>
<td>65%</td>
<td>624,950</td>
<td>57,794</td>
</tr>
<tr>
<td>Peacekeeper Program</td>
<td>214,065</td>
<td>77%</td>
<td>214,065</td>
<td>-</td>
</tr>
<tr>
<td>Arts Commission</td>
<td>33,327</td>
<td>46%</td>
<td>21,379</td>
<td>11,948</td>
</tr>
<tr>
<td>Total Programs</td>
<td>126,696,078</td>
<td>70%</td>
<td>122,022,575</td>
<td>4,673,503</td>
</tr>
</tbody>
</table>

### Program Support for Other Funds

<table>
<thead>
<tr>
<th>Source</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library</td>
<td>3,907,000</td>
<td>75%</td>
<td>3,907,000</td>
<td>-</td>
</tr>
<tr>
<td>Recreation</td>
<td>2,340,000</td>
<td>81%</td>
<td>2,340,000</td>
<td>-</td>
</tr>
<tr>
<td>Entertainment Venues</td>
<td>2,637,350</td>
<td>49%</td>
<td>2,637,350</td>
<td>-</td>
</tr>
<tr>
<td>RDA Successor Agency</td>
<td>1,069,248</td>
<td>75%</td>
<td>750,000</td>
<td>319,248</td>
</tr>
<tr>
<td>Downtown Marina</td>
<td>47,299</td>
<td>75%</td>
<td>47,299</td>
<td>-</td>
</tr>
<tr>
<td>Capital Improvement</td>
<td>575,000</td>
<td>75%</td>
<td>575,000</td>
<td>-</td>
</tr>
<tr>
<td>Administration Building</td>
<td>162,000</td>
<td>-</td>
<td>162,000</td>
<td>-</td>
</tr>
<tr>
<td>Golf Courses</td>
<td>502,000</td>
<td>48%</td>
<td>502,000</td>
<td>-</td>
</tr>
<tr>
<td>Grant Match</td>
<td>262,000</td>
<td>-</td>
<td>162,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Public Facility Fee Admin</td>
<td>25,000</td>
<td>75%</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td>Development Services</td>
<td>1,000,000</td>
<td>75%</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total Program Support</td>
<td>12,526,897</td>
<td>67%</td>
<td>12,107,649</td>
<td>419,248</td>
</tr>
</tbody>
</table>

### Administration

<table>
<thead>
<tr>
<th>Type</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
<td>465,511</td>
<td>66%</td>
<td>465,511</td>
<td>-</td>
</tr>
<tr>
<td>City Manager</td>
<td>1,012,874</td>
<td>73%</td>
<td>1,012,874</td>
<td>-</td>
</tr>
<tr>
<td>City Attorney</td>
<td>933,639</td>
<td>42%</td>
<td>574,050</td>
<td>359,589</td>
</tr>
<tr>
<td>City Clerk</td>
<td>716,199</td>
<td>74%</td>
<td>716,199</td>
<td>-</td>
</tr>
<tr>
<td>City Auditor</td>
<td>449,306</td>
<td>26%</td>
<td>595,806</td>
<td>(146,500)</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>3,538,667</td>
<td>64%</td>
<td>3,350,667</td>
<td>188,000</td>
</tr>
<tr>
<td>Human Resources</td>
<td>1,919,124</td>
<td>49%</td>
<td>1,534,224</td>
<td>384,900</td>
</tr>
<tr>
<td>Tax Collection &amp; Election</td>
<td>2,198,755</td>
<td>40%</td>
<td>2,198,755</td>
<td>-</td>
</tr>
<tr>
<td>Other Administration</td>
<td>(373,212)</td>
<td>-203%</td>
<td>(373,212)</td>
<td>-</td>
</tr>
<tr>
<td>Vacancy Savings</td>
<td>(975,618)</td>
<td>-</td>
<td>(975,618)</td>
<td>-</td>
</tr>
<tr>
<td>Inventory Adjustment</td>
<td>(7,404)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Labor Litigation</td>
<td>2,012,358</td>
<td>12%</td>
<td>463,358</td>
<td>1,549,000</td>
</tr>
<tr>
<td>Chapter 9</td>
<td>4,191,547</td>
<td>71%</td>
<td>5,740,526</td>
<td>(1,548,979)</td>
</tr>
<tr>
<td>Total Administration</td>
<td>16,089,150</td>
<td>63%</td>
<td>16,278,758</td>
<td>(189,608)</td>
</tr>
</tbody>
</table>

### Debt Service

<table>
<thead>
<tr>
<th>Type</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>2,000,000</td>
<td>-</td>
<td>2,000,000</td>
<td>-</td>
</tr>
</tbody>
</table>

### Expenditure Subtotal

<table>
<thead>
<tr>
<th>Type</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>158,290,685</td>
<td>68%</td>
<td>153,455,542</td>
<td>4,835,143</td>
</tr>
</tbody>
</table>

### Net Annual Activity

<table>
<thead>
<tr>
<th>Type</th>
<th>Year to Date</th>
<th>% of Year End Budget</th>
<th>Projected Remaining Balance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Annual Activity</td>
<td>(2,302,972)</td>
<td>(203%)</td>
<td>4,199,286</td>
<td>-</td>
</tr>
</tbody>
</table>

### Proj. Ending Available Balance**

| Total Ending Available Balance | 410,242 | 6,912,500 |

---

* The Beginning Balance has been adjusted to include AB506 and encumbrance balances from prior year.
** Projected Ending Available Balance will range between $6.9 and $8.9 million depending on need for Contingency funds.
## General Revenues

### Program Revenues

<table>
<thead>
<tr>
<th></th>
<th>FY 2010-2011</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Amended</td>
<td>Year to Date</td>
</tr>
<tr>
<td></td>
<td>Unaudited</td>
<td>Budget</td>
<td>Period 9</td>
</tr>
<tr>
<td>Fire Contracts</td>
<td>4,106,670</td>
<td>4,792,062</td>
<td>3,923,678</td>
</tr>
<tr>
<td>Code Enforcement</td>
<td>3,844,959</td>
<td>4,036,131</td>
<td>3,176,300</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>2,221,824</td>
<td>1,907,657</td>
<td>1,963,786</td>
</tr>
<tr>
<td>Fines &amp; Forfeitures</td>
<td>2,505,060</td>
<td>1,729,835</td>
<td>1,480,600</td>
</tr>
<tr>
<td>Revenues from Other Agencies</td>
<td>832,932</td>
<td>780,976</td>
<td>758,000</td>
</tr>
<tr>
<td>Licenses &amp; Permits</td>
<td>339,636</td>
<td>395,962</td>
<td>371,825</td>
</tr>
<tr>
<td>Misc Other Revenues</td>
<td>(5,763,965)</td>
<td>(376,239)</td>
<td>(168,000)</td>
</tr>
<tr>
<td></td>
<td>8,087,116</td>
<td>13,266,384</td>
<td>11,506,189</td>
</tr>
</tbody>
</table>

### Interfund Reimbursements

<table>
<thead>
<tr>
<th></th>
<th>FY 2010-2011</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indirect Cost Allocation</td>
<td>6,005,969</td>
<td>5,114,302</td>
</tr>
<tr>
<td></td>
<td>Workers Comp Reimbursement</td>
<td>1,492,317</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Refunds &amp; Reimbursements</td>
<td>7,230,591</td>
<td>872,436</td>
</tr>
<tr>
<td></td>
<td>Rents/Leases/Concessions</td>
<td>2,544,647</td>
<td>2,559,577</td>
</tr>
<tr>
<td></td>
<td>17,273,724</td>
<td>8,546,365</td>
<td>7,532,129</td>
</tr>
</tbody>
</table>

### Transfers In

<table>
<thead>
<tr>
<th></th>
<th>FY 2010-2011</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transfers In</td>
<td>20,512,570</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>From Technology Fund - 502</td>
<td>1,200,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>From Parking for Debt Service</td>
<td>609,311</td>
<td>1,577,927</td>
</tr>
<tr>
<td></td>
<td>22,321,881</td>
<td>1,577,927</td>
<td>836,528</td>
</tr>
</tbody>
</table>

### Total Revenues

<table>
<thead>
<tr>
<th></th>
<th>FY 2010-2011</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>184,642,426</td>
<td>$160,267,669</td>
<td>$155,987,713</td>
</tr>
<tr>
<td></td>
<td>$94,194,599</td>
<td>$157,654,828</td>
<td>$1,667,115</td>
</tr>
</tbody>
</table>

### % Change from Prior Year

<table>
<thead>
<tr>
<th></th>
<th>FY 2010-2011</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>-13%</td>
<td>-3%</td>
</tr>
</tbody>
</table>
SMG BUSINESS PLAN FOR FISCAL YEAR 2013-2014

RECOMMENDATION

It is recommended that the City Council accept, by motion, the Fiscal Year 2013-2014 Business Plan submitted by SMG (Attachment A).

Summary

SMG operates four downtown entertainment venues in Stockton: Stockton Arena, Stockton Ballpark, Bob Hope Theatre and Oak Park Ice Arena. The Facilities Management Agreement with SMG requires submission of a detailed Business Plan which is attached for consideration and approval.

DISCUSSION

Background

On January 25, 2011, the City Council approved a Facilities Management Agreement via Resolution 11-0022 with SMG for the operation and maintenance of four Downtown Entertainment Venues in Stockton: Stockton Arena, Stockton Ballpark, Bob Hope Theatre and Oak Park Ice Arena. The Fiscal Year 2013-2014 Business Plan is the third annual Business Plan submitted by SMG.

Present Situation

The SMG Facilities Management Agreement requires SMG to prepare and submit an annual Business Plan for City comment and approval. The Business Plan should clearly provide the SMG strategy for managing, operating, maintaining, marketing and promoting each facility for the upcoming fiscal year. This staff report provides a synopsis of the business plan as well as observations about the performance of and activities at the venues.

Operating Performance

In February 2011 when SMG took over venue operations, Stockton faced a lingering recession, a higher than state average unemployment rate, a housing foreclosure rate 3rd in the nation, and per capita income 37% less than the state average. SMG uncovered maintenance and repair issues, discovered receivable accounts in arrears, and learned business partners were frustrated about venue operations and practices. SMG worked to assess and repair the facilities, hired a public relations firm to build a new full service suite holder program, hired full time staff to manage suite relationships, and hired a new national consultant to build long term partnerships with existing and new sponsors.
Venues, talent, promoters, and tours are affected by the length and pressure of the economic downturn. Nationally, fewer shows are selling fewer tickets. Pollstar reported that in 2012, the Top 50 worldwide tours were less successful than expected. Only eleven of the Top 50 Tours averaged more than 10,000 tickets. In 2012, 38 of the Top 50 tours sold an average of 2,087 tickets per show. Bands that sold out venues in prior years are shortening tours or canceling dates if venues don’t fill seats. First tier venues now compete with secondary/tertiary venues for fewer shows. Venues with exclusive touring contracts (AEG, Live Nation owned venues), venues with privately funded foundations which buy shows or subsidize risk (Gallo Center for the Arts), and venues with dedicated buying power (casinos) find a competitive edge in the market. To stay competitive, SMG collaborates with local, regional, and national partners who have a stake in Stockton’s success. SMG-Stockton has an edge utilizing SMG national booking relationships and establishes relationships with diverse and financially stable promoters who are committed to Stockton. Of the shows promoted in SMG venues, 35% of the promoters were local, 11% were regional, and 54% were national.

Projecting through the fiscal year, SMG estimates the total number of events at the Arena will be 112% of budgeted events, however, attendance is projected lower at 82% of budgeted attendance. Total events at the Bob Hope Theatre should be close to 84% of budgeted events, while attendance should be 62% of budgeted attendance. In fiscal year 13-14, SMG expects to hold 160 events at the Bob Hope and Arena and host approximately 340,000 patrons.

SMG has a number of strategies for improving operations. They include:

- Using SMG National Touring contacts to route tours through Stockton
- Using personal booking relationships to establish a good base of “local preferred promoters” such as REG and Bill Barr.
- Retaining a nationally recognized sponsorship and naming rights firm to expand partnership programs.
- Retaining a local public relations firm to sell and retain suite partners.
- Reducing salaries by 14% (reduced staff position by 2 FTE).
- Reducing overtime hours.
- Reduced Arena electrical use by 3% (overall, SMG has reduced electrical use by 30% in the past 2 years).
- Implementing a water conservation program saving 500,000 gallons of water

Economic Benefit of Entertainment Venues

Economic benefit is the net change in the economy resulting from money spent at a facility. Economic impact studies identify the direct and indirect spending that occurs because a facility created new spending and new activity. Other measureable impacts can include new private development (housing, retail, commercial). Non-profits and community organizations can be favorably impacted when a facility supports, sponsors, and provides opportunities for outreach, awareness, and fundraising.

The entertainment venues bring thousands of people downtown. The Bob Hope Theatre and Arena alone are projected to bring in more than 325,000 people to downtown Stockton. While 32% of
attendees will come from Stockton-Modesto area, 68% will come from the secondary markets of Sacramento, east bay cities, and Merced. That means more than 220,000 people will drive more than an hour to Stockton for an event. That draw has a citywide impact on businesses. Event attendees may shop, eat and drink at local restaurants and bars, stay at hotels, and pay for parking and gas before returning home. While not every event will equally impact the bottom line, events impact the local economy and local businesses. Events and events attendance bring more jobs, more activity, and more opportunity. SMG estimates that venue operations have up to a $17 million dollar impact on the local economy.

Community Benefit of Entertainment Venues

The City Council has directed SMG to engage the community with the venues, through the provision of a wide variety of events and activities and by promoting community involvement. Entertainment Venues can strengthen the community with a management commitment to community engagement, and enhanced educational opportunities. SMG-Stockton sponsors local non-profits, schools, and community organizations through various activities. Half of the food and beverage staffing during Arena events is provided by non-profit agencies who receive a portion of their sales for each event they work. SMG provides on the job experience by recruiting local college interns each semester.

SMG Stockton encourages staff to become personally and professionally involved in local business organizations and non-profit organizations by volunteering time and personal resources. The SMG-Stockton Events Manager is a member of the curriculum development committee for special interests at Caesar Chavez High School; The SMG- Stockton General Manager works with the University of the Pacific Sports Management Program. SMG staff serves on the Board of Directors for both the Stockton Alliance and the Stockton Chamber of Commerce. SMG employees are members of the UOP Music Management Advisory Board and the Library Trivia Bee Committee.

The Bob Hope Theatre and Stockton Arena host graduations, film events, holiday skates, blood drives, job fairs, high school sporting events, cultural events, art and music showcases. SMG makes the venues accessible for non-profits, foundations, and schools through the use of City Events or special pricing to highlight positive activities in Stockton. SMG works with their partners and vendors to control costs to training programs and conferences that will showcase the facilities.

Accomplishments and Objectives

The business plan highlights SMG’s accomplishments in fiscal year 12-13 as well as their objectives for fiscal year 13-14.

Fiscal year 12-13 accomplishments:

- Hosted 325,000 events attendees at the Stockton Arena and Bob Hope Theatre.
- Transitioned to SMG-Savor as the new concessionaire, providing management more opportunities to engage sponsors and satisfy customers.
- Switched ticketing systems to Ticketmaster which provided maximum ticket distribution, marketing and advertising support through a ticket service provider.
- Replaced a management marketing consultant with a full service marketing department.
- Retained a national sponsorship consultant.
• Restructured vendor contracts to reduce event related expenses.
• Repaired and established new relationships with suite holders, sponsors, and business partners.

Fiscal year 13-14 objectives:

• Host 160 events and welcome more than 340,000 patrons to the Bob Hope Theatre and Stockton Arena.
• Promote Stockton as a key destination for sports, entertainment, and meetings/conferences by providing a lineup of events which showcase booking diverse activities.
• Strengthen relationships with regional and local promoters and incentive deals for multiple bookings, creative marketing and promotion to create successful shows.
• Increase the value of our sponsorship program by fully utilizing a nationally recognized marketing consultant to provide new opportunities and new relationships.
• Create a positive awareness of SMG Stockton Venues and their events.
• Encourage SMG Stockton employees to continue to be active members of our community.
• Continue to work with community groups to heighten their awareness of the value of venues in our community.
• Provide learning opportunities in both the private and public education to support local residents with an interest in event and entertainment industry by increasing additional program support and hands on learning opportunities at the venues.

FINANCIAL SUMMARY

The Draft SMG Operating Budget is submitted as part of the Business Plan and is included in the Proposed Budget for Fiscal Year 13-14. The Proposed CIP budget is included in Proposed Budget for Fiscal Year 13-14 as well as the Capital Improvement Plan for 2013-18. The Draft CIP budget of $327,000 identifies repairs and improvements needed for proper operation of the Entertainment Venues such as boiler repair, fire system upgrades, water pump replacement, and lighting and signage repairs.

SMG estimates their subsidy requirement for operations of all four venues will be $2,393,842. The Entertainment Venues Fund also includes an additional $259,252 in projected expenditures for overhead salaries, internal service fund charges, and possessory interest tax payment for the Stockton Ports. The total operating subsidy is $2,653,094. By way of comparison, the last full year of operations under IFG Management required a subsidy of $3.2 million. The Business Plan indicates the projected subsidy in future years is expected to decrease as operations improve, facility contracts and leases are renegotiated, and efficiencies continue to improve.
• Introduction  Page 1

• Mission Statement  Page 2

• Community Involvement  Page 3

• Event Booking  Page 7

• Sales and Marketing  Page 17

• Operations  Page 32

• Security  Page 34

• Finance  Page 37

• Appendix  Page 39
INTRODUCTION

On behalf of SMG and the staff of SMG Stockton, it is my privilege to present to you the SMG Stockton FY 2013-2014 Business Plan. In this plan, we have highlighted some of our successes and challenges for the fiscal year 2012-2013 and outlined plans for the fiscal year 2013-2014. We also focused on the importance of the facilities to the city as they play an important role in the Stockton community as a quality of life benefit, as a source of pride in the community, and as an economic engine, especially in the downtown area.

As you read through the plan, hopefully you will notice that almost everyone in the community is involved in the venues in some way. From the various charitable organizations, to local businesses who are partners, to the excited fan coming out to see a concert, baseball, or hockey game, the facilities are here to be utilized by everyone in the community. The venues are also an important tool in showcasing our community to future prospective businesses looking to relocate their business here. The ability to entertain these business executives in the world class facilities such as the arena, ballpark, or in our beautiful historic theatre is an important asset for those involved in economic development.

These venues are a source of pride in the community. We’ve hosted several extraordinary events over the past year that many communities of our size or larger would certainly be envious of. From the Brubeck Institute bringing Wynton Marsalis to the Bob Hope Theatre as part of the Brubeck Festival, to hosting the king of ranchera music Vicente Fernandez for one of his last shows in the U.S., to the West Coast Conference Baseball Championships being played at the ballpark, to the hockey team going deep in the playoffs, there are a lot of happenings in the venues for everyone to be proud of this year. I have had many conversations over the past couple of years with many citizens who have been in some way or another involved with the venues, and from almost every conversation it is apparent that the residents of Stockton take great pride in the venues and the events that take place here.

The venues also serve as an important economic engine to the area. As we highlight in our section on the economic impact of the venues, over four hundred citizens are involved with the operation of the facilities, with a significant amount more indirectly impacted by the venues’ existence. Using some industry standard methodology, the venues conservatively showed an economic impact of seventeen million dollars to the local area. This includes patrons coming from other areas outside of Stockton and spending their money here in the Stockton area. Whether it is dining at a restaurant nearby, or patrons spending money on gas to get to and from the venue, these dollars are being spent in Stockton.

So as you read through our business plan for the upcoming fiscal year, please keep in mind, our goal is to continue to give the citizens of Stockton events in facilities they can be proud of, and continue to maximize the usage in the facilities to increase the financial impact to the area.

Thank you for your continued support.

Mike Cera SMG Stockton General Manager
MISSION STATEMENT

SMG Stockton is committed to ensuring that the SMG managed venues in Stockton are the premiere sports and entertainment destination in the Central Valley. We are committed to:

- Provide quality and consistent service with honesty and integrity.

- Provide a respectful, safe and enjoyable environment for all customers, staff, business associates, and community members.

- Improve the quality of life for all Stockton residents by providing unique and ample opportunities for fun and diverse entertainment.

- Cultivate local event planning and promoter communities through a grass-roots model of community engagement, education, and personal service.

- Provide local employment opportunities in an environment where skills, hard work and a commitment to excellence are rewarded by respectful and consistent management, and an opportunity to join a worldwide network of entertainment facilities.

- Meet the needs of the community by helping promoters stay within budget, and showcase highly successful events in Stockton.
COMMUNITY INVOLVEMENT

Primary Goals for 2013-2014

- Create positive awareness of the SMG Stockton venues and their events.
- Encourage SMG Stockton employees to continue to be active members of our community.
- Continue to work with community groups to heighten their awareness of the value of the venues in the community.

Strategies:

To help achieve our primary goals, SMG Stockton will focus on our core fundamentals for community involvement which are: sponsorship and donations, involvement, and education.

- Sponsorship and Donations: SMG Stockton sponsors and donates to local community organizations and charities based on donation requests.
- Involvement: SMG Stockton continues its involvement in local organizations and will strive to increase community involvement from all employees within the organization.
- Education: SMG Stockton continues our involvement with local learning institutions on both the college and high school levels. In addition, SMG Stockton will continue to look for growth in programs offered and increased opportunities for hands-on learning experiences within the SMG Stockton venues.

Action:

- SMG Stockton continues to look for new opportunities to sponsor community events and organizations through ticket donations
- SMG Stockton will be involved in a minimum of one (1) large community involvement event per quarter.
- SMG Stockton will recruit a minimum of two (2) interns each semester. Interns work throughout all departments in SMG Stockton to gain a complete understanding of the sports and entertainment industry. The internship program is hands-on and concludes with a final project that centers around an area of venue management the intern would like to progress further in.
- SMG Stockton will look for opportunities for its employees to speak at educational institutions throughout the community and at civic meetings.
- SMG Stockton will look to provide learning opportunities for local residents who wish to pursue a career in the event and entertainment industry.
Highlights from Fiscal Year 2012-2013

Community involvement is the foundation of the SMG Stockton Business Plan. SMG Stockton understands that our success is due from the support of the community. As a way to say thank you to the community, SMG Stockton implemented three fundamentals for community involvement this past year; sponsorship and ticket donations, involvement, and education. Through these three fundamentals, SMG Stockton has been able to provide an additional level of philanthropic support to the community of Stockton.

Sponsorships and Donations:
SMG Stockton supports local organizations and events through direct and indirect support.

Projected Organizations Supported in FY 2012-2013:

- Reading in the Park
- Trivia Bee
- Stocktoberfest
- Taste of San Joaquin
- University Waterfront Hotel Plaza Events
- Stockton Chamber of Commerce Mixer
- United Way Employee Contribution
- Stockton Thunder Run Walk
- Tracy Defense Depot
- TLC
- Thunder Goes Pink Silent Auction
- Hockey with Heart Silent Auction
- Blood Source – hosted two blood drives through 2012-2013
- The French Quarter presented by the Downtown Stockton Alliance prior to the Wynton Marsalis Concert.
- Trivia Bee
- Stockton Chamber of Commerce Mixers
• Various small ticket donations to local silent auctions and benefits

• Over 50% of Food and Beverage staffing is provided by non-profits. Non-profits receive a portion of sales from their assigned concessionaire area per each event.

Involvement:
As a strong community partner, SMG is fully involved in the community.

SMG Stockton employees are involved within the following organizations:

• Downtown Stockton Alliance – Board of Directors

• Downtown Stockton Alliance – Marketing Committee

• Stockton Chamber of Commerce – Board of Directors

• UOP Music Management Advisory Board

• Trivia Bee Committee

• Cesar Chavez High School – Curriculum development committee for special interests

• In March 2013, SMG Stockton and the Downtown Stockton Alliance agreed to collaboratively work together on events in downtown Stockton. Both organizations share the goal of promoting downtown Stockton to help increase attendance and build a stronger future.

SMG Stockton understands the significance of promoting the SMG Stockton venues on local and national levels.

SMG Stockton employees are involved within the following national organizations:

• International Association for Venue Management – involvement with development committee for diversification of venue managers.

• International Association for Venue Management Conference – oversaw selection of panel for round table discussion on diversification at the 2012 IAVM Conference.

• International Entertainment Buyers Association – Member

• Pollstar Live Annual Conference – Participant
Education:

SMG Stockton strongly believes in promoting the entertainment industry as a profession and wants to help community residents who wish to pursue a career in the venue management industry. SMG Stockton works closely with a variety of local learning institutions to provide hands on learning experience.

Institutions include:

- University of the Pacific
- California State University, Fresno
- Caesar Chavez High School

SMG Stockton understands that learning does not occur in just a classroom setting. All SMG Stockton venues routinely work with local promoters to help them achieve their goal of promoting acts locally.

Over the past year:

- 35% of SMG Stockton shows were promoted by local promoters.
- 11% of SMG Stockton shows were promoted by regional promoters.
- 54% of SMG Stockton shows were promoted by national promoters.

SMG Stockton continually looks for new local promoters who have the desire to move forward within the industry.
EVENT BOOKING

The Stockton Arena and Bob Hope Theatre are two ideal locations to host events. Sitting on the waterfront edge and showcasing renowned architecture and design, both venues repeatedly receive rave reviews from both promoters and patrons while offering flexibility to host events ranging from 11,000 patrons to 500 patrons. The flexibility gives residents of Stockton the opportunity to enjoy entertainment amenities equal to larger metropolitan areas. The venues provide diverse entertainment options. It is not uncommon to see several events on any given night.

Since taking over management in February 2011, SMG Stockton identified obstacles that restricted the venues success. Over the past two years, these obstacles have been fixed. The successes include:

- Switched ticketing service providers to maximize ticket distribution, marketing and advertising support through ticket service provider
- Replaced past management marketing consultant with full service marketing department
- Retained national sponsorship consultant
- Restructured vendor contracts to reduce event related expenses
- Repaired and established new relationships

National Industry Trends:

According to Pollstar Magazine published report in December 2012, 34.9 million total concert tickets were sold in 2012 for the Top 50 Concerts of the Year, which is down 3% from 2011. Economic conditions such as the close presidential election, threat of the fiscal cliff, and continued uncertainty of the economy affected the attendance numbers this year.

In the April 1, 2013 edition of Pollstar Magazine the Concert Pulse highlighted the industry’s current state of ticket sales in their weekly chart which averages the top 50 box office grosses per city in North America and is based on data reported for the last three months. Out of the top 50 tours, only 11 tours averaged more than 10,000 tickets per show. More notable, 38 out of the top 50 tours averaged 2,087 tickets per show.

Primary Goals:

SMG Stockton will continue to re-establish the City of Stockton as a key destination for sports, entertainment, and meetings in the 2013-2014 fiscal year. The following goals are set for SMG managed venues (goals will be divided by venue):

- **Stockton Arena:** Program a diverse lineup of entertainment, sports, meetings and private parties.
SMG STOCKTON BUSINESS PLAN 2013-2014

- Bob Hope Theatre: Program a lineup of events which showcases diversity in entertainment bookings to include concerts, community events, comedians, theatrical programming, and private events.

- Oak Park Ice Arena: SMG Stockton will increase programming and membership participation in established programs at Oak Park Ice Arena.

- Stockton Ballpark: Working collaboratively, SMG Stockton will increase programming at the ballpark.

Strategies:

The following strategies will be utilized to help fulfill the event booking goals for the 2013-2014 fiscal year:

- Utilize SMG corporate resources by working with the SMG Corporate Office to assist in national touring discussions and outreach.

- Continue to strengthen relationships with regional promoters such as REG (Richter Entertainment Group), Marquez Brothers, and Bill Barr & Associates and structure incentive deals for multiple bookings.

- Through aggressive incentives and geographic synergies, SMG will try to package Stockton venues with other California or Western Region SMG managed venues for national tour dates.

- SMG Stockton aggressively seeks local promoters’ interest in the venues and can establish creative ways through marketing and promotion to assist these promoters with the success of their shows.

- Continue to structure competitive promoter incentive deals with the major promoters (i.e. Live Nation, AEG) to encourage them to use the venues.

- Establish multi-year relationships with High School and College Sports Associations, Family Shows, and Sport Organizations.

- Continue relationships and work with local organizations to evaluate feasibility of hosting National Events/Championships such as the NCAA Championship Events, High School Athletic Championships, Bass Pro Events, and Indoor Tennis Events.

- Attend concert industry related conferences (Pollstar Live, Billboard, IEBA), and meet the promoters and agents face-to-face in order to promote the facility and market.

- Visit talent agencies such as CAA (Creative Artist Agency) and WME (William Morris Endeavor) and meet with agents in order to promote the facility and the market.
Total Number of Budgeted Events for Stockton Arena and Bob Hope Theatre FY 2013-2014 vs FY 2012-2013


Total Number of Attendance for FY 2013-2012 Budget vs. FY 2012-2013 Budget

Highlights FY 2012-2013

2012-2013 Projected Events
* Multiple event performances

Stockton Arena

- 5 Lynx Meeting*
- Avivamiento
- Alan Jackson
- Blood Source Blood Drive
- Carrie Underwood with Hunter Hayes
- CIF Wrestling Tournament*
- Cirque du Soleil “Dralion”*
- Deb Johnson Fashion Show
- Delta College Graduation
- Disney Live!* 
- Disney on Ice*
- D-Zone
- Harlem Globetrotters
- High School Nights*
- Joan Sebastian
- Lynyrd Skynyrd and the Doobie Brothers
- MMA
- Monster X Tour*
- Our Lady of Guadalupe Mass
- PG&E Meeting
- Private Rentals *
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- Ray Morgan Product Show
- Ringling Brothers and Barnum and Bailey Circus*
- San Jose Sabercats vs. Chicago
- Sesame Street Live*
- Set Ablaze Concert
- Stockton Colt’s Jr. Hockey Tournament*
- Stockton Figure Skating Club Benefit
- Stockton Thunder Hockey*
- Stockton Thunder Watch Play Off Watch Parties
- Stockton Unified School District High School Graduations*
- Stockton Unified School District Musical Showcase
- The Record Extreme Couponing
- Vicente Fernandez
- Wells Fargo Home Prevention Workshop*
- Work Net Job Fair
- WWE
Bob Hope Theatre

- 14th Annual Apollo Night
- Anthony Hamilton
- B.B. King
- Bill Cosby
- Black Family Day at the Movies
- The Brubeck Festival featuring Wynton Marsalis and the Lincoln Center Live Orchestra
- Bob and Tom Comedy All Start
- Colbie Caillat and Gavin DeGraw
- Chris Tucker
- Darius Rucker
- Downtown Stockton Alliance in conjunction with Brubeck Institute
- Drug Court
- Friends of the Fox Classic Cinema Series*
- George Lopez
- Josh Turner
- Martina McBride
- Motown Review
- Private Rentals*
- Ron White
- Rhythmic Inc. Dance Competition
- Stunt Dogs*
SMG Stockton is projected to end the FY 2012-2013 with a cumulative total of 160 events.
SMG Stockton is projected to welcome 325,309 patrons to Stockton Arena and Bob Hope Theatre.

As mentioned on page 7 under National Industry Trends, the projected attendance is lower than the budget number due to a national trend in ticket sales. Several factors as noted on page 7 contributed to the decline including the 2012 Presidential Election, threat of the fiscal cliff, and the continued uncertainty of the economy.

As noted in the graphs above, the venues show an increase in overall budget number of events, but show a decrease in overall budget attendance. Several factors as outlined in the paragraph above explain the reason for the variance. Most notably, SMG Stockton booked non-budgeted smaller events to supplement the difference for the larger budgeted events that did not occur due to re-routings or tour date changes because of the economy and for larger budgeted events that did not perform up to the budget number as outlined in the budget.
Attendance Comparison
FY 2010-2011, FY 2011-2012, FY 2012-2013

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2010-2011 *</th>
<th>FY 2011-2012 Actual</th>
<th>FY 2012-2013 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theatre</td>
<td>20,684</td>
<td>31,800</td>
<td>28,501</td>
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<tr>
<td>Arena</td>
<td>281,756</td>
<td>345,300</td>
<td>296,808</td>
</tr>
</tbody>
</table>

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Attendance by Category FY 2012-2013
Budget vs Projected

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
<th>Projected</th>
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</thead>
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<tr>
<td>Concert</td>
<td>98,775</td>
<td>53,810</td>
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<tr>
<td>Family Show</td>
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<tr>
<td>Performing Arts</td>
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<tr>
<td>Private Event</td>
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</tr>
<tr>
<td>Sporting Event</td>
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</tr>
</tbody>
</table>
SALES AND MARKETING

Primary Objective and Goal

The primary objective of the SMG Stockton Marketing Plan is to raise awareness of Stockton as a premier facility in Northern California and the Central Valley which provides a diverse offering of entertainment and sporting events. In addition, the primary goal is to increase brand awareness to our target audiences, which will lead to increased bookings and ticket sales.

The overall marketing strategy for FY 2013-2014 takes into account both the need to position the SMG Stockton venues as a viable entertainment stop for all artists, a premier place for patrons to view events, as well as to achieve our business goals.

There are two types of strategies that will be employed and will work together to deliver our core messages to critical target audiences:

Product/Brand Driven

This strategy focuses on our customers, the general public and promoters who can be reached individually and through broad-based communications. Key message points include:

- SMG Stockton venues provide quality entertainment at an affordable price.
- SMG Stockton venues provide state of the art venues with world-class amenities and services.
- The SMG Stockton venues management team and its staff provide uncompromised service.

Relationship Driven

This strategy is driven by relationships and focuses on media, promoters, tenants, City of Stockton Employees, City of Stockton City Council, Convention and Tourism Bureau, local Chamber of Commerce, Downtown Stockton Alliance, and performing arts community. These groups and individuals are best addressed through face-to-face dialogue with our SMG Stockton management team

- The staff of SMG Stockton venues is easy to do business with and knowledgeable about the market.
- The staff of SMG Stockton venues is trustworthy and acts in a professional manner.
- The staff of the SMG Stockton venues is well managed and fiscally responsible.
- The staff of the SMG Stockton venues is responsive and communicates well with its constituents and stakeholders.
The staff of the SMG Stockton venues are a dependable, long-standing organization.

The SMG Stockton staff are resourceful and integrated members of the community.

While the message points for both strategies address specific themes, they are anchored by the core values that serve as the touchstones for our organization and are outlined in our Mission Statement.

**Integrated Communication**

The SMG Stockton marketing strategy integrates multiple communications channels to deliver the core strategic messages throughout the year to our targeted channels. The channels are:

- A sustained presence via paid media. This presence will heavily rely on electronic mediums, print and social media to promote the venue and events. Promotional activities will be coordinated in an effort to bring a greater awareness of events and to support ticket sales.

- Continued efforts to inform the media about the promoter and venue activities will be coordinated as SMG Stockton focuses on new ways to inform the media about the venues, events, family shows, concerts, and sporting events. SMG will collaborate in new ways with venue tenants to assist in marketing their events.

- A grassroots outreach program will be employed throughout the year in an effort to bring awareness to specific events that might not otherwise have the financial budget for an extensive paid media campaign. Grassroots approach will supplement each event marketing campaign.

- Stocktonlive.com and social media, Stockton live, will play a significant role in promoting the venues and upcoming events. We will use Facebook, Twitter, E-blasts, and other social media to reach our target audiences.

**Paid Media:**

Establish a well rounded paid media campaign for venues and events to build event awareness, sell tickets and promote the venue. It is a medium in which message development and presentation is completely within the advertiser’s control. Projection of a consistent message with all other methods of communication channels determines the mix and frequency of placement.

- Develop new venue ads to be placed in industry publications and online. The ad campaign will run in key issues and special editions of industry trade magazines and distributed at conferences.

- Design and support marketing campaigns in conjunction with promoters, local media outlets and tour management.
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Earned Media:

Earned media, primarily focuses on reaching out to media and pitching story ideas about the venues, events, talent, etc.

- Press releases on new bookings.
- TV interviews with various performers.
- Radio station interviews.
- Schedule advance interviews for various artists and performers.
- Help promoters design an extensive PR campaign for their events, including community outreach.
- Identify unique opportunities for media to cover events and secure unique and interesting footage for the news.

Grassroots:

- Identify promoters who want assistance to increase outreach.
- Cross promote within SMG Stockton venues to distribute flyers for upcoming events.
- Leverage media partners street teams to distribute information on upcoming events.
- Work with venue partners and local community organizations on activation opportunities through ticket give-a-ways, drawings, and contesting.

Website

- Integrate social media to increase awareness of the venues and support ticket sales for events.
- Design and deploy social media campaigns for promoters as part of each event marketing campaign.
- Continue to grow our database numbers and subscribers.
- Utilize Facebook, Twitter, E-blasts, and other social media tools in an effort to reach out target audiences to keep them informed of success stories at the venue.
Venue and Event Advertising

Objectives:

- Target potential facility lessees, including national agents, regional promoters, national family shows, national sporting events and meeting planners.
- Encourage show promoters to increase advertising market reach and grassroots effort.
- Support staff efforts to generate additional bookings through industry contacts.
- Support and stimulate tickets sales efforts through news coverage and public relations campaign.
- Continue to work with the Stockton Convention and Tourism Bureau, local Chambers, and Downtown Stockton Alliance to market the venues to non-traditional shows, conventions and sports organizations.
- Continue to develop relationships with promotions and sales managers at all media outlets in both the primary and secondary markets to increase exposure and leverage for clients.

Strategies:

- Provide a media market profile and branding campaign to all event promoters, with a focus on region proximity to major markets/metropolitan areas, easy access to and from the market for both the touring artists and patrons, and ease of working with local media outlets.
- Position the SMG Stockton Marketing Department as the core provider of significant marketing assets and media buying leverage.
- Provide the local media with press releases and data regarding events at SMG Stockton venues and the impact these events have upon the local economy.
- Maintain relationships with account executives, local sales managers, general managers and promotional managers at all media outlets in an effort to leverage media support and coverage for promoters.

Actions:

- Execute media buying assistance and services to all event promoters both at the local, regional, and national levels and extend the venue’s negotiated media trades to Promoters.
- Create materials promoting the region, our proximity to the East Bay Area, the number and quality of acts/events, and the venue’s state of the art amenities.
- Provide Promoters with a list of venue assets to support ticket sales.
- Maximize areas of the venue to promote upcoming events (concourse televisions, banners, posters, flyers).
- Send out releases to local newspapers and publications when a new booking of the venues is secured or industry record is achieved.
- Pitch local broadcast news teams on producing stories and the impact the events have on the local economy.
- Maintain personal contact with City, regional, local news, business, entertainment, and sports reporters to ensure repeated coverage of SMG Stockton venue events.
- Design an advertisement targeting promoters in the national trade publications: Venues Today and Pollstar Magazine.

**Highlights from FY 2012-2013**

Sales and Marketing activities are at the forefront of SMG Stockton’s goals for the fiscal year. Increased media exposure through advertising and public relations in correlation with increased activity in the venues, helps to promote Stockton Live as a great entertainment destination for patrons and correlated to increased sponsor partners and group sales.

Who visited Stockton Live Venues?

Over 325,000 people are projected to attend events at the Stockton Arena and Bob Hope Theatre.

Where did they come from?

- 32% came from our primary market (Stockton-Modesto)
- 68% came from our secondary markets of East Bay, Sacramento, and Merced

While the overall number of events was up in FY 2012-2013, the event attendance declined. As we enter FY 2013-2014, there are a number of strengths and opportunities we can use to face these challenges. It will be imperative for the SMG Stockton venues to continue to creatively create the most cost efficient marketing plans for our venues and the promoters who utilize our venues while creating added revenue opportunities during each event. The SMG Stockton venues will continue to work on branding the venues names on both a local front and national front to showcase to the public and to the sports and entertainment industry that all venues have showcased tremendous growth over the past two years that they have been managed by SMG.

SMG Stockton placed **over $405,000.00 in advertising and trade dollars** to media outlets targeted in both the primary and secondary markets. Advertising dollars were
centered in Stockton and Modesto, but covered the Highway 99 corridor down to Fresno and the I-5 corridor up to the Bay Area. 99% of the advertising and trade dollars was event advertising.

In addition to paid advertising and trade dollars, SMG Stockton received over one million in promotional advertising through radio, television, online, and print.

**Media Outlets Utilized:**

- Bay Area News Group
- CBS Outdoor
- CBS Radio
- Clear Channel Broadcasting
- Clear Channel Outdoor
- Comcast
- Contra Costa Times
- Cumulus Broadcasting
SMG STOCKTON BUSINESS PLAN 2013-2014

- Entercom Radio
- Entravision
- Facebook
- Fan Interactive
- Fresno Bee
- Jam Base
- KCRA
- KKIQ
- KOVR
- KRTY
- KTVU
- KTXL
- Merced Sun Star
- Modesto Bee
- NCM Movie Theatre
- NPR
- Pacifican Newspaper
- Peak Broadcasting
- Pollstar
- Sacramento Bee
- Sacramento News and Review
- San Joaquin County Fair Guide
- SF Bay Guardian
- SF Weekly
- Sour Lizard
SMG STOCKTON BUSINESS PLAN 2013-2014

- Stockton Chamber of Commerce E-blasts
- The Bone
- The Stockton Record
- Ticketmaster
- Univision
- Venues Today
- Vida en el Valle

**Public Relations**

**Objectives and Strategies:**

- Further the positive image of the City of Stockton as a desirable and exciting live entertainment and meeting destination.

- Promote the SMG Stockton venue’s enthusiasm and commitment to hosting outstanding live sports, entertainment events and corporate meetings.

- Position the venues in relation to the positive economic impact we have upon the community and county of San Joaquin.

- Create collateral materials – brochures, website and social media pieces featuring the specifications and highlights of the venues.

- Continue personal contact with local news, business, entertainment, and sports reporters to ensure repeated coverage of the SMG Stockton venues and its events.

- Monitor media metrics to provide data to our venue partners and promoters.

**Actions:**

Work with a state of the art media monitoring service, to provide the following assets:

- Ability to track unlimited number of search items.

- Create an unlimited number of clip reports (actual video clips).

- Export data for metrics monitoring and reporting.

- Watch live streams of everything being recorded.

- Monitor news in “real time”.

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SMG
Highlights from FY 2012-2013:

SMG Stockton worked with a variety of news outlets for media coverage throughout fiscal year 2012-2013.

SMG Managed venues received over **$400,000.00 dollars** in media exposure.

Public Relations Facts:

- Number of Press Releases: Over 40
- Live Broadcasts from Stockton Live Venues: Over 65
- Number of Articles: 2,956
- Number of videos online (news and YouTube): 36,085

Grassroots:

Grassroots marketing played a key role in the public relations plan for fiscal year 2012-2013. Grassroots marketing included:

- Venue partner promotions with in-store displays and enter-to-win contests.
- Venue partners and community partners helped to promote events through their customer database and offered special ticketing opportunities and contests at their business locations.

Highlights included:

- DBI: Monster Truck event displays in local grocery stores.
- Chase Chevrolet: Utilized social media for ticket giveaways.
- Kinders and Nena’s: Hosted Enter-to-Win promotions for tickets.
- Elvin the Elf Promotion: Elvin the Elf visited ten business partners throughout the holiday season. Friends of Stockton Arena’s Facebook page were asked to identify where Elvin the Elf was visiting. A random winner was drawn from those who correctly guessed the sponsor.
- Street Team flyer and poster distribution: SMG Stockton utilizes a local street team to distribute flyers and posters in the primary and secondary markets. In addition to the Street Team, SMG Stockton distributes flyers at all SMG Stockton venues and at select events in the Arena Parking Garage.

Promotional partnerships with local organizations and non-profits:

Many local partnerships were utilized and created throughout the fiscal year. SMG Stockton worked with over 25 organizations on a grass roots level.
SMG STOCKTON BUSINESS PLAN 2013-2014

Organizations included:

- Asparagus Festival
- Lincoln Center
- United Way
- Haggin Museum
- Tracy Sun Valley Mall
- Eagles Nest – Harley Davidson
- Stone Creek
- Valley Brew
- Chamber of Commerce
- Downtown Stockton Alliance
- Stockton Convention and Tourism Bureau
- UOP Athletics
- Child Abuse Prevention Council

Highlights included:

- Cirque du Soleil: Over $10,000.00 was donated to three non-profit organizations. These organizations took part in a presale opportunity for their mailing list patrons. A portion of all tickets sold from their special presale link went back to the charity.

- Eagles Nest: Hosted the official “Ride in Party” at Stockton Arena prior to the start of the Doobie Brothers/Lynyrd Skynyrd concert. The “Party” took place outside the arena and included over 5 different bike clubs, music by local band The Knuckleheads, and a special food and beverage menu.

- UOP Athletics: To help support Stunt Dogs at the Bob Hope Theatre. UOP Athletics incorporated a “Family Dance Off to Who Let the Dogs Out” during several home basketball games leading up to the Stunt Dogs event. The winning family won a family four pack of tickets to the event.

New Fan Experience Amenities:

- VIP Add On: Offered at select events at the Bob Hope Theatre. Patrons have the opportunity to purchase valet parking in front of the theatre, early entrance into the Theatre and access to a VIP Bar during the event.
SMG STOCKTON BUSINESS PLAN 2013-2014

- Pre Party in the Kings Room: Prior to each concert during the Spring/Summer/Fall months, SMG Stockton hosts a pre-party. Pre-parties take place in the Kings Room and include an extended patio. Local bands and food and beverage are brought into the outdoor patio area to create a great place to catch a bite to eat or drink prior to the show.

Show Appearances:

Appearances related to events highlighted the SMG Stockton grass roots marketing plan this year. Several shows were able to schedule pre-event visits to the community in anticipation of their upcoming event. Highlights included:

- Monster Trucks: Prior to the January 11-12 event at Stockton Arena, the Monster X Tour brought a truck to the community. The truck visited: Lincoln Center, Chase Chevrolet, and Tracy Sun Valley Mall.

- Harlem Globetrotters: Before the January 17, 2013 game, an Advance Ambassador from the Harlem Globetrotters organization visited Stockton to spend time with kids at TLC and the oncology floor at St. Joseph’s Medical Center.

- Bill Cosby: Prior to his January show at the Bob Hope Theater, Bill did six interviews the day prior to his show. Media outlets ranged from Stockton/Modesto to Sacramento and East Bay.

New Media and Social Marketing

Objectives:

- Increase ticket sales through the Stockton Live website, Stockton Live e-blasts, and social marketing sites.

- Increase venues and event awareness through the website and social marketing sites.

- Increase utilization of Ticketmaster applications.

- Increase awareness of social media applications and sites such as YouTube, Pandora, and mobile applications.

Strategies:

- Utilize the Stockton Live website to increase ticket sales revenue.

- Execute a series of social media marketing campaigns to promote upcoming events.

- Incorporate all new media options as part of event marketing campaigns.

- Integrate social media networking sites to increase show and venue awareness.
SMG STOCKTON BUSINESS PLAN 2013-2014

- Utilize the tools provided by Ticketmaster to increase fan interactions and ticket purchasing.

Action:

- Maximize the functionality of the Stockton Live website to promote all sales outlets which the venues have to offer, including tickets and SMG Stockton services.
- Increase the utilization of our E-blasts database to support all ticket sales.
- Deploy a minimum of 52 e-blasts for a total number of 3.9 million emails to promote the venue and upcoming events.
- Increase our database by a minimum of an additional 10,000 new subscribers.
- Utilize the resources of all media partners to incorporate their websites and database information into the marketing campaigns of SMG Stockton venues.
- Create promotional contests to increase awareness of the venue and events by using social networking sites.
- Increase our Facebook fan base by 10,000.
- Implement the use of mobile application.
- Research and explore the newest technologies on the horizon to keep our venues on the cutting edge.
- Integrate the SMG Stockton venues twitter feeds into the Ticketmaster venue pages.

Highlights for FY 2012-2013:

Promotional Contesting:

- Disney on Ice Ticket Giveaway: First giveaway for this event had a record breaking 500 entries.
- Carrie Underwood #1: First promotion utilizing text messaging at Stockton Arena. The promotion was announced on Facebook and Stockton Arena received over 250 entries.
- Carrie Underwood Giveaway #2: Friends were asked to share the show update with their friends and to encourage their friends to like the Stockton Arena Facebook Page. The update was shared by over 725 friends and the Stockton Arena Facebook page increased its likes by over 1,200 in one day.
- Created the Stockton Live Blog.
- Created the official Stockton Live Flicker Page.
SMG STOCKTON BUSINESS PLAN 2013-2014

- Deployed over 52 e-blasts throughout the year to over 3.9 million people.
- Increased utilization of Ticketmaster’s marketing assets including deploying over 7 Client Email Notifications. This email sent out by Ticketmaster went out to over 450,000 people in Northern California for a total of 3.15 million people. The restricted emails are coordinated through Ticketmaster and must include a special offer. Only limited amounts are sent out weekly.

Premium Seating

Objectives:

- Increase suite licenses
- Target local and regional businesses, organizations, and private individuals
- Encourage target audiences to come out to an event and experience the Suite Program
- Increase target audiences awareness of the benefits and value of the suite program

Strategies:

- Utilize a sales campaign program to increase suite licenses
- Utilize non-leased suites for individual event rental
- Execute a series of premium seating events to maintain and encourage new suite licenses

Actions:

- Full-time Premium Seating Manager was hired to fulfill the suite program. This has enhanced the level of customer service. Suite holders may now communicate with the Premium Seating Manager at all times via email, office phone or cell phone.
- Suite Holder Reception: SMG Stockton hosts an annual reception. This is an opportunity for suite holders to talk directly to the venue including the General Manager and acts as an opportunity for SMG Stockton to show our gratitude towards the suite holders.
- Jr. Suite Holder Reception: SMG Stockton created this annual event in 2011, which takes place prior to a family show. The reception is an opportunity for Jr. Members of our suite program to enjoy a “fun-filled” reception that normally includes special guests who stop by for a quick hello and photo opportunity.
- Suite Program: In the summer of 2012, SMG Stockton announced a new suite program. The purpose of the new program was to offer suite holders more value
SMG STOCKTON BUSINESS PLAN 2013-2014

while providing financial efficiency to the operation of the program. The program incorporates all SMG Stockton venues and consists of the following:

- 1 suite at Stockton Arena
- 4 tickets to each event at the Bob Hope Theatre
- 2 Suite nights during the Stockton Ports Baseball Season
- 12 tickets to each event SMG books at the Stockton Ballpark
- Free public ice skating at Oak Park Ice Arena
- Parking is included at all venues

- Sass Public Relations: In January 2013, SMG Stockton contracted with Sass Public Relations to help further promote the Suite Program at the Stockton Arena. Sass Public Relations and the SMG Stockton Marketing work together to solicit, market, and sign new suite holders.

- Host a series of informational lunches for potential suite holders as an avenue to gain additional information on the program.

**Highlights from FY 2012-2013:**

For fiscal year 2012-2013, Suite Holders are projected to receive tickets to 72 events at the Arena, 31 events at the Bob Hope Theatre and 2 suite nights during the Ports Season.

This translates into the following per suite;

- Total Events: 105
- Total Tickets: 1,012

As added value to the Suite Program, Suite Holders also received the following:

- Jr. Suite Holder Party with meet and greet during the Sesame Street Live event
- Annual Suite Holder Reception
- Ability to pre-purchase tickets and forward link to all employees, customers
- Free public skate admission to Oak Park Ice Arena
- Complimentary Coffee Service on the suite level

**Sponsor Partnerships**
SMG STOCKTON BUSINESS PLAN 2013-2014

Objectives:

- Increase partnerships at SMG Stockton venues.
- Target local, regional, and national businesses and organizations.
- Increase the overall number of Premier level partnerships.
- Actively seek a Naming Rights Partner for the SMG Stockton venues.
- Increase awareness of the partnership program and its benefits.

Strategies:

- Utilize a comprehensive sales campaign program to increase partnership interest.
- Collaboratively work with a global sports and marketing firm to increase venue awareness on the corporate level of national companies.
- Increase awareness of the venues and their milestones, achievements and effectiveness of an advertising platform for companies to further promote and activate their brand.

Action:

- Refresh sponsorship partnership collateral including proposals, overviews, and brochures.
- Collaboratively work with Bonham/Wills and Associates to ensure that the SMG Stockton venues are positively leveraging opportunities with contacts to bring the best partnerships to the venues and to the partner.
- Continue to structure partnerships as well rounded marketing plans to include branding, activation, hospitality, and added value.

Highlights for FY 2012-2013:

SMG Stockton has aggressively worked to create a partnership program that can become sustainable and give our Partners flexibility to create marketing and brand awareness campaigns that fit to their marketing plan. The program is comprised of branding signage, hospitality, activation, and added value benefits. During Fiscal year 2012-2013, SMG Stockton is projected to increase partnerships by $77,000.00.

To further increase partnership revenue and to assist with a naming rights partnership and larger exclusive categories, SMG Stockton is working with a sponsorship company to help obtain new partners. SMG Stockton works collaboratively with the global sports and entertainment sponsorship company to help promote the Stockton Live brand to corporations at the national corporate level. SMG Stockton strongly feels after analysis and feedback, that to grow the sponsorship revenue, deals, including Naming Rights, will need to be structured out of corporate headquarters.
OPERATIONS

Operations Plan 2013-2014 Fiscal Year

All facilities are maintained to reflect the quality of finished materials and provide a complimentary ambiance to all event activity. This level of quality extends to meeting room equipment and setups, meetings and function related materials, public spaces and all other areas, both front and back of house. Whether through internal staff or subcontracting, it is important to ensure that a technical expertise and a skilled work force are employed in such critical areas as:

- Landscaping
- Maintenance
- Technical support

Preventative Maintenance:

SMG Stockton will continue to schedule and manage preventative maintenance through a site-specific preventative maintenance program using SMG Smart Maintenance. This program includes, but is not necessarily limited to, the following areas (on both a periodic and daily basis):

- Air conditioning equipment
- Plumbing/ Electrical
- Maintenance mechanical

Other areas to be included which may be under warranty or subcontracted include:

- Roof inspections (periodically)
- Exterior cleaning (periodically)
- Fire sprinkler
- Exterior irrigation
- Expansion joints
- Exit/entrance doors
- Elevators
Maintenance Reports:

The Operations Department is responsible for providing a summary of all maintenance completed at all facilities on a monthly basis. These summaries include both completed and non-completed work orders to formulate the "Quarterly Maintenance Report".

- Copies of the report will be distributed to the following:
  - SMG Corporate Representative
  - SMG General Manager
  - SMG Stockton Director of Operations
  - Appropriate city representative as assigned by the contract administrator.

Housekeeping and Custodial Services:

Housecleaning services are subcontracted for Stockton Arena. Bob Hope Theatre and Oak Park Ice Arena are maintained by SMG Stockton. A comprehensive custodial and housekeeping program for year-round interior maintenance will include, but not necessarily be limited to, the following areas:

- Lobbies/Entrances/Concourses/Stairwells/Restrooms
- Meeting Rooms/Conference Rooms/Dressing Rooms
- Service Corridors/Storage Rooms
- Exterior
SMG STOCKTON BUSINESS PLAN 2013-2014

SECURITY

Security Plan 2013-2014 Fiscal Year

This Security Plan shall detail SMG Stockton’s efforts to provide a safe and secure environment for employees, patrons, and clients while also protecting City owned equipment and structures. Included are four security plans:

- Security plan for Stockton Arena.
- Security plan for Bob Hope Theatre.
- Security plan for Oak Park Ice Arena.
- Security plan for Stockton Ballpark.

Day-to-Day Security Services:

Stockton Arena

- SMG will continue to employ Security Personnel on a 24 hour/7 days per week basis to monitor the facility security camera system, electronic gate access system, and electronic door lock program. In addition to the onsite personnel, SMG will continue to have the fire detection system monitored by an off-site monitoring company. Facility access and loss prevention will continue to be controlled through an access card/key check-out program to limit the amount of access devices available. An electronic Check-In/Check-Out tool as well as a visitors log will continue to be maintained at all times in the event of evacuation during non-event days to ensure that all building occupants are accounted for after evacuation. 24/7 Security coverage personnel will continue to complete a Daily Shift Task Check List in order to identify potential gaps in security coverage and/or facility safety concerns.

Bob Hope Theatre

- SMG Stockton will continue to maintain a monitoring service for the installed security and fire protection systems at the Bob Hope Theatre. The security system includes audio and motion detection devices and the fire protection system include adequate smoke detector coverage. Should an intrusion alarm be detected and reported by the monitoring company, Arena Security Personnel will investigate the alarm. Arena Security Personnel will continue to conduct a physical round of the Bob Hope Theatre a minimum of once daily.

Oak Park Ice Arena

- SMG continues to maintain an installed security system at Oak Park Ice Arena to provide security coverage during non-operating hours. The need for additional security personnel for nighttime operations and special events is evaluated on a case-by-case basis.
Stockton Ballpark

- The Stockton Ballpark’s fire system will continue to be monitored by the Arena Command Center as well as an off-site monitoring service. In addition to the security camera system controlled by Ports personnel during Ballpark occupancy, Arena security personnel will continue to utilize external cameras to monitor the Ballpark. The Ballpark Clubhouses are monitored remotely for intrusion alarms. Should the alarm be activated, Stockton Arena personnel will be notified to investigate the alarm. Arena Security will also conduct physical rounds three times daily. SMG Management will also review the Ports’ Security Plan for events pursuant to the Ball Park License Agreement.

Operational Protocols:

SMG Stockton will continue to maintain records and operational policies and protocols to demonstrate responsible security services for the City, our patrons, and employees in a number of ways. Examples of these policies include, but are not limited to:

- Communication Plan: Twice monthly, SMG Stockton distributes to internal departments and City officials (to include EMS and SPD) a 60-day Calendar of Events as well as projected attendance numbers in order to communicate potential impact on City services. SMG Stockton has provided these City service representatives contact information for key SMG personnel in order to address any questions or concerns that may arise from this Calendar of Events. In the event that an event is booked and confirmed between these communication cycles, SMG personnel will contact affected City services as soon as reasonably possible. SMG will communicate emergency evacuation procedures to patrons for event with an attendance of over 1,000, pursuant to NFPA recommendations.

- Incident Documentation: SMG staff will continue to complete an Incident Report (attached) for all incidents that in fact (or have significant potential to) (i) endanger life, (ii) cause physical harm, (iii) create confusion, (iv) damage property, (v) cause extreme inconvenience. Incident Reports will be filled out, reviewed by the building Safety Committee, and filed electronically for future reference.

- Staffing: It shall be SMG’s policy to employ and/or subcontract security services sufficient for the Event (pursuant to NFPA’s Trained Crowd Manager recommendations). Searches conducted by direct employ individuals shall only be done by those who can demonstrate registration with the California Bureau of Security and Investigative Services as a Proprietary Private Security Officer (PPSO). PPSO will be provided uniforms clearly identifying individuals as Security Personnel. It is SMG’s policy to employ a minimum of (2) Emergency Medical Technicians for any public event with an expected attendance of over 2,100.
Highlights from FY 2012-2013

- SMG Stockton takes pride in facility maintenance, operations, and preventative maintenance. The primary focus of the operations department in our second year of management has been efficiency. SMG Stockton has been able to realize efficiency in our maintenance contracts, supply procurement, work order fulfillment and utility use.

- Because of SMG’s management portfolio, we are able to negotiate national service agreements that help realize savings and ancillary benefits. An example of this is our elevator service agreement that provides cost certainty, insurance protection and guaranteed response times. Our purchasing power extends to basic supplies as well. We were able to realize savings in restroom products, carpet, tape and lighting.

- Our maintenance software continues to fill out and help our staff respond to repair requests and preventative maintenance in a timelier manner. Our on-time response rate for repairs improved by 13% which has helped us provide a better environment for our customers. We have completed over 3,600 (forecasted) repair and maintenance tasks this year to help extend the life each facility and ensure the facility systems are able to run at peak capacity.

- In the fiscal year 2011-2012 plan, we reported the significant electrical usage reduction achieved with the use of SMG best management practices. We have fine-tuned these practices and have been able to reduce our usage another 3% (forecasted) for a grand total of 30% usage reduction since SMG obtained management responsibilities. We are confident that we have minimized wasteful usage and the next step in electrical reduction is through upgrading to more efficient systems.

- By following our best management practices and completing some repairs has allowed us to reduce our water usage this year. We are on pace to save 500,000 gallons of water. SMG is in preliminary conversations with Cal Water on developing strategies and installing upgrades to reduce our water usage even more.
The Operating expenses fluctuation reflected in the graph, is attributed to event related expenses, and repairs and maintenance of the venues during each individual fiscal year.

Income has shown a steady increase since SMG’s first full year as manager in 2011-2012 due to increases in events, sponsor revenue, food and beverage revenue, and facility fee revenue.
Not all municipally subsidized venues publish their annual subsidy.

Examples pulled from Public Record of subsidized venues include:

- Miami, FL: $6.5 million annual subsidy
- Louisville, KY: $4.5 million annual subsidy
- Bakersfield, CA: $700,000 annual subsidy

Sports and Entertainment venues provide a direct and indirect impact to the community. While employing over 400 employees, venues provide indirect impact through sales tax, hotel tax, jobs for businesses around the venue and vendors of the venues, and bring an unquantifiable quality of life aspect to the community.
Estimated Economic Impact Projections for FY 2012-2013

*Projection is based on Stockton Arena and Bob Hope Theatre direct impact only*

<table>
<thead>
<tr>
<th></th>
<th>Arena</th>
<th>Theatre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Events</td>
<td>116</td>
<td>44</td>
<td>160</td>
</tr>
<tr>
<td>Attendance</td>
<td>296,808</td>
<td>28,501</td>
<td>325,309</td>
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<tr>
<td>Projected Room Nights*</td>
<td>5,937</td>
<td>571</td>
<td>6,508</td>
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<tr>
<td>Estimated Economic Impact**</td>
<td>$10,898,000</td>
<td>$1,047,000</td>
<td>$11,945,000</td>
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</tbody>
</table>

Wages and Benefits = $2,848,679

Total Number of Employees: 400

Sales Tax Paid = $175,000

Products/Services – Local = $2,204,154

Total Projected Economic Impact: $17,172,833

*2% of Total Attendance
** Average Daily Rates are Room Night Attendance ($85.82) and Non-Room Night Attendance ($35.00)

Sources:

The economic impact outlined above is not a large scope economic impact study. The study is a basic model and is supported by the International Association of Assembly Managers. The study outlines impact from SMG Stockton wages, events, and services only and does not reflect additional impact from sporting team’s direct contribution to the community and/or indirect impact from larger scale conferences and events.

The hotel attendance is conservatively sampled at 2% as 65% of our attendees drive into our market from our secondary markets. The average hotel rate was averaged from a sample of over 10 local hotels and motels. The non-room night value was provided from the average amount spent in the bar/restaurant at the University Plaza Waterfront Hotel.

Appendix A
FY 2013-2014 Budget

Appendix B
Three Year Proforma
<table>
<thead>
<tr>
<th>Statistical Information</th>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Attendance-Actual/Drop Count</td>
<td>312,071</td>
<td>28,632</td>
<td>340,703</td>
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</tr>
<tr>
<td>Attendance - Paid Ticket Sales</td>
<td>254,934</td>
<td>24,922</td>
<td>279,856</td>
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<td>160</td>
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<tr>
<td>Number of Performances</td>
<td>119</td>
<td>41</td>
<td></td>
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<tr>
<td>Gross Ticket Revenue</td>
<td>3,603,642</td>
<td>1,035,403</td>
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<td>4,639,045</td>
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**Direct Event Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Income</td>
<td>506,721</td>
<td>51,877</td>
<td>373,000</td>
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<td>931,598</td>
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<tr>
<td>Service Revenue</td>
<td>756,943</td>
<td>249,232</td>
<td></td>
<td></td>
<td>1,006,175</td>
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<tr>
<td>Service Expenses</td>
<td>-1,314,351</td>
<td>-237,765</td>
<td>-24,000</td>
<td>-25,000</td>
<td>-1,601,116</td>
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<tr>
<td>Total Direct Event Income</td>
<td>-50,687</td>
<td>63,344</td>
<td>349,000</td>
<td>-25,000</td>
<td>336,657</td>
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**Ancillary Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>Arena</th>
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<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>F &amp; B Concessions</td>
<td>695,966</td>
<td>26,872</td>
<td></td>
<td></td>
<td>722,838</td>
</tr>
<tr>
<td>F &amp; B Catering</td>
<td>108,880</td>
<td>6,680</td>
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<td>115,560</td>
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<tr>
<td>Merchandise Sales</td>
<td>55,118</td>
<td>6,287</td>
<td></td>
<td></td>
<td>61,405</td>
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<tr>
<td>OPIA Pro Shop Sales</td>
<td></td>
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<td></td>
<td></td>
<td>20,000</td>
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<tr>
<td>Total Ancillary Income</td>
<td>859,964</td>
<td>39,839</td>
<td>20,000</td>
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**Other Event Income**

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<tr>
<th>Description</th>
<th>Arena</th>
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<th>Total</th>
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<tbody>
<tr>
<td>Suites (Event Related)</td>
<td>21,306</td>
<td>5,000</td>
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<td>26,306</td>
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<tr>
<td>Club Seats</td>
<td>36,000</td>
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<td>36,000</td>
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<tr>
<td>Event Advertising</td>
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<tr>
<td>Ticket Rebates</td>
<td>200,853</td>
<td>75,599</td>
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<td></td>
<td>276,451</td>
</tr>
<tr>
<td>Facility Fees</td>
<td>514,960</td>
<td>48,933</td>
<td>190,000</td>
<td></td>
<td>753,893</td>
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<tr>
<td>Total Other Event Income</td>
<td>773,119</td>
<td>124,531</td>
<td>0</td>
<td>195,000</td>
<td>1,092,650</td>
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**Total Event Income**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
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<tr>
<td>1,582,396</td>
<td>227,714</td>
<td>369,000</td>
<td>170,000</td>
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**Other Operating Income**

<table>
<thead>
<tr>
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<th>Bob Hope Theatre</th>
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<tbody>
<tr>
<td>Luxury Box Agreements (Net)</td>
<td>116,420</td>
<td></td>
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<td>25,000</td>
<td>141,420</td>
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<tr>
<td>Advertising &amp; Sponsorships (Net)</td>
<td>232,592</td>
<td>2,640</td>
<td>8,800</td>
<td></td>
<td>244,032</td>
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<tr>
<td>Other Income</td>
<td>12,000</td>
<td></td>
<td>7,000</td>
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<td>19,000</td>
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<tr>
<td>Total Other Operating Income</td>
<td>361,012</td>
<td>2,640</td>
<td>15,800</td>
<td>25,000</td>
<td>404,452</td>
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**Adjusted Gross Income**

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<tr>
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<tbody>
<tr>
<td>1,943,407</td>
<td>230,354</td>
<td>384,800</td>
<td>195,000</td>
<td>2,753,561</td>
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**Net Salaries & Benefits**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
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<td>1,221,645</td>
<td>402,436</td>
<td>374,646</td>
<td>276,108</td>
<td>2,274,834</td>
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**Contracted Services**

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<th>Arena</th>
<th>Bob Hope Theatre</th>
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<tr>
<td>304,910</td>
<td>28,187</td>
<td>8,400</td>
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<td>341,497</td>
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**General & Administrative**

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<tr>
<th>Arena</th>
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<tbody>
<tr>
<td>259,816</td>
<td>9,224</td>
<td>11,250</td>
<td>2,600</td>
<td>282,890</td>
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**Operating Expenses**

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<tr>
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<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
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<tbody>
<tr>
<td>40,199</td>
<td>3,001</td>
<td>7,500</td>
<td>10,500</td>
<td>61,200</td>
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**Repair and Maintenance**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>355,000</td>
<td>52,000</td>
<td>54,000</td>
<td>80,000</td>
<td>541,000</td>
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**Operational Supplies**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>70,460</td>
<td>6,000</td>
<td>8,000</td>
<td>39,100</td>
<td>123,560</td>
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**Insurance**

<table>
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<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
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<tbody>
<tr>
<td>88,907</td>
<td>5,980</td>
<td>0</td>
<td>0</td>
<td>94,887</td>
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**Utilities**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>769,000</td>
<td>54,500</td>
<td>115,500</td>
<td>200,700</td>
<td>1,139,700</td>
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</tbody>
</table>

**Management Fees**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>143,917</td>
<td>77,716</td>
<td>34,540</td>
<td>31,662</td>
<td>287,835</td>
</tr>
</tbody>
</table>

**Total Indirect Expenses**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,253,853</td>
<td>639,044</td>
<td>613,836</td>
<td>640,670</td>
<td>5,147,403</td>
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</tbody>
</table>

**Net Operating Income (Loss)**

<table>
<thead>
<tr>
<th>Arena</th>
<th>Bob Hope Theatre</th>
<th>Ice Arena</th>
<th>Ball Park</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1,310,446</td>
<td>-408,690</td>
<td>-229,036</td>
<td>-445,670</td>
<td>-2,393,842</td>
</tr>
</tbody>
</table>
### Appendix B: Three Year Proforma

#### 3 Year projection 2014, 2015, & 2016

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Income</td>
<td>(50,687)</td>
<td>63,344</td>
<td>349,000</td>
<td>(25,000)</td>
<td>336,657</td>
<td>(40,000)</td>
<td>70,000</td>
<td>360,000</td>
<td>(25,000)</td>
<td>365,000</td>
<td>(30,000)</td>
<td>80,000</td>
<td>380,000</td>
<td>(25,000)</td>
<td>405,000</td>
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<tr>
<td>Ancillary Income</td>
<td>859,964</td>
<td>39,839</td>
<td>20,000</td>
<td>919,803</td>
<td>925,000</td>
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<td>35,000</td>
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<td>1,110,000</td>
<td>360,000</td>
<td>1,110,000</td>
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<tr>
<td>Other Event Income</td>
<td>773,119</td>
<td>124,531</td>
<td>195,000</td>
<td>1,092,650</td>
<td>790,000</td>
<td>140,000</td>
<td>200,000</td>
<td>1,130,000</td>
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<td>160,000</td>
<td>200,000</td>
<td>1,180,000</td>
<td>360,000</td>
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<td>1,180,000</td>
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<tr>
<td>Total Event Income</td>
<td>1,582,396</td>
<td>227,714</td>
<td>369,000</td>
<td>170,000</td>
<td>2,349,110</td>
<td>1,675,000</td>
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<td>395,000</td>
<td>175,000</td>
<td>2,515,000</td>
<td>1,790,000</td>
<td>310,000</td>
<td>420,000</td>
<td>175,000</td>
<td>2,695,000</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>361,012</td>
<td>2,640</td>
<td>15,800</td>
<td>25,000</td>
<td>404,452</td>
<td>400,000</td>
<td>7,000</td>
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<td>12,000</td>
<td>490,000</td>
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<td>490,000</td>
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<tr>
<td>Adjusted Gross Income</td>
<td>1,943,408</td>
<td>230,354</td>
<td>384,800</td>
<td>195,000</td>
<td>2,753,562</td>
<td>2,075,000</td>
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<td>Salaries</td>
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<td>420,000</td>
<td>385,000</td>
<td>285,000</td>
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<td>General &amp; Administrative</td>
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<td>9,224</td>
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<td>2,600</td>
<td>282,890</td>
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<td>10,000</td>
<td>11,800</td>
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<td>311,900</td>
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<td>Utilities</td>
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<td>6,500</td>
<td>-</td>
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<td>Indirect Expenses</td>
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<td>332,900</td>
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<td>2,843,000</td>
<td>1,978,000</td>
<td>170,500</td>
<td>218,800</td>
<td>338,100</td>
<td>2,708,400</td>
</tr>
<tr>
<td>Management Fee</td>
<td>143,917</td>
<td>77,716</td>
<td>34,540</td>
<td>31,662</td>
<td>287,635</td>
<td>150,000</td>
<td>80,000</td>
<td>36,000</td>
<td>33,000</td>
<td>299,000</td>
<td>156,000</td>
<td>83,000</td>
<td>38,000</td>
<td>35,000</td>
<td>312,000</td>
</tr>
<tr>
<td>Total Indirect Expenses</td>
<td>3,253,854</td>
<td>639,044</td>
<td>613,836</td>
<td>640,670</td>
<td>5,174,404</td>
<td>3,310,000</td>
<td>665,500</td>
<td>627,500</td>
<td>649,000</td>
<td>5,242,000</td>
<td>3,374,000</td>
<td>673,500</td>
<td>641,800</td>
<td>659,100</td>
<td>5,348,400</td>
</tr>
<tr>
<td>Net Operating Loss</td>
<td>(1,310,446)</td>
<td>(408,690)</td>
<td>(229,036)</td>
<td>(449,670)</td>
<td>(2,393,842)</td>
<td>(1,235,000)</td>
<td>(378,500)</td>
<td>(207,500)</td>
<td>(449,000)</td>
<td>(2,270,000)</td>
<td>(1,159,000)</td>
<td>(353,500)</td>
<td>(191,800)</td>
<td>(459,100)</td>
<td>(2,163,400)</td>
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</tbody>
</table>
CITY MANAGER SELECTION PROCESS

RECOMMENDATION

Staff recommends that the City Council through motion action: 1) approve a general recruitment and selection process for hiring a new City Manager, and 2) appoint an ad hoc committee, one member of which is the Mayor, to manage that process.

Summary

As you know, Bob Deis, City Manager, has announced his intent to retire as Stockton’s City Manager effective November 1st. Due to the protracted time it typically takes to properly recruit and select a City Manager, as well as the additional time for the candidate to separate from their current employment and move here, it is imperative that the City Council immediately begin the replacement process.

DISCUSSION

While there is no perfect process for selecting a City Manager, the staff report that follows includes a recommended process that includes “best practices” that are typically considered in the recruitment of a City Manager.

We recommend the following process:

1) An ad hoc committee should be created to represent the City Council in managing the day-to-day affairs associated with the recruitment and selection process, e.g., interacting with an executive recruiter, ensuring Stockton is putting its “best foot forward” in attracting a qualified applicant pool, etc.

2) Proposals should be solicited from prospective executive recruitment firms. The ad hoc committee ought to interview potential firms and recommend one to the full City Council.

3) Once contracted, and after conferring with each member of the City Council, the firm should immediately propose a realistic timeframe for all the steps in the process leading to a new permanent City Manager starting work here.

4) Upon determining that timeframe, and after conferring with the recruiter, the Council will likely have to appoint an interim City Manager for 2-5 months. Who that might be and the process for selecting the interim will be partially driven by the potential length of interim appointment. This decision should be deferred until step 3 is completed.
5) Typically, the executive recruiter will solicit applicants, conduct preliminary interviews and reference checks and then propose certain applicants move forward to actual interviews with the Council.

6) The actual selection process can take multiple paths, depending upon the City Council’s preference. Typically, the Council might interview 6 to 7 candidates and narrow the field to 2 to 3. If the Council wishes community and organizational input, the 2-3 finalists can be called back to meet with interview panels that include community and/or staff membership. They can provide their input to the Council and then the Council can conduct a second interview and pick from the finalists. If there is community and/or staff input, it is absolutely critical that the other participants commit to strict confidentiality. The City will lose qualified applicants if confidentiality is threatened.

There is no wrong or right way to conduct the interviewing and selecting of a new City Manager as described above; however, some “best practices” should be kept in mind. First, the confidentiality issue is key. Second, the City Council should recognize that they alone will be held accountable for the performance of the City Manager. Thus, others may provide important feedback and advice, but the Council should retain the ultimate hiring decision. Third, the City should view itself similar to an applicant. In other words, candidates are evaluating the City organization, the City Council and the community when deciding whether they want to move here. Stockton should develop a strategy to “sell” itself as a desirable employer and community. Four, after picking a successor, the City should do its best to “net the fish” by “assisting” the preferred candidate in making the decision to move here. This may include facilitating confidential meetings with schools, business executives, church leaders, etc.

7) If the candidate is interested in coming to Stockton, someone has to be delegated with the authority to negotiate an employment agreement. This can include the executive recruiter alone, it may include the ad hoc committee or a combination of the two. Timely decision making in this area is key.

8) The final step is waiting and then welcoming the new City Manager to Stockton.

As mentioned earlier, there is no perfect process for selecting a City Manager. Not all the steps described above need to be decided with this Council action. However, we recommend you pick an ad hoc committee and delegate it with authority to begin soliciting executive recruiters immediately and recommend a specific firm to the entire Council as soon as possible.

Finally, we recommend the ad hoc committee work with specific staff to facilitate the entire process. The Human Resources Director, Teresia Haase and her supervisor, Deputy City Manager, Laurie Montes will fulfill the role of staff to the City Council ad hoc Committee.

FINANCIAL SUMMARY

The recommended process includes interacting with an executive recruiter. We recommend that the costs for this engagement be expended from the 2013-14 professional services budget within the General Fund non-departmental account 010-0131-510. The cost for these services will be presented to the full Council upon recommendation from the ad hoc committee.
NEW BUSINESS

AGENDA ITEM 15.06
NOMINEES FOR THE CITIZENS ADVISORY COMMITTEE, CALIFORNIA CORRECTIONAL HEALTH CARE SERVICES

RECOMMENDATION

It is recommended that the City Council by motion action, approve the nomination of a minimum of three individuals from the applications received to be submitted to the California Correctional Health Care Services Facility for selection by the Warden of two representatives to serve on the Citizens’ Advisory Committee.

Summary

The California Correctional Health Care Services Facility requested that the City Council of the City of Stockton submit the names of at least three nominees for consideration for appointment to serve on the Citizens Advisory Committee, in accordance with the California Department of Corrections and Rehabilitation’s Department Operations Manual (DOM), section 101090.11.3.

On March 19, 2013, the City Council authorized the City Clerk to conduct a recruitment to solicit applicants. The first recruitment period opened March 20, 2013 and closed April 10, 2013; four applications were received. The applications were forwarded to the Council and listed on the May 21st agenda but the item was removed to allow for a second recruitment due to the fact that three of the four applicants did not live within the city boundaries. The second recruitment period was posted May 22 and closed June 6, 2013. The recruitments were announced through press releases issued by the City’s Public Information Officer, notices were posted on the City’s public posting boards, a public service announcement in the Record newspaper, by email to over 50 community organizations including the Chambers of Commerce, and City departments.

By the close of the second application period, six additional applications were received, bringing the total to ten applicants. The applications are attached to this staff report for review and consideration. The City Council will vote to identify the nominees and those names will be forwarded to the Warden of the California Department of Corrections and Rehabilitation (CDCR) facility. Two of the nominees will be selected to serve on the California Correctional Health Care Services Facility’s Citizens Advisory Committee.

DISCUSSION

Background

On October 17, 2012, the City was notified by the Chief Executive Officer of the California Correctional Health Care Services Facility Lawrence Fong, of the scheduled opening of the facility in July 2013. In preparation for the opening, the California Department of Corrections and Rehabilitation (CDCF) and the California Correctional Health Care Services (CCHCS) established the
Citizens Advisory Committee (CAC) as mandated by Penal Code 5056 and the California Department of Corrections and Rehabilitation’s (CDCR) Department Operations Manual Section 101090.11.3. The mandate includes two persons appointed from nominations submitted by the City of Stockton, the city nearest to the Institution.

Appointments to the twelve-member Citizens Advisory Committee are made by the Warden of the California Department of Corrections and Rehabilitation (CDCR) facility, from the nominations submitted by the City Council, the Greater Stockton Chamber of Commerce, the Board of Supervisors, the Chief of Police, the Assembly Member, and Senator in whose district the prison is located, and others.

The Committee’s function is to: 1) Improve the public’s understanding of correctional programs, 2) Influence correctional directions, and 3) Suggest means to improve and participate in inmate programming. Members serve for a two year term, and may be nominated and reappointed to succeeding terms.

The Committee held its first meeting on April 25, 2013 and is scheduled to meet at least once every two months thereafter, or as necessary to carry out the purposes and duties of the committee.

Present Situation

At the direction of the City Council, the City Clerk announced an open recruitment from March 20 through April 10, 2013, and another recruitment from May 22 - June 6, 2013. At the close of the second recruitment period, ten applications had been received.

The names of the qualified applicants, Rosetta Bachand, Marcie Bayne, Joseph Dittmann, Lecia Harrison, Jeffery Lindenberg, Thomas Palacioz and Garland Smith are before you this evening for approval as nominees. David McKeever, Elizabeth Ramirez, and Monique Sauceda do not live within city boundaries and, therefore, do not qualify per Council policy. Upon Council approval, the City Clerk will submit the names and applications of the nominees to the Warden of the California Department of Corrections and Rehabilitation, for consideration and appointment.

FINANCIAL SUMMARY

There is no direct financial impact on the City of Stockton.

Attachments:  Application Rosie Bachand  
Application Marcie Bayne  
Application Joseph Dittman  
Application Lecia Harrison  
Application Jeffery Lindenberg  
Application Thomas Palacioz  
Application Garland Smith  
Application David McKeever  
Application Elizabeth Ramirez  
Application Monique Sauceda  
CDCR CAC Penal Code Sec. 5056  
DOM Sec. 101090.11.3
Please state the reason you would like to be a member of this board/commission:
I wish to help portray the addition of the new Correctional Care facilities and its programs in a favorable light and it would like to see that changes in the Correctional Care facilities are just and fair. Please see attached information;

Have you served on an advisory group before?  Yes  No  If yes, please explain:
San Joaquin County Maternal Child and Adolescent Health Board;
San Joaquin Co. Public Health Advisory Board; City of Stockton Community Development Block Grant Committee; Health Plan of San Joaquin

How did you hear about the position?  I am enrolled in Stockton's Web-based Announcements

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?  Yes  No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes  No

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

☐ 49-99 Cooperative Library System Advisory Board
You must be a resident of San Joaquin County, but not the City of Lodi. Do you meet this requirement?  Yes  No

☐ Stockton Arts Commission
Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History
Are you interested in or accomplished in fund-raising?  Yes  No

☐ Building and Housing Board of Appeals/ Handicapped Access Board of Appeals
Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect.
Are you a disabled citizen?  Yes  No

☐ Central Parking District Advisory Board
Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District?  Yes  No
 Specify property address(es):

☐ Climate Action Plan Advisory Committee
Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply):
Environmental, Non-Profit Community Organization, Labor, Business, Developer

☐ Cultural Heritage Board
Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply):
Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

☐ Development Oversight Commission
Do you work in Stockton or with a firm/organization that does business in Stockton?  Yes  No
State name/address of firm/organization:
Are you any of the following (check any that apply)
☐ Local architect/designer  ☐ Port of Stockton Executive (CEO or Designee)  ☐ Builder Industry Association  ☐ Builder's Exchange
☐ Local Civil Engineer  ☐ San Joaquin Partnership Executive (CEO or Designee)  ☐ Executive (CEO or Designee)  ☐ Mixed Use Builder/Developer
☐ Mixed Use Builder/Developer  ☐ Local Non Profit Builder/Developer  ☐ General Contractor

C:\Documents and Settings\bhunter\CITYOFSTOCKTON\My Documents\125665-1.doc (Form adopted by City Council on 10-10-95; Revised 12-13-10)
□ Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? ______________

□ Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

□ San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year? □ Yes □ No
Are you a resident in the City of Stockton? □ Yes □ No

□ Sports Commission (circle any that apply)
If you are not a resident of Stockton, do you own and/or operate a business within the City or are a sponsor or associated with a sports related event, name of business or event(s): ______________

□ Stockton Measure W Oversight Committee
Do you reside within Stockton's geographic boundary? □ Yes □ No
Are you at least 28 years of age? □ Yes □ No
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton? □ Yes □ No

□ Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities' three utility service areas? □ Yes □ No
If so, state which one: ______________

□ Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: ______________
Will you be a senior next committee term? □ Yes □ No
Are you a member of one of the following Community Centers? McKinley, Seifert and Seirra Vista, Stribley and Van Buskirk, other: ______________
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. _____ DAY ______ YEAR __________ EMPLOYER NAME __________
TO: MO. _____ DAY ______ YEAR __________ ADDRESS __________
DUTIES: Please see attached resume

FROM: MO. _____ DAY ______ YEAR __________ EMPLOYER NAME __________
TO: MO. _____ DAY ______ YEAR __________ ADDRESS __________
DUTIES: ______________

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. _____ DAY ______ YEAR __________ BUSINESS NAME __________
TO: MO. _____ DAY ______ YEAR __________ ADDRESS __________
None
TYPE OF BUSINESS OR SERVICE RENDERED: Direct Health-care Provider

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

EDUCATION: Please see attached resume

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes ___ No X ___ If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton’s Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests.

If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:
   None

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:
The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check: Male _ Female

_White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East

_Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.

_Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

_American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.

_Filipino All persons having origins in the Philippine Islands.

_Asian

The Stockton City Council appoints members to the various City of Stockton Boards and Commissions. The Council also appoints representatives to serve on various other San Joaquin County agencies as well. Please check the boxes below if you are interested in serving on any other boards/commissions. To find out about what these boards/commissions do and if you qualify, please visit the City of Stockton website at www.stocktongov.com/commissions

☐49-99 Cooperative Library System Advisory Board
☐Arts Commission
☐Building and Housing Board of Appeals
☐Central Parking District Advisory Board
☐City Council Salary Setting Commission
☐Civil Service and Equal Employment Commissions
☐Climate Action Plan Advisory Committee
☐Community Development Committee
☐Cultural Heritage Board
☐Development Oversight Commission
☐Handicapped Access Board of Appeals
☐Measure W Oversight Committee
☐Parks and Recreation Commission

☐Planning Commission
☐Port Commission
☐Public Art Advisory Committee
☐Redevelopment Commission/Relocation Appeals Board
☐San Joaquin County Commission on Aging
☐San Joaquin County Mosquito And Vector Control District
☐San Joaquin Regional Transit District Board
☐Sports Commission
☐Water Advisory Group
☐Youth Advisory Commission (must be in high school to serve on this Commission)
Applying for: Citizen’s Advisory Committee for California Correctional Health Care Services CAC

Stockton, and indeed all of San Joaquin County, worked very hard to assure the “new” health care facilities would present a positive face when they actually arrived in our area. I would like to portray the benefits that the new additions can add to our communities in terms of job expansion and professional education, to name only two of the benefits that can accrue.

A primary goal of the new location of Correctional Health Facilities should be to see that inmates do not leave a site sicker than when they arrive and that their safety and confidentially are guarded as well. This could be achieved by including and meeting high standards of healthcare indices. Further, that the promises of the new Affordable Care Act are realized by all. I would like to see health programs address inmate’s total healthcare needs, not just to view physical “health” as the absence of disease. Another goal might be facilitating a process whereby inmates with chronic or preexisting conditions are not “lost in the system” and lose treatment time or, in fact, become sicker if transferred from one facility to another. This may be difficult as prison inmates tend to be sicker than jail inmates. As well, due to realignment, the number of inmates transferred to the “new” populations may be high and require a physical plant and systems in place that will not place additional burdens on already marginal or overtaxed systems. Careful scrutiny will have to be paid to health and statutory standards and benchmarks especially now that the Federal judge has declined California’s appeal for waiver form oversight of the prison healthcare system.

I believe that my lifetime of dedication to providing and assuring positive healthcare for all speaks for itself and is apparent in the overview of my life’s work as attached. As a direct care provider and healthcare advocate, locally, statewide and nationally, I have a profile of assuring quality healthcare regardless of the demographics of the client receiving that care.

Education

Modesto Junior College  Associate Degree in Nursing

Statewide Consortium for Nursing Education also California State University, Stanislaus  Bachelor of Science in Nursing

California State University San Jose Nurse Practitioner Credential

Professional Experience
  • 1981 to 2008 Women’s Healthcare Nurse Practitioner
    o Planned Parenthood Mar Monte Clinics in Stockton, Modesto, Tracy and Manteca
    o University of California at Davis Sacramento Med Center
    o Private Practice H. Robert Holtrop/Clint Davis
Foundation Healthcare
- Includes Program Planning, Development and Delivery for Medi-Cal client population and Patient Call Center

San Joaquin County Health Care Clinics in Woodbridge, Stockton, Tracy, and French Camp
- Includes Program Planning, Development, and Delivery for Specialty Clinics i.e. Healthy Beginnings (perinatal care) and AIM/FOCUS for women who use drugs and alcohol during pregnancy (awarded National Drug Abuse grant for $2.5 million and Rutgers University and California Healthy Mothers/Healthy Babies Innovation in Care Delivery.)
- Includes some provision of care to County jail inmates

Relevant Community Involvement 1986 to present
- San Joaquin County Maternal/Child/Adolescent Health Advisory Board
- San Joaquin County Public Health Advisory Board
- Big Brothers/Big Sisters Board
- Leadership Stockton
- City of Stockton Community Development Block Grants
- Stockton Rotary and Stockton Sunrise Rotary
- University Neighborhood Renaissance Project
- California Nurses’ Association
- Stockton Business and Professional Women
- Central United Methodist Church
- United Methodist Women
- Stockton Symphony Alliance

Relevant Honors and Achievements
- Woman of the Year--San Joaquin County Commission on the Status of Women
- Woman of the Year--California State Assembly
- Helen Nahm Nurse of the Year in Community Service--California Nurses’ Association
- Volunteer of the Year--Stockton Symphony Association
- Missioner of the Year--Central UMC United Methodist Women
Please state the reason you would like to be a member of this board/commission:

**As a community activist, I think I bring a level of expertise necessary for this commission**

Have you served on an advisory group before?  No. If yes, please explain:

How did you hear about the position?  I heard about through the paper and on-line resources.

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member?  Yes X  No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group?  Yes _____ No X

If yes, please explain:

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**SUPPLEMENTAL QUESTIONNAIRE:** Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

- **Stockton Arts Commission**
  Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History. Are you interested in or accomplished in fund-raising?  Yes  No

- **Building and Housing Board of Appeals/ Handicapped Access Board of Appeals**
  Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor;  Engineer or Architect. Are you a disabled citizen?  Yes  No

- **Central Parking District Advisory Board**
  Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District?  Yes  No  Specify property address(es):

- **Climate Action Plan Advisory Committee**
  Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

- **Cultural Heritage Board**
  Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

- **Development Oversight Commission**
  Do you work in Stockton or with a firm/organization that does business in Stockton?  Yes  No
  State name/address of firm/organization:
  Are you any of the following (check any that apply): Local architect/designer  Local Civil Engineer  Mixed Use Builder/Developer  Local Representative from public at-large  Local Non Profit Builder/Developer  Port of Stockton Executive (CEO or Designee)  San Joaquin Partnership Executive (CEO or Designee)  Building Industry Association  Executive (CEO or Designee) or  Mixed Use Builder/Developer  Builder’s Exchange  Executive (CEO or Designee) or  General Contractor

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Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? 

Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year?  

Stockton Measure W Oversight Committee
Do you reside within Stockton’s geographic boundary?  

Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities’ three utility service areas?  

Youth Advisory Committee (fill in, circle, or check)
High school enrolled in:  Will you be a senior next committee term?  

Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. 5 DAY 1 YEAR 2012 EMPLOYER NAME retired TO: MO. _____ DAY _____ YEAR ADDRESS DUTIES: 

In my retirement, I accepted a short term position with California Nurses Association - see attached

FROM: MO. 4 DAY 1 YEAR 2010 EMPLOYER NAME North Valley Labor Federation TO: MO. 4 DAY 30 YEAR 2012 ADDRESS 115 North Sutter, Suite 200, Stockton DUTIES: Executive Director - see attached

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. _____ DAY _____ YEAR _____ BUSINESS NAME TO: MO. _____ DAY _____ YEAR _____ ADDRESS

TYPE OF BUSINESS OR SERVICE RENDERED: 

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional) attached
EDUCATION: BS in Business Administration and Public Administration - see attached

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes _______ No ______ X

If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton’s Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests.

If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:
   no

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:
   none
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature ___________________________ Date: May 28, 2013

Please identify any specialized accommodations needed for equal participation: ____________

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check: ________ Male _______ Female

_X_ White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East

___ Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.

___ Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

___ American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.

___ Filipino All persons having origins in the Philippine Islands.

___ Asian

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☐ Arts Commission
☐ Building and Housing Board of Appeals
☐ Central Parking District Advisory Board
☐ City Council Salary Setting Commission
☐ Civil Service and Equal Employment Commissions
☐ Climate Action Plan Advisory Committee
☐ Community Development Committee
☐ Cultural Heritage Board
☐ Development Oversight Commission
☐ Handicapped Access Board of Appeals
☐ Measure W Oversight Committee

☐ Parks and Recreation Commission
☐ Planning Commission
☐ Port Commission
☐ Public Art Advisory Committee
☐ San Joaquin County Commission on Aging
☐ San Joaquin County Mosquito And Vector Control District
☐ San Joaquin Regional Transit District Board
☐ Water Advisory Group
☐ Youth Advisory Commission (must be in high school to serve on this Commission)

CA Correctional Health Care Services Advisory Committee

Marcie T Bayne
APPLICANT NAME

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(Form adopted by City Council on 10-10-95; Revised 10/10/12)
Marcie T. Bayne

Certifications

BS Degree - Business/Management

Public Administration and Policy specialty course work

Key Skills

Plan and Manage multiple projects

Analyze and interpret rules, regulations, and collective bargaining agreements

Prepare Education and Training Materials

Develop goals and strategic plans

Use of Databases

Communication material development

Work as part of a team to achieve goals

Education

University of Phoenix, Sacramento
Bachelor of Science Business/Management

University of California, Davis
University Extension

LABOR RELATIONS

Extensive experience in managing and coordinating labor relations programs for union members.

More than 25 years of experience representing union members as the bargaining agent, coordinating bargaining for multiple units; developed bargaining strategy. I have expertise in the ability to evaluate, analyze, and record facts; prepare clear and succinct reports, graphs, correspondence, and statistical reports. My many years in the field of labor relations give me the ability to comprehend written material; communicate effectively verbally and/or in writing; consult and advise interested parties; use good judgment and make sound decisions in critical situations; establish and maintain cooperative relations and gain confidence with those contacted in the work environment. I am able to handle stressful and/or sensitive situations with tact and labor-management diplomacy.

Work Experience Summary

California Nurses Association
4/1/2013 to present - Short Term Temporary position
San Joaquin Calaveras CLC
1/2009 to 3/2013

North Valley Labor Federation
4/1/2010 to 4/30/2012

California School Employees Association
7/1/1985 to 3/31/2010

Labor Representative - Work with Member Leaders and staff in strategic planning, and implementing coordinating field office plans and goals for bargaining, grievance handling, unfair practice filings and hearings, and other statewide organization programs.

Volunteer position - Secretary Treasurer of the Central Labor Council; develop annual budgets; prepare financial reports and statistics for the affiliates of the Central Labor Council. Prepare clear and succinct reports for the affiliates and other interested parties.

Executive Director - This position is the lead staff position assigned to work local political campaigns, statewide campaigns and organizing campaigns. This position also responsible for direct work with the local union affiliates, and to build the North Valley Labor Federation through new affiliations and increasing affiliations. To train and manage the North Valley Staff and assess training needs.

Work with Member Leaders and staff in strategic planning, and implementing coordinating field office plans and goals for bargaining, grievance handling, unfair practice filings and hearings, and other statewide organization programs.

Plan, coordinate and assist in the direction of the work of Labor Relations Representatives in the negotiations up to
and including fact-finding, training programs and collective bargaining programs.

Coordinate and assist in the direction of the work of Labor Relations Representatives in writing and hearings for unfair practice charges, grievance and disciplinary arbitrations.

Successfully negotiated many collective bargaining agreements on behalf of employee groups in the public sector. This takes exceptional interpersonal skills to bring the two groups together and reach a satisfactory agreement. I have had as many as nineteen (19) local chapters in various stages of bargaining at the same time. I have successfully negotiated several chapters at the Impasse stage to settlement.

Organize, and conduct research on a variety of issues, and compete investigatory and statistical work; reason logically, analyze situations, and develop and evaluate alternatives and take effective action

Skilled in training on a variety of issues including leadership, planning and organizing and how to run political campaigns at the grass roots level.

I have strong computer skills especially with Microsoft Office programs such as Access, Excel, Power Point, Photo Editor and Word, Social Networking, and communication software,
APPLICATION CONTINUED

Port Commission
- Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? 

Public Art Advisory Committee (circle any that apply)
- Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board
- Have you resided within the Transit District boundaries for at least one year? Yes  No
- Are you a resident in the City of Stockton? Yes  No

Stockton Measure W Oversight Committee
- Do you reside within Stockton's geographic boundary? Yes  No
- Are you at least 28 years of age? Yes  No
- Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton? Yes  No

Council Water Advisory Group
- Do you reside within one of the Stockton Municipal Utilities' three utility service areas? Yes  No
- If so, state which one:

Youth Advisory Committee (fill in, circle, or check)
- High school enrolled in: 
- Will you be a senior next committee term? Yes  No
- Are you a member of one of the following Community Centers? McKinley, Seift and Seirra Vista, Stribley and Van Buskirk, other:
- Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. 9 DAY 8 YEAR 1986 EMPLOYER NAME CA DEPT. OF CORRECTIONS & REHAB, TO: MO. 11 DAY 1 YEAR 2010 ADDRESS 619 CARLTON AVE, STOCKTON 95203 DUTIES: PAROLE AGENT I

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO.______ DAY______ YEAR______ BUSINESS NAME________ TO: MO.______ DAY______ YEAR______ ADDRESS________

TYPE OF BUSINESS OR SERVICE RENDERED:

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional) 

RESUME ATTACHED
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature: [Signature]
Date: 6/3/2013

Please identify any specialized accommodations needed for equal participation: N/A

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check:

- [X] White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East
- Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.
- Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
- American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.
- Filipino All persons having origins in the Philippine Islands.
- Asian

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- [ ] Arts Commission
- [ ] Building and Housing Board of Appeals
- [ ] Central Parking District Advisory Board
- [ ] City Council Salary Setting Commission
- [ ] Civil Service and Equal Employment Commissions
- [ ] Climate Action Plan Advisory Committee
- [ ] Community Development Committee
- [ ] Cultural Heritage Board
- [ ] Development Oversight Commission
- [ ] Handicapped Access Board of Appeals
- [ ] Measure W Oversight Committee
- [ ] Parks and Recreation Commission
- [ ] Planning Commission
- [ ] Port Commission
- [ ] Public Art Advisory Committee
- [ ] San Joaquin County Commission on Aging
- [ ] San Joaquin County Mosquito And Vector Control District
- [ ] San Joaquin Regional Transit District Board
- [ ] Water Advisory Group
- [ ] Youth Advisory Commission (must be in high school to serve on this Commission)
Joseph Dittmann

Professional Profile

Recently retired State Parole Agent with 25 years experience in law enforcement including, but not limited to, supervision of parolees and close association with local Police and Sheriff’s Departments.

Qualifications

- Proficient in all aspects of parole supervision.
- Strong verbal communication. Experienced public speaker with ability to lead large group meetings.
- Excellent writing skills. Proficient in drafting and preparing reports which become legal documents.
- Outstanding interpersonal skills while coordinating activities involving multi-agency cooperation.
- Detailed knowledge of issues affecting successful community reintegration of recently released felons.
- Ability to liaison with community agencies to encourage assistance with parolee reintegration.

Relevant Experience

Institutional Supervision

- Eleven years experience as a Correctional Officer at CSP-Sacramento and Folsom Prison.
- Various assignments include General Population Cell Block Control, Administrative Segregation Control, Prison Laundry Security, Visiting Officer.

Parole Supervision

- Fourteen years experience as a Parole agent.
- 2002 Parole Agent of the Year
- Developed and implemented Parolee Orientation program in San Joaquin County.
- Developed and implemented the Police and Corrections Team (PACT).
- Served on the San Joaquin County Drug Court Oversight Committee.
- Served on the San Joaquin County Proposition 36 Implementation/Oversight Committee.
- Served as Chairman of the San Joaquin County Drug and Alcohol Program Advisory Board.
- Currently Vice President of the New Directions Drug and Alcohol Program Board of Directors.
- Currently Vice Chairman of the San Joaquin Valley Goodwill Board of Directors.

Experience

Division Manager
February 1973 to May 1980
F.W. Woolworth Company – Carmichael, CA
Responsible for all aspects of mass merchandising retail operation (115,000 sq. ft.)

Store Manager
September 1980 to August 1982
Grand Auto – Rio Linda CA, CA
Responsible for all aspects of retail automotive aftermarket store management.

In-Store Manager
October 1982 to July 1984

**Payless Cashways, Inc.** – Stockton, CA
Responsible for ordering, merchandising and management of approximately one half of a large lumber and building materials retailer.

**Store Manager**
June 1985 to September 1986

**Radio Shack** – Sacramento, CA
Responsible for all aspects of store management.

**Correctional Officer**
September 1986 to July 1997

**California Department of Corrections and Rehabilitation** – Folsom, CA
Sworn Peace Officer involved with day to day operations of a Maximum Security Prison.

**Parole Agent**
July 1997 to November 2010

**California Department of Corrections and Rehabilitation** – Stockton, CA
State Parole Agent involved in caseload supervision of parolees. Also coordinated a program designed to connect recently released felons with local agencies for the purpose of assisting them in reintegrating into the community. At the same time, partnered with Stockton PD Officers and Deputy Sheriffs to apprehend parole absconders.

**Education**

**University of Notre Dame**
South Bend, IN, USA
Business Administration
Basic Undergraduate coursework: Rhetoric and Composition, Calculus, Art History, Logic, Accounting, Statistics, Economics, etc.

**Cuyahoga Community College**
Cleveland, OH, USA
General education
Basic undergraduate coursework: Public Speaking, French, Sociology, English literature.

**Albion College** 1972
Albion, MI, USA
English Literature
Bachelor of Arts
Completed coursework to obtain a BA degree in English. Courses included Abnormal Psychology, Psychology and Human Behavior, Visual Arts, Anthropology, Physics, Astronomy as well as numerous courses in the major field of study.
Please state the reason you would like to be a member of this board/commission:

- See attachment

Have you served on an advisory group before? **No** If yes, please explain:

How did you hear about the position? **Record Newspaper**

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? **Yes** **No**

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? **Yes** **No** If yes, please explain

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

- **49-99 Cooperative Library System Advisory Board**
  You must be a resident of San Joaquin County, but not the City of Lodi. Do you meet this requirement? **Yes** **No**

- **Stockton Arts Commission**
  Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History
  Are you interested in or accomplished in fund-raising? **Yes** **No**

- **Building and Housing Board of Appeals/Handicapped Access Board of Appeals**
  Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect.
  Are you a disabled citizen? **Yes** **No**

- **Central Parking District Advisory Board**
  Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District? **Yes** **No** Specify property address(es):

- **Climate Action Plan Advisory Committee**
  Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

- **Cultural Heritage Board**
  Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

- **Development Oversight Commission**
  Do you work in Stockton or with a firm/organization that does business in Stockton? **Yes** **No**
  State name/address of firm/organization:
  Are you any of the following (check any that apply):
  - Local architect/designer
  - Local Civil Engineer
  - Mixed Use Builder/Developer
  - Local Representative from public at-large
  - Local Non Profit Builder/Developer
  - Port of Stockton Executive (CEO or Designee)
  - San Joaquin Partnership Executive (CEO or Designee)
  - Building Industry Association
  - Executive (CEO or Designee)
  - Mixed Use Builder/Developer
  - Builder's Exchange
  - Executive (CEO or Designee)
  - General Contractor
Lecia B. Harrison

APPLICATION NAME

Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? __________

Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year? □ Yes □ No
Are you a resident in the City of Stockton? □ Yes □ No

Sports Commission (circle any that apply)
If you are not a resident of Stockton, do you own and/or operate a business within the City or are a sponsor or associated with a sports related event, name of business or event(s):

Stockton Measure W Oversight Committee
Do you reside within Stockton’s geographic boundary? □ Yes □ No
Are you at least 28 years of age? □ Yes □ No
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton? □ Yes □ No

Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities’ three utility service areas? □ Yes □ No
If so, state which one: _____________________________

Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: _____________________________ Will you be a senior next committee term? □ Yes □ No
Are you a member of one of the following Community Centers? McKinley, Seifert and Sierra Vista, Stribley and Van Buskirk, other:
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: Mo. __ DAY ___ YEAR ___ TO: Mo. __ DAY ___ YEAR ___ EMPLOYER NAME ________________

TO: Mo. __ DAY ___ YEAR ___ ADDRESS ________________

DUTIES: ________________

FROM: Mo. __ DAY ___ YEAR ___ TO: Mo. __ DAY ___ YEAR ___ EMPLOYER NAME ________________

TO: Mo. __ DAY ___ YEAR ___ ADDRESS ________________

DUTIES: ________________

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: Mo. __ DAY ___ YEAR ___ BUSINESS NAME ________________

TO: Mo. __ DAY ___ YEAR ___ ADDRESS ________________
TYPE OF BUSINESS OR SERVICE RENDERED: ________________________________

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

EDUCATION: BS - Community Studies Humphreys College

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes [ ] No [X] If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton’s Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests.

If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:
   No

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:
   N/A
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL
STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE.

Signature ___________________________ Date 10/5/15

Please identify any specialized accommodations needed for equal participation: n/a

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the
effectiveness of our Affirmative Action and recruitment efforts. Please check: __ Male ___ Female

__ White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East

__ Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.

__ Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

__ American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.

__ Filipino All persons having origins in the Philippine Islands.

__ Asian

The Stockton City Council appoints members to the various City of Stockton Boards and Commissions. The Council also appoints representatives to serve on various other San Joaquin County agencies as well. Please check the boxes below if you are interested in serving on any other boards/commissions. To find out about what these boards/commissions do and if you qualify, please visit the City of Stockton website at www.stocktongov.com/commissions

☐ 49-99 Cooperative Library System Advisory Board
☐ Arts Commission
☐ Building and Housing Board of Appeals
☐ Central Parking District Advisory Board
☐ City Council Salary Setting Commission
☐ Civil Service and Equal Employment Commissions
☐ Climate Action Plan Advisory Committee
☐ Community Development Committee
☐ Cultural Heritage Board
☐ Development Oversight Commission
☐ Handicapped Access Board of Appeals
☐ Measure W Oversight Committee
☐ Parks and Recreation Commission

☐ Planning Commission
☐ Port Commission
☐ Public Art Advisory Committee
☐ Redevelopment Commission/Relocation Appeals Board
☐ San Joaquin County Commission on Aging
☐ San Joaquin County Mosquito And Vector Control District
☐ San Joaquin Regional Transit District Board
☐ Sports Commission
☐ Water Advisory Group
☐ Youth Advisory Commission (must be in high school to serve on this Commission)
Lecia Harrison has been a resident of Stockton since 1992 and is a graduate of Humphreys College with a Bachelor of Science degree in Community Studies. She is in her final year of the Master of Social Work program at CSU Stanislaus. With more than a decade of experience working as a public servant she has gained a wealth of knowledge from a variety of programs. She has worked with the unemployed assisting them in their job search and granting general assistance. She has provided instruction to CalWORKs participants to prepare them for employment. She has also managed two shelters for victims of domestic violence and worked as a social worker in the CPS (Child Protective Services) and IHSS (In Home Supportive Services) programs.

Currently she is a social worker for the County of Sacramento working in the In Home Supportive Services (IHSS) program. In this position she has acquired wide range of experience working with dependent adults, disabled children and adults as well as the elderly. Some of the clients she works with have sustained injuries while incarcerated or while engaging in criminal acts. Some have serious medical conditions as a result of these injuries.

As a social worker Ms. Harrison has a vested interest in all members of the community at large. She has an awareness and understanding of the complexities of multiple social issues affecting some individuals - the overlap of substance abuse, chronic physical illness, mental illness, domestic violence, child abuse, elder abuse, lack of education, crime, disproportionality, poverty etc.

Ms. Harrison had the opportunity to restructure the shelter programming for women and children who were victims of domestic violence and was successful in tailoring services to meet the individual needs of residents within the program curriculum.

It is important for the community to understand what the goals are for any institution in order to get buy-in and acceptance. Many inmates of the California Health Care Facility will reenter the community so it is imperative they are provided with programming that will help prepare them for a more successful transition that will hopefully result in less recidivism.
Summary of Professional Qualifications:

- Applied case management experience in a wide-range of social service programs
- Strong working knowledge of social service program resources available to clients
- Excellent oral and written communication skills and proficient in interviewing and investigative reporting for In Home Supportive Services and Child Protective Services
- Strong analytical and independent decision making skills
- Experience reading and interpreting complex rules and regulations – state and county level
- Experience writing and implementing individual case plans
- Demonstrated ability to work with clients from all socio-economic backgrounds
- Ability to work independently and as part of a team
- Determine program eligibility following state and federal guidelines/regulations.

Professional Experience

Social Worker 3/2012 – present
Sacramento County Department of Health & Human Services
In-Home Supportive Services

- Assess the elderly, dependent adults and disabled adults and children for services in their homes utilizing medical information and physical observations for the determination of program eligibility.
- Compute time for tasks following state guidelines, rules and regulations.
- Connect clients with community resources to address additional needs
- Investigate discrepancies making fraud referrals when necessary.
- Determine the need for intervention by Public Health Nurses, Adult Protective Services, and law enforcement and inform clients of community resources, acting quickly and decisively.
- Respond to all phone calls and written correspondence in a timely manner.
- Attend administrative law hearings when requested.
- APS (Adult Protective Services) intern

Shelter Manager 6/2010- 3/2012
Women’s Center of San Joaquin County

- Provide counseling and advocacy for shelter residents as needed
- Collect, compile statistical data and compose associated reports.
- Work with community based organizations and other agencies to secure and provide resources.
- Develop group/class curriculums based on client needs
• Supervise a staff of 8-10 Domestic Violence Specialist, coordinate training and development for staff.
• Participate on Domestic Violence and Hunger Task Force committees.
• Facilitate weekly case management meeting to evaluate progress of residents.
• Oversee daily operation of shelters (Stockton and Tracy) – scheduling maintenance/repair, purchase of supplies and equipment.
• Responsible for shelter budget and payment requests.
• Oversee and coordinate annual Adopt-A-Family holiday program.
• Case manage challenging clients.

Social Work Case Manager  
Catholic Charities – temporary position  
• Assessed elderly clients in their homes for appropriate services.
• Coordinated physical therapy evaluation and home assessments to determine the need for assistive devices.
• Conducted quarterly visits and monthly phone calls.
• Created individual care plans.
• Communicated concerns to assigned IHSS SW
• Made referrals to APS

Social Worker  
Sacramento County Department of Health & Human Services  
Child Protective Services  
• Investigated allegations of abuse and/or neglect. Interviewed parents, guardians, medical personnel, law enforcement, and other collateral contacts.
• Presented cases to management and County Counsel.
• Wrote Detention Reports, petitions, case plans, investigative narratives, letters, and initiate referrals to community agencies.
• Attended court hearings and interact with attorney’s answering questions and/or testifying in child resolution cases, based on my investigative analysis.
• Administered psycho-social assessments, home evaluations, and participate in team meetings to facilitate best placement for children and families.
• Performed background checks through the Department of Justice and evaluated homes of parents, guardians and non-related extended family members for appropriate placement of children.
• Coordinated referrals to parenting classes, mental health and substance abuse programs, housing, education, and food, legal and medical services, as needed.

In-Home Supportive Services

• Assessed elderly and disabled adults for services in their homes utilizing medical information and physical observations for the determination of program eligibility.
• Computed time for tasks following state guidelines, rules and regulations.
• Connected clients with community resources to address additional needs.
• Investigated discrepancies making fraud referrals when necessary.
- Determined the need for intervention by Public Health Nurses, Adult Protective Services, and law enforcement and inform clients of community resources, acting quickly and decisively.
- Responded to all phone calls and written correspondence in a timely manner.
- Attended administrative law hearings when requested.

**Employment Training Specialist II**  
San Joaquin County EEDD  
**Job Club Instructor**

- Hired to provide instruction and information to CalWORKs participants in job application completion; interview techniques, overcoming barriers to employment; job retention; and resume writing.
- Kept students engaged in the information being presented to them and structured the content to address the needs of the students.
- Researched and analyzed local labor market information. Maintained files for each student, documented their individual progress and areas of concern.
- Tracked attendance, provided guidance; one-on-one vocational counseling; and disciplined students who did not abide by the rules.
- Mediated conflict between students. Established and maintained rapport with Case Managers and staff from outside agencies.

**Job Coach/Case Manager**

- Interviewed clients to determine suitability/eligibility for employment training programs and job openings.
- Screened clients for skills, work experience, education, aptitude, interest and barriers to employment.
- Referred clients to mental health providers, substance abuse and domestic violence services, as well as interpret and apply complex rules and regulations governing WIA (Workforce Investment Act) to enroll clients in vocational training programs.

**Education**

- MSW – expected graduation 5/2014  
  CSU Stanislaus – Turlock, CA

- Community Studies – Bachelor of Science  
  Humphreys College – Stockton, CA

- Paralegal Studies – Certificate  
  Humphreys College – Stockton, CA

- Certificate of Mediation  
  Mediation Center of San Joaquin – Stockton, CA
Please state the reason you would like to be a member of this board/commission:

long time community advocate, and alot of background in community medicine

Have you served on an advisory group before?  yes  If yes, please explain: executive committee, san joaquim general hospital, ethics committ committ, sjgh

How did you hear about the position? moses zaplan

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? Yes x No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes __ No x

If yes, please explain

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

☐ 49-99 Cooperative Library System Advisory Board
   You must be a resident of San Joaquin County, but not the City of Lodi. Do you meet this requirement?  Yes  No

☐ Stockton Arts Commission
   Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History Are you interested in or accomplished in fund-raising?  Yes  No

☐ Building and Housing Board of Appeals/ Handicapped Access Board of Appeals
   Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect. Are you a disabled citizen?  Yes  No

☐ Central Parking District Advisory Board
   Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District?  Yes  No Specify property address(es):

☐ Climate Action Plan Advisory Committee
   Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

☐ Cultural Heritage Board
   Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

☐ Development Oversight Commission
   Do you work in Stockton or with a firm/organization that does business in Stockton?  Yes  No State name/address of firm/organization:
   Are you any of the following (check any that apply)
   ☐ Local architect/designer ☐ Local Civil Engineer ☐ Mixed Use Builder/Developer
   ☐ Local Representative from public at-large ☐ Local Non Profit Builder/Developer
   ☐ Port of Stockton Executive (CEO or Designee) ☐ San Joaquin Partnership Executive (CEO or Designee)
   ☐ Building Industry Association ☐ Executive (CEO or Designee) or ☐ Mixed Use Builder/Developer
   ☐ Builder's Exchange ☐ Executive (CEO or Designee) or ☐ General Contractor
Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? ________________

Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnogender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year? D Yes D No
Are you a resident in the City of Stockton? D Yes D No

Sports Commission (circle any that apply)
If you are not a resident of Stockton, do you own and/or operate a business within the City or are a sponsor or associated with a sports related event, name of business or event(s):

Stockton Measure W Oversight Committee
Do you reside within Stockton’s geographic boundary? D Yes D No Are you at least 28 years of age? D Yes D No
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton? D Yes D No

Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities’ three utility service areas? D Yes D No If so, state which one:

Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: ____________________________________________ Will you be a senior next committee term? D Yes D No
Are you a member of one of the following Community Centers? McKinley, Seifert and Seirra Vista, Stribley and Van Buskirk, other: ____________________________________________
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. ___________ DAY _______ YEAR 1987 EMPLOYER NAME san joaquin general hospital
TO: MO. _________ DAY __________ YEAR present ADDRESS
DUTIES: medical director intensive care nursery, sjgh

FROM: MO. _________ DAY __________ YEAR _________ EMPLOYER NAME
TO: MO. _________ DAY __________ YEAR __________ ADDRESS
DUTIES:

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. _________ DAY _______ YEAR 1990 BUSINESS NAME san joaquin valley neonatal medical associates
TO: MO. _________ DAY _______ YEAR present ADDRESS
TYPE OF BUSINESS OR SERVICE RENDERED: medical physician

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

EDUCATION: doctor of medicine, university illinois (1978), bachelor science UC Berkeley (1973)

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes _____ No X ___. If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton’s Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests.

If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:
   no

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:

   none
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL
STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE.

Signature ___________________________ Date 6/93

Please identify any specialized accommodations needed for equal participation: ____________________________________________

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the
effectiveness of our Affirmative Action and recruitment efforts. Please check:  x  Male  Female

✓ White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East

___ Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.

___ Hispanic  All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

___ American Indian or Alaska Native  All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.

___ Filipino All persons having origins in the Philippine Islands.

___ Asian

The Stockton City Council appoints members to the various City of Stockton Boards and Commissions. The Council also appoints representatives to serve on various other San Joaquin County agencies as well. Please check the boxes below if you are interested in serving on any other boards/commissions. To find out about what these boards/commissions do and if you qualify, please visit the City of Stockton website at www.stocktongov.com/commissions

☐ 49-99 Cooperative Library System Advisory Board  ☐ Planning Commission
☐ Arts Commission  ☐ Port Commission
☐ Building and Housing Board of Appeals  ☐ Public Art Advisory Committee
☐ Central Parking District Advisory Board  ☐ Redevelopment Commission/Relocation Appeals Board
☐ City Council Salary Setting Commission  ☐ San Joaquin County Commission on Aging
☐ Civil Service and Equal Employment Commissions  ☐ San Joaquin County Mosquito And Vector Control District
☐ Climate Action Plan Advisory Committee  ☐ San Joaquin Regional Transit District Board
☐ Community Development Committee  ☐ Sports Commission
☐ Cultural Heritage Board  ☐ Water Advisory Group
☐ Development Oversight Commission  ☐ Youth Advisory Commission (must be in high school to serve on this Commission)
☐ Handicapped Access Board of Appeals
☐ Measure W Oversight Committee
☐ Parks and Recreation Commission
Biographical Sheet:

Jeffrey A. Lindenberg MD         June 6, 2013

Citizen Advisory Committee (CAC) California Correctional Health Care Services Applicant

Married: Patricia Lindenberg, since June, 1978. Patricia is a Yoga instructor, and has teaching credential

Children: Three, David (physician) Rebecca (veterinarian), and Zachary (nursing student), all graduates of Lincoln Hs, Stockton, Ca

Community Involvement: Coached Little League at all Levels (Sunset Little league)
Coached boys and Girl Soccer for SYSA
Member of Stockton Concert Band for over 20 years( oboe)

Education: High school, New Trier West, Northbrook, Illinois
University California Berkeley, BS, 1973
University of Illinois Medical School 1978
Residency, Pediatrics, University California San Francisco
Fellowship, Neonatal –Perinatal Medicine, University California, Davis

Religious Affiliation:

Temple Israel, since 1988: have served on TI Board of directors, and steering committee for the Stockton Jewish Welfare Fund, and Capital Campaign

Professional: please see Curriculum Vitae: Physician at SJGH since 1987:

Highlights: Numerous research publications
Director newborn Services San Joaquin General (over 50,000 births)
Medical Director Intensive Care nursery (over 8000 critically ill infants)
Served two terms as president of the Medical Staff, SJGH
Chairman Ethics Committee, SJGH , currently and for over 10 years
Helped Train hundreds of Family practice residents

Hobbies: music, bicycling, hiking:
CURRICULUM VITAE

Jeffrey A. Lindenberg, M.D.

PERSONAL DATA

[Redacted]

EDUCATION

1969-1973  B.A.  Zoology
            University of California, Berkeley

1974-1978  M.D.  University of Illinois
            School of Medicine
            Chicago, Illinois

POSTGRADUATE TRAINING

1978-1979  Internship (Pediatrics)
            San Francisco General Hospital
            San Francisco, CA

1979-1981  Residency (Pediatrics)
            University of California Hospital
            San Francisco, CA

1981-1984  Fellowship (Neonatology)
            University of California, Davis
            Medical Center
            Sacramento, CA

FACULTY POSITIONS

1984-1985  Assistant Professor
            Neonatology/Pediatrics
            Oregon Health Sciences University
            Portland, OR

PRESENT POSITION

1985-Present  Staff Neonatologist
              San Joaquin General Hospital
              Stockton, CA

1988-Present  Director, Neonatal Intensive Care
              San Joaquin General Hospital
              Stockton, CA

(1)
CURRICULUM VITAE - Jeffrey A. Lindenberg, M.D.

HONORS AND AWARDS

1969-1973  National Merit Scholar  University of California, Berkeley
           James Scholar  University of Illinois  College of Medicine

LICENSURE

1980  State of California  
      #GD41668  DEA#: BLO 629444
1984  State of Oregon

CERTIFICATION

1982  American Board of Pediatrics
1983  Specialty Boards Neonatology

MEDICAL SOCIETIES

1986  American Academy of Pediatrics
1986  San Joaquin County Medical Society

PRESENTATIONS

1978  Thyroid Hormone Nuclear Binding in Fetal Rabbit Lung.  Carmel, CA  Western Society of Pediatric Research

1984  Prenatal Brain Damage, Western Society of Pediatric Research, Carmel, CA; Society of Pediatric Research, San Francisco, CA

1985  Prevention of Hyaline Membrane Disease, March of Dimes Symposium, Portland, Oregon

PUBLICATIONS

Abstracts:


PUBLICATIONS (Continued)


Letters:


Papers:


PUBLICATIONS

Papers (Continued):


Revised 04/02/90
Please state the reason you would like to be a member of this board/commission:
I would like to be a member of this committee to provide a citizen's opinion and increase public education efforts and service projects.

Have you served on an advisory group before? No If yes, please explain: Board Member with the Boys & Girls Club at Stockton and Local HOM groups.

How did you hear about the position? Online Posting

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? Yes

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

- Stockton Arts Commission
  - Outside of your profession, indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History
  - Are you interested in or accomplished in fund-raising? Yes

- Building and Housing Board of Appeals/Handicapped Access Board of Appeals
  - Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or MechanicaL Contractor; Engineer or Architect.
  - Are you a disabled citizen? Yes

- Central Parking District Advisory Board
  - Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District? Yes

- Climate Action Plan Advisory Committee
  - Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

- Cultural Heritage Board
  - Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

- Development Oversight Commission
  - Do you work in Stockton or with a firm/organization that does business in Stockton? Yes
  - State name/address of firm/organization:
  - Are you any of the following (check any that apply)
    - Local architect/designer
    - Local Civil Engineer
    - Mixed Use Builder/Developer
    - Local Non Profit Builder/Developer
    - Port of Stockton Executive (CEO or Designee)
    - San Joaquin Partnership Executive (CEO or Designee)
    - Building Industry Association Executive (CEO or Designee) or Mixed Use Builder/Developer
    - Builder's Exchange Executive (CEO or Designee) or General Contractor
City of Stockton
APPLICATION CONTINUED
Page 3 of 5

☐ Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? __________________________

☐ Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

☐ San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year? ☐ Yes ☐ No
Are you a resident in the City of Stockton? ☐ Yes ☐ No

☐ Stockton Measure W Oversight Committee
Do you reside within Stockton's geographic boundary? ☐ Yes ☐ No Are you at least 28 years of age? ☐ Yes ☐ No
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton? ☐ Yes ☐ No

☐ Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities' three utility service areas? ☐ Yes ☐ No If so, state which one:__________________________________________

☐ Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: ____________________________ Will you be a senior next committee term? ☐ Yes ☐ No
Are you a member of one of the following Community Centers? McKinley, Seifert and Sierra Vista, Stribley and Van Buskirk, other:____________________________________________________
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. 3 DAY 1 YEAR 2007 EMPLOYER NAME McKeeve REAL ESTATE
TO: MO. 5 DAY 10 YEAR 2013 ADDRESS ______________________________________________________________
DUTIES: Real Estate Broker, Providing service to citizens of Stockton

FROM: MO. _______ DAY _______ YEAR_______ EMPLOYER NAME______________________________________________
TO: MO. _______ DAY _______ YEAR_______ ADDRESS________________________________________________________
DUTIES: ________________________________________________________________

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. _______ DAY _______ YEAR_______ BUSINESS NAME______________________________________________
TO: MO. _______ DAY _______ YEAR_______ ADDRESS________________________________________________________
TYPE OF BUSINESS OR SERVICE RENDERED: _______________________________________________________________

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

::ODMA\GRPWISE\COS.CC.CC_Library:125665.1 (Form adopted by City Council on 10-10-95; Revised 10/10/12)
CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes _____ No ☒. If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton’s Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests.

If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:
   NO

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:
   NONE
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL
STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE.

[Signature] Date 5/8/13

Please identify any specialized accommodations needed for equal participation: __________________________

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the
effectiveness of our Affirmative Action and recruitment efforts. Please check: ☐ Male ☐ Female

☐ White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East
☐ Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.
☐ Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin,
regardless of race.
☐ American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who
maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.
☐ Filipino All persons having origins in the Philippine Islands.
☐ Asian

The Stockton City Council appoints members to the various City of Stockton Boards and Commissions. The Council also appoints representatives to serve on various other San Joaquin County agencies as well. Please check the boxes below if you are interested in serving on any other boards/commissions. To find out about what these boards/commissions do and if you qualify, please visit the City of Stockton website at www.stocktongov.com/commissions

☐ Arts Commission ☐ Parks and Recreation Commission
☐ Building and Housing Board of Appeals ☐ Planning Commission
☐ Central Parking District Advisory Board ☐ Port Commission
☐ City Council Salary Setting Commission ☐ Public Art Advisory Committee
☐ Civil Service and Equal Employment Commissions ☐ San Joaquin County Commission on Aging
☐ Climate Action Plan Advisory Committee ☐ San Joaquin County Mosquito And Vector Control District
☐ Community Development Committee ☐ San Joaquin Regional Transit District Board
☐ Cultural Heritage Board ☐ Water Advisory Group
☐ Development Oversight Commission ☐ Youth Advisory Commission (must be in high school
to serve on this Commission)
☐ Handicapped Access Board of Appeals
☐ Measure W Oversight Committee

(Form adopted by City Council on 10-10-95; Revised 10/10/12)
From: David McKeever

RE: Citizens Advisory Committee - CDRC

To Whom It May Concern:

Thank you for this opportunity to apply for the volunteer advisory committee position with the California Department of Corrections & Rehabilitation. I have been a citizen in the City Stockton for 38 years and have seen many changes in this city, both good and bad. I work as a licensed Real Estate Broker with the California Department of Real Estate. My clients are the public. On a daily basis, I work with a wide range of people, from all levels of income and social-economic backgrounds, and all concerned with crime levels in this city. I believe I have a very good understanding of the public’s voice on crime and the inmates a facility such as this governs. I have served on various community boards, including the Boys & Girls Club of Stockton.

My interest in this project developed when the plan was announced to build the facility in Stockton. Crime levels in recent years have spiked in and around the City of Stockton, therefore having a direct impact upon our correctional facilities and community. This new facility will be a boost to the city and communities in the means of providing jobs and economic benefit. I would like to represent the public by being an active member on this committee as I hope to help with making sure this facility is operated smoothly now and into the future by offering suggestions and voicing the public’s concern for its programs.

Often times the public doesn’t fully grasp the importance of a facility as this and I hope to change that perception. One of my goals is to help provide community awareness of this new project to the citizens of this area so they can have a deeper understanding of programs and operations.

Below is a list of my current and past employment as well as educational and community involvement.

Thank you for your consideration,
WORK EXPERIENCE

3/08-present  McKeever Real Estate, Real Estate Broker
Owner & Broker
Tasks: My company services includes the management of multiple single family and multi-family properties
in the city of Stockton. This includes screening and selection of tenants, managing of maintenance
employees, maintenance issues, and monthly accounting. McKeever Real Estate also is hired by
homeowners to market and sale their homes. In addition we help educate home buyers through the process
of the complex purchasing process.

08/2003 - 09/2007              Washington Mutual Bank
Loan Consultant
Tasks: I had the opportunity to meet with clients and advise them of financial decision regarding the
financing of their home and other issues. I help organize and facilite numerous home ownership and
educational events.

1/1999 - 6/2002                Dameron Hospital Association
Network Information Coordinator
Duties include: Provide support to an integrated Windows NT and Novell environment. Maintain hardware
and software/applications updates for PC's and servers. Install network and PC applications. Setup,
configure and maintain network printing. Provide technical support to users. Provide support to Cisco
infrastructure, Setup and configure new servers (RAID, Mirroring, domain controllers, member servers,).
Setup and configure internet control and monitoring software.

Committee and Community Experience

Boys & Girls Club of Stockton, Treasure of the Board of Directors 2010 - Present
Lincoln Village One HOA Board Member 2009-2011
Home Ownership Expo Committee Member 2006-2007

Education & Licenses

03/2008
California Department of Real Estate
Licsened Real Estate Broker #01839991

5/1997
Bachelor of Arts Degree
Liberal Studies Emphasis Computer Science.
California State University Monterey Bay
Please state the reason you would like to be a member of this board/commission:
As a retired construction worker from Stockton, I recognize both the value and impact the new medical center will have on Stockton and would be a resource.

Have you served on an advisory group before? Yes. If yes, please explain: SJ CO Substance Abuse Advisory Board

How did you hear about the position? Newspaper

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? Yes  No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes  No.

If yes, please explain

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

☐ Stockton Arts Commission
Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History
Are you interested in or accomplished in fund-raising? Yes  No

☐ Building and Housing Board of Appeals/ Handicapped Access Board of Appeals
Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect.
Are you a disabled citizen? Yes  No

☐ Central Parking District Advisory Board
Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District? Yes  No. Specify property address(es):

☐ Climate Action Plan Advisory Committee
Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

☐ Cultural Heritage Board
Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

☐ Development Oversight Commission
Do you work in Stockton or with a firm/organization that does business in Stockton? Yes  No. State name/address of firm/organization:
Are you any of the following (check any that apply)
☐ Local architect/designer  ☐ Local Civil Engineer  ☐ Mixed Use Builder/Developer
☐ Local Representative from public at-large  ☐ Local Non Profit Builder/Developer
☐ Port of Stockton Executive (CEO or Designee)  ☐ San Joaquin Partnership Executive (CEO or Designee)
Building Industry Association  ☐ Executive (CEO or Designee)  or  ☐ Mixed Use Builder/Developer
Builder’s Exchange  ☐ Executive (CEO or Designee)  or  ☐ General Contractor
Port Commission  
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? _____________________

Public Art Advisory Committee (circle any that apply)  
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board  
Have you resided within the Transit District boundaries for at least one year?  

Yes  
No  
Are you a resident in the City of Stockton?  

Yes  
No

Stockton Measure W Oversight Committee  
Do you reside within Stockton’s geographic boundary?  

Yes  
No  
Are you at least 28 years of age?  

Yes  
No  
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton?  

Yes  
No

Council Water Advisory Group  
Do you reside within one of the Stockton Municipal Utilities’ three utility service areas?  

Yes  
No  
If so, state which one: ____________________________

Youth Advisory Committee (fill in, circle, or check)  
High school enrolled in: ____________________________  Will you be a senior next committee term?  

Yes  
No  
Are you a member of one of the following Community Centers? McKinley, Selbert and Sierra Vista, Stribley and Van Buskirk, other: ____________________________

Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. ______ DAY ___, YEAR __________ EMPLOYER NAME ____________________________________________________________  TO: MO. ______ DAY ___, YEAR __________ ADDRESS ____________________________________________________________  DUTIES: ____________________________________________________________

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. ______ DAY ___, YEAR __________ BUSINESS NAME ____________________________________________________________  TO: MO. ______ DAY ___, YEAR __________ ADDRESS ____________________________________________________________  TYPE OF BUSINESS OR SERVICE RENDERED: ____________________________

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)
CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes ☐ No ☑ If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

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- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk's Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:

   ☐ No

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:

   ☒ None
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature __________________________ Date 6/6/2013

Please identify any specialized accommodations needed for equal participation: ______________________________________________________

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check: ☑ Male ☐ Female

☐ White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East

☐ Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.

☐ Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

☐ American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.

☐ Filipino All persons having origins in the Philippine Islands.

☐ Asian

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☐ Arts Commission

☐ Building and Housing Board of Appeals

☐ Central Parking District Advisory Board

☐ City Council Salary Setting Commission

☐ Civil Service and Equal Employment Commissions

☐ Climate Action Plan Advisory Committee

☐ Community Development Committee

☐ Cultural Heritage Board

☐ Development Oversight Commission

☐ Handicapped Access Board of Appeals

☐ Measure W Oversight Committee

☐ Parks and Recreation Commission

☐ Planning Commission

☐ Port Commission

☐ Public Art Advisory Committee

☐ San Joaquin County Commission on Aging

☐ San Joaquin County Mosquito And Vector Control District

☐ San Joaquin Regional Transit District Board

☐ Water Advisory Group

☐ Youth Advisory Commission (must be in high school to serve on this Commission)
NAME: Tom Palacios

EDUCATION: BA degree, Economics, University of Pacific, May 1980

WORK EXPERIENCE: From July 1984 through December 2011, I was employed by the State of California Department of Corrections, Division of Juvenile Justice. Between 1984 and 1989, I was a youth correctional counselor at Karl Holton Youth Correctional Facility with an assigned caseload of 10 youthful offenders. I counseled individually and in group settings, supervised the daily activities and movements of a living unit of up to 65 offenders at classifications ranging from low to high risk. In 1989 I was promoted to a position of institutional Parole Agent at the Preston Youth Correctional Facility in Ione, CA, responsible for a caseload of up to 160 offenders. I presented cases to classification committee hearings, Youthful Offender Parole Board Hearings and at disciplinary case reviews. I was tasked to help institute new policies and practices for the initial round of reform measures that took place in 2004. In 2006 I was promoted to Treatment Team Supervisor at the DeWitt Nelson Youth Correctional Facility in Stockton. I was responsible for the supervision of three living units of offenders and treatment teams ensuring that the needs of both youth and staff were being met in compliance with policy. Upon the closure of the DeWitt facility in 2008, I transferred to OH Close Youth Correctional Facility in the same capacity of a Treatment Team Supervisor until 2010 when I was promoted to the Position of Parole Agent III, responsible for oversight of all casework and classification for a facility of up to 350 youth offenders.

During my career, I was picked to be a master trainer for staff on Staff/Offender Interaction, Reform Policies, Laws and security practices. I served for two years in the Agency Training Center designing curricula and teaching staff how to be trainers. I was also chosen to serve as the coordinator for the Mountain Public Service Program where I trained youth to serve on a 24-hr. rapid response search and rescue team directed by the State Office of Emergency Services. As I closed out my career with the DJJ, I was involved in the implementation of the Integrated Behavior Treatment Management program which piloted on the living units at OH Close.

FAMILY BACKGROUND: I was born and raised in Stockton and come from a family of seven children. My mother worked as a secretary for Stockton Unified School District and my father retired as career executive with the California Department of Corrections. I am the proud father of two girls, aged 15 and 25.

PERSONAL INTERESTS: I enjoy golf and am a member of a traveling club, the Inland Sea Golf Club. I am the commodore of the Village West Yacht Club and enjoy boating in the San Joaquin Delta.
June 3, 2013

Bonnie Paige  
City Clerk  
City of Stockton  
425 N. El Dorado  
Stockton, CA 95202

Dear Ms. Paige:

I write this letter to recommend that the Stockton City Council appoint Tom Palacioz to the Citizens’ Advisory Committee for the new Prison Health Care Facility.

Mr. Palacioz retired from the Juvenile Justice Division of the California Department of Corrections and Rehabilitation (CDCR) in 2011, after 27 years of service. He retired as a Supervising Parole Agent, responsible for chairing parole hearings, ensuring compliance with recently enacted reform legislation, and acting as liaison with public and private stakeholder groups related to youth corrections and reform. Because of his expertise, CDCR certified him to train all staffing classifications to understand and implement recently-enacted prison reform legislation. Additionally, he often served as a consultant to California counties on their mandated role to provide follow-up medical and mental health services for pending parolees.

A lifelong Stocktonian, Mr. Palacioz has strong ties to the community, as well as knowledge of the corrections system which could prove invaluable on our new Citizens’ Advisory Committee. For all these reasons, I am pleased to recommend him for this appointment.

Thank you for your time and consideration of this letter. If you have questions, please feel free to contact my District Director, Anne Baird, at 209-948-7479.

Sincerely,

[Signature]

SUSAN TALAMANTES EGGMAN  
Assemblymember, 13th District
City of Stockton
APPLICATION CONTINUED
Page 2 of 5

APPLICATION CONTINUED

APPLICANT NAME

Have you served on an advisory group before? NO If yes, please explain:

How did you hear about the position? ONLINE

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? Yes [ ] No [__]

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes [ ] No [__] If yes, please explain:

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

☐ 49-99 Cooperative Library System Advisory Board
   You must be a resident of San Joaquin County, but not the City of Lodi. Do you meet this requirement? Yes [ ] No [__]

☐ Stockton Arts Commission
   Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History Are you interested in or accomplished in fund-raising? Yes [ ] No [__]

☐ Building and Housing Board of Appeals/ Handicapped Access Board of Appeals
   Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect. Are you a disabled citizen? Yes [ ] No [__]

☐ Central Parking District Advisory Board
   Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District? Yes [ ] No [__] Specify property address(es):

☐ Climate Action Plan Advisory Committee
   Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

☐ Cultural Heritage Board
   Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

☐ Development Oversight Commission
   Do you work in Stockton or with a firm/organization that does business in Stockton? Yes [ ] No [__]
   State name/address of firm/organization: ______________________________
   Are you any of the following (check any that apply)
   ☐ Local architect/designer ☐ Local Civil Engineer ☐ Mixed Use Builder/Developer
   ☐ Local Representative from public at-large ☐ Local Non Profit Builder/Developer
   ☐ Port of Stockton Executive (CEO or Designee) ☐ San Joaquin Partnership Executive (CEO or Designee)
   Building Industry Association ☐ Executive (CEO or Designee) or ☐ Mixed Use Builder/Developer
   Builder's Exchange ☐ Executive (CEO or Designee) or ☐ General Contractor
APPLICATION CONTINUED

☐ Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? ________________

☐ Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artist's work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

☐ San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year?  □ Yes  □ No
Are you a resident in the City of Stockton?  □ Yes  □ No

☐ Sports Commission (circle any that apply)
If you are not a resident of Stockton, do you own and/or operate a business within the City or are a sponsor or associated with a sports related event, name of business or event(s): ____________________________

☐ Stockton Measure W Oversight Committee
Do you reside within Stockton's geographic boundary?  □ Yes  □ No  Are you at least 28 years of age?  □ Yes  □ No
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton?  □ Yes  □ No

☐ Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities' three utility service areas?  □ Yes  □ No  If so, state which one: ____________________________

☐ Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: ____________________________ Will you be a senior next committee term?  □ Yes  □ No
Are you a member of one of the following Community Centers? McKinley, Seifert and Seirra Vista, Stribley and Van Buskirk, other: ____________________________
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM:  MO. ___________ DAY _______ YEAR _______ EMPLOYER NAME ____________
TO:  MO. ___________ DAY _______ YEAR ADDRESS _______________________ DUTIES: ____________________________

FROM:  MO. ___________ DAY _______ YEAR BUSINESS NAME ____________
TO:  MO. ___________ DAY _______ YEAR ADDRESS _______________________ DUTIES: ____________________________

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM:  MO. _______ DAY _______ YEAR BUSINESS NAME ___________________
TO:  MO. _______ DAY _______ YEAR ADDRESS _______________________
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL
STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE:

Signature: ___________________________ Date: 04/10/13

Please identify any specialized accommodations needed for equal participation: n/a

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check:

- Male
- Female
- White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East
- Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa
- Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
- American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.
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- Cultural Heritage Board
- Development Oversight Commission
- Handicapped Access Board of Appeals
- Measure W Oversight Committee
- Parks and Recreation Commission
- Planning Commission
- Port Commission
- Public Art Advisory Committee
- Redevelopment Commission/Relocation Appeals Board
- San Joaquin County Commission on Aging
- San Joaquin County Mosquito And Vector Control District
- San Joaquin Regional Transit District Board
- Sports Commission
- Water Advisory Group
- Youth Advisory Commission (must be in high school to serve on this Commission)
TYPE OF BUSINESS OR SERVICE RENDERED: Registered Dental Assistant

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

EDUCATION: 2005 High Tech Institute for Dental Assisting program

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes ___ No ___ If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

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- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:

   NO

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:

  none
Elizabeth Ramirez
Registered Dental Assistant

BIOGRAPHY

Elizabeth Ramirez born in Merced, CA in November 1984. Moved to Patterson, CA when I was two years old. Graduated High School in June 2003, and then moved to Sacramento, CA to go to college, lived there for about seven years. Had my daughter three years ago bought a house with parents so ended back in Patterson, CA where all my family is.

Graduated High Tech Institute in Rancho Cordova, CA in February 2005 for the Dental Assisting Program. In August 2006 became a Registered Dental Assistant. Worked in General Dentistry first year of graduating school then worked in an Endodontic office for four years in Sacramento, CA which really enjoyed but had to leave do to moving back to Patterson, CA. I then returned back to general dentistry for about a year. Right after that I got a job in an oral maxillofacial surgery in Stockton, CA been in that office for about two years and really enjoy that as well is a total different environment and responsibility due to patients being under general anesthesia while they get their teeth extracted.

Interest I have when I am off work is go to gym, enjoy time with my beautiful three year old daughter which keeps me very busy and is a learning process every day being a single mother. My daughter means everything to me and is for her that I want to better myself in anyway way so I can provide and give her everything she will need in the future for her education. Also enjoy fishing with my dad and shopping with my mom, really love how close I am to my parents and brothers.

Goals in life is to expand my potentials with a professional office where I can continue to enhance my career path and offer my punctuality, dependability, maturity, a professional attitude, and became an outstanding employee. Since I graduated my dental assisting program I wanted to someday have the opportunity to work in a correctional facility I know it would be different environment but I love the challenge.
Please state the reason you would like to be a member of this board/commission:
To clarify the community's misinterpretations of the corrections system.

Have you served on an advisory group before? No. If yes, please explain:

How did you hear about the position? Stockton.gov. com website

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? Yes ☑ No ☒

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes ☒ No ☑

If yes, please explain:

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

☐ 49-99 Cooperative Library System Advisory Board
   You must be a resident of San Joaquin County, but not the City of Lodi. Do you meet this requirement? Yes ☑ No ☒

☐ Stockton Arts Commission
   Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History
   Are you interested in or accomplished in fund-raising? Yes ☑ No ☒

☐ Building and Housing Board of Appeals/ Handicapped Access Board of Appeals
   Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect.
   Are you a disabled citizen? Yes ☑ No ☒

☐ Central Parking District Advisory Board
   Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District? Yes ☑ No ☒
   Specify property address(es): ________________________________

☐ Climate Action Plan Advisory Committee
   Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

☐ Cultural Heritage Board
   Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

☐ Development Oversight Commission
   Do you work in Stockton or with a firm/organization that does business in Stockton? Yes ☑ No ☒
   State name/address of firm/organization:
   Are you any of the following (check any that apply)
   ☐ Local architect/designer ☐ Local Civil Engineer ☐ Mixed Use Builder/Developer
   ☐ Local Representative from public at-large ☐ Local Non Profit Builder/Developer
   ☐ Port of Stockton Executive (CEO or Designee) ☐ San Joaquin Partnership Executive (CEO or Designee)
   ☐ Building Industry Association ☐ Executive (CEO or Designee) or ☐ Mixed Use Builder/Developer
   ☐ Builder's Exchange ☐ Executive (CEO or Designee) or ☐ General Contractor
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? ________________

Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year?  □ Yes  □ No
Are you a resident in the City of Stockton?  □ Yes  □ No

Sports Commission (circle any that apply)
If you are not a resident of Stockton, do you own and/or operate a business within the City or are a sponsor or associated with a sports related event, name of business or event(s): ________________

Stockton Measure W Oversight Committee
Do you reside within Stockton’s geographic boundary?  □ Yes  □ No  Are you at least 28 years of age?  □ Yes  □ No
Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton?  □ Yes  □ No

Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities’ three utility service areas?  □ Yes  □ No  If so, state which one: ________________

Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: ________________ Will you be a senior next committee term?  □ Yes  □ No
Are you a member of one of the following Community Centers? McKinley, Seifert and Seirra Vista, Stribley and Van Buskirk, other: ________________
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. ___ DAY ___ YEAR ___
TO: MO. ___ DAY ___ YEAR ___
EMPLOYER NAME ____________________________
ADDRESS __________________________________
DUTIES: __________________________________

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. ___ DAY ___ YEAR ___
TO: MO. ___ DAY ___ YEAR ___
BUSINESS NAME ____________________________
ADDRESS __________________________________

C:\Documents and Settings\bhunter.CITYOFSTOCKTON\My Documents\125685-1.doc (Form adopted by City Council on 10-10-95; Revised 12-13-10)
TYPE OF BUSINESS OR SERVICE RENDERED: ____________________________

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

EDUCATION: Current Bachelor's of Arts, Social Work Major at CSU Sacramento (see resume)

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes _____ No _____ If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton’s Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests.

If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk’s Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:

   NO

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature ___________________________ Date 4/10/13

Please identify any specialized accommodations needed for equal participation: N/A

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check: __Male  XFemale

☐ White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East

☐ Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.

☒ Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

☐ American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.

☐ Filipino All persons having origins in the Philippine Islands.

☐ Asian

The Stockton City Council appoints members to the various City of Stockton Boards and Commissions. The Council also appoints representatives to serve on various other San Joaquin County agencies as well. Please check the boxes below if you are interested in serving on any other boards/commissions. To find out about what these boards/commissions do and if you qualify, please visit the City of Stockton website at www.stocktongov.com/commissions

☐ 49-99 Cooperative Library System Advisory Board ☐ Planning Commission

☐ Arts Commission

☐ Building and Housing Board of Appeals

☐ Central Parking District Advisory Board

☒ City Council Salary Setting Commission

☐ Civil Service and Equal Employment Commissions

☐ Climate Action Plan Advisory Committee

☒ Community Development Committee

☐ Cultural Heritage Board

☐ Development Oversight Commission

☐ Handicapped Access Board of Appeals

☐ Measure W Oversight Committee

☒ Parks and Recreation Commission

☐ Port Commission

☐ Public Art Advisory Committee

☐ Redevelopment Commission/Relocation Appeals Board

☐ San Joaquin County Commission on Aging

☐ San Joaquin County Mosquito And Vector Control District

☒ San Joaquin Regional Transit District Board

☐ Sports Commission

☒ Water Advisory Group

☐ Youth Advisory Commission (must be in high school to serve on this Commission)
I am currently a Social Work major student at CSU, Sacramento with an anticipated graduation of Spring 2014. I possess an Associate of Arts in Elementary Education Teacher Preparation from San Joaquin Delta College. I am employed full-time as an Administrative Assistance at Person Centered Services, Supported Living Services. We provide support to adults with varying disabilities (physical, emotional, and/or mental) to reside in their own homes/apartments. I volunteer twice monthly at Bear Creek Community Church as a mentor with children aged 2-4 years of age. I am an active parent participant in both the Save Science Camp committee for Lincoln Unified School district and my daughters' local swim team, the Village Oaks Stingers, coordinating various fundraisers and collecting donations.

I have resided in Stockton for the past six years with my husband and two daughters, aged three and ten. I was born and raised in Modesto, CA up until my move to Stockton; stemming from my husband's job (at the time) promotion. I enjoyed the change in scenery and my time here in Stockton thus far.

Although I have not previously served on a board or commission, I find my job experience, education, and volunteer experiences have provided me with a strong foundation to pursue this endeavor.
Monique Saucedo

### Objective
To procure a position on a board/commission within the city of Stockton/San Joaquin County to be an actively involved citizen and promote social justice.

### Education

<table>
<thead>
<tr>
<th>Degree</th>
<th>Institution</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor of Social Work</td>
<td>CSU Sacramento, Sacramento, California</td>
<td>Spring 2014 - Present</td>
</tr>
<tr>
<td>Associate of Arts, Elementary Education Teacher Preparation with Honors</td>
<td>San Joaquin Delta College, Modesto, California</td>
<td>January 2006 - December 2010</td>
</tr>
</tbody>
</table>

### Human Service Experience

<table>
<thead>
<tr>
<th>Position</th>
<th>Institution</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Assistant</td>
<td>Person Centered Services, Stockton California</td>
<td>September 2006 - Present</td>
</tr>
</tbody>
</table>

- Ecological support to adults with disabilities to live successfully in their own homes by:
  - Problem solving, decision making, life coaching
  - Interpersonal relationship skills development
  - Attend scheduled medical/dental appointments
- Bi-monthly On-call staff to assist with emergency/crisis response
- Assume receptionist duties
- Assist staff with administrative duties as requested
- Complete necessary monthly consumer Quarterly reports

### Other Vocational Experience

<table>
<thead>
<tr>
<th>Position</th>
<th>Institution</th>
<th>Dates</th>
</tr>
</thead>
</table>

- Using coded data to produce and submit claims to insurance companies
- Working directly with the insurance company and patient to get a claim processed and paid
- Verifying patients’ insurance coverage

<table>
<thead>
<tr>
<th>Position</th>
<th>Institution</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Manager</td>
<td>McDonald’s, Modesto, California</td>
<td>February 2003 - April 2005</td>
</tr>
</tbody>
</table>

- Responsible for hiring and training of new employees
- Oversee restaurant operations such as food safety and quality
- Ensuring customer satisfaction and resolving customer complaints expeditiously and appropriately

### Volunteer Work

<table>
<thead>
<tr>
<th>Position</th>
<th>Institution</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bear Cubs Mentor (2-3 year olds)</td>
<td>Bear Creek Community Church, Lodi, CA</td>
<td>April 2011 - Present</td>
</tr>
</tbody>
</table>

- Age appropriate weekly lessons
- Encourage basic Christian mannerisms
- Promote positive reflection of self
- Age-level explanation of Bible history and stories
GP Bridges Therapy and Continuing Education

June 4, 2013

City of Stockton
Office of the City Clerk
City Hall 1st Floor
425 North El Dorado Street
Stockton, CA 95202

To Whom It May Concern:

As a certified sex offender provider in the Stockton community, I believe I understand well the critical need for public education in regards to the prison system and the programs put in place to treat those who are incarcerated. In fact, the need for education appears to be increasing as we face more complex legal and fiscal issues that impact how we treat offenders. This is why I am extremely interested in applying to fill a vacancy on the Citizens Advisory Committee, California Correctional Health Care Services.

I have worked in the mental health field for over twenty years and have been a licensed marriage and family therapist for over twelve years. A large percentage of this time I have worked with mandated clients in Sacramento County. In June of 2011, I opened my own office in Stockton with the intention of serving the community where my wife and I live. My clients include sex offenders who have been referred for mandated sex offender treatment by the county. The process has been rewarding, allowing me to better understand not only individual issues but the culture of the community in which we live.

In conclusion, I respectfully submit my application to serve on the Citizens Advisory Committee for the California Correctional Health Care Services. I believe my experience, my professional perspective, and my personal concern of ensuring that the Stockton community has every opportunity to understand more about programs that support public safety make me a qualified candidate.

I look forward to the opportunity of meeting with you.

Garland Smith,
Licensed Marriage and Family Therapist

8807 Thornton, Suite M
Stockton, California 95209
(916) 541-0313 phone
(866) 480-7617 fax
www.gpbridges.com
Please state the reason you would like to be a member of this board/commission:

As a Stockton resident and business owner in Stockton, I want to be able to educate our community about the very important aspects of the state prison hospital and the programs it offers.

Have you served on an advisory group before? No If yes, please explain:

How did you hear about the position? Article in the Stockton Record on May 28, 2013

City Council Policy 100-2 states that board/commission members are required to attend meetings on a regular basis. If appointed, will you be able to attend meetings regularly and devote the time necessary to fulfill your duties as a member? Yes No

Do you or immediate family members have any relationship (professional, financial, other) that may present a potential conflict of interest for this advisory group? Yes No

If yes, please explain: I am a licensed therapist who works with sex offenders on probation or parole. I do not receive any funding from any government entity but I do receive referrals from the county probation office. Some clients are former CDCR inmates.

SUPPLEMENTAL QUESTIONNAIRE: Please complete the following if applying for a vacancy on any of these listed boards/commissions/committees:

☐ 49-99 Cooperative Library System Advisory Board
You must be a resident of San Joaquin County, but not the City of Lodi. Do you meet this requirement? Yes No

☐ Stockton Arts Commission
Outside of your profession indicate what type of Arts you are active in (circle any that apply): Music, Dance, Theater, Cinema, Photography, Architecture, Art Criticism, Textile Arts, Literary Arts, the Visual Arts, including (but not limited to) the Public or Environmental Arts, Graphic Arts, Design, Drawing, Painting, Printmaking, Sculpture, Ceramics, and Art History
Are you interested in or accomplished in fund-raising? Yes No

☐ Building and Housing Board of Appeals/ Handicapped Access Board of Appeals
Do you have experience in any of the following areas (circle any that apply): General Building Contractor, Plumbing Contractor, Electrical Contractor, or Mechanical Contractor; Engineer or Architect.
Are you a disabled citizen? Yes No

☐ Central Parking District Advisory Board
Do you own real property or are you an executive officer of a corporation that owns real property within the Central Parking District? Yes No Specify property address(es):

☐ Climate Action Plan Advisory Committee
Do you actively represent any of the following interest groups within the City of Stockton (circle any that apply): Environmental, Non-Profit Community Organization, Labor, Business, Developer

☐ Cultural Heritage Board
Are you knowledgeable have experience in, or extensive background in any of the following areas (circle any that apply): Historic or cultural traditions of the community, preservation, architecture, construction technology, real-estate, construction industry, California licensed Architect, Historian, Stockton resident for 40 years or longer.

☐ Development Oversight Commission
Do you work in Stockton or with a firm/organization that does business in Stockton? Yes No
State name/address of firm/organization:

☐ Local architect/designer ☐ Local Civil Engineer ☐ Mixed Use Builder/Developer
☐ Local Representative from public at-large ☐ Local Non Profit Builder/Developer
☐ Port of Stockton Executive (CEO or Designee) ☐ San Joaquin Partnership Executive (CEO or Designee)
☐ Building Industry Association ☐ Executive (CEO or Designee) or ☐ Mixed Use Builder/Developer
☐ Builder's Exchange ☐ Executive (CEO or Designee) or ☐ General Contractor
Port Commission
Do you reside within the Port District boundary or consistent with the City General Plan boundaries, plus a one-half mile strip on either side of the Stockton Ship Channel from the Port to Disappointment Slough, if so for how long? 

Public Art Advisory Committee (circle any that apply)
Employed as a professional visual artist, critic of contemporary visual art forums, or have knowledge of, or skill/experience in any of the following: activist for the visual environment, public art, regional/national individual artists work, understanding of ethnic/gender diversity, the Stockton Public Art Plan processes and implications for the City, decision-making ability, willingness to tolerate/promote change, new artistic & design expressions, community activities significant enough to confirm knowledge of issues and individuals within the community. Must be a resident of Stockton for at least 3 years.

San Joaquin Regional Transit District Board
Have you resided within the Transit District boundaries for at least one year? Yes No
Are you a resident in the City of Stockton? Yes No

Sports Commission (circle any that apply)
If you are not a resident of Stockton, do you own and/or operate a business within the City or are a sponsor or associated with a sports related event, name of business or event(s): 

Stockton Measure W Oversight Committee
Do you reside within Stockton’s geographic boundary? Yes No Are you at least 28 years of age? Yes No Are you an employee of any vendor, contractor or consultant doing business with the City of Stockton? Yes No

Council Water Advisory Group
Do you reside within one of the Stockton Municipal Utilities’ three utility service areas? Yes No If so, state which one: 

Youth Advisory Committee (fill in, circle, or check)
High school enrolled in: ____________________________ Will you be a senior next committee term? Yes No Are you a member of one of the following Community Centers? McKinley, Seifert and Seirra Vista, Stribley and Van Buskirk, other: 
Which Council District do you reside in? District 1, 2, 3, 4, 5, or 6 (leave blank if you do not know).

BACKGROUND INFORMATION

WORK EXPERIENCE: List names, addresses, and dates of employers for the last five (5) years. Attach additional sheets of paper if needed.

FROM: MO. May DAY  YEAR 1997 EMPLOYER NAME Sacramento County
TO: MO. May DAY  YEAR 2011 ADDRESS ____________________________
DUTIES: Licensed mental health counselor working in the outpatient clinics of Sacramento County. Treated people with a wide range of mental illness and disabilities.

FROM: MO. Feb DAY  YEAR 2011 EMPLOYER NAME GP Bridges Therapy and Continuing Education
TO: MO. Current DAY  YEAR __ ADDRESS 8807 Thornton, Suite M Stockton, CA 95209
DUTIES: Treat a wide range of people, and clients include those in marriage and family therapy as well those suffering from addictions and the forensic treatment of adult sex offenders.

BUSINESS ENTERPRISES: List business name, including fictitious name and address of any business enterprises currently or previously owned or operated.

FROM: MO. Feb DAY  YEAR 2011 BUSINESS NAME GP Bridges Therapy and Continuing Education
TO: MO. Current DAY  YEAR __ ADDRESS 8807 Thornton, Suite M Stockton, CA 95209

City of Stockton
APPLICATION CONTINUED
Page 3 of 5
TYPE OF BUSINESS OR SERVICE RENDERED: Individual, Marriage and Family Therapy. Treatment program for sex offenders and for addictions.

A resume reflecting experience, community activities, or other qualifications not listed below may be attached in order to assist the Council in evaluating your application. (Optional)

EDUCATION: Master's Degree in Psychology (I have attached a formal resume with additional information.)

CONFLICT OF INTEREST: State and local law requires that you abstain from participation in decisions that may affect your financial interests, including sources of income and interest in real property or investments. In addition, if appointed you may be required to fill out a disclosure statement that identifies certain of your financial interests beginning with the immediate twelve-month period prior to your appointment. Based on your best judgment, does this board or commission make decisions that may affect any sources of income, interests in real property, or investments of you or your spouse?

Yes _____ No X*____ If yes, please explain. Identify any organizations, associations, corporations, or entities by which you are employed or associated that might be affected by decisions of this board or commission and the positions you hold. I am a licensed therapist who works with sex offenders on probation or parole. I do not receive any funding from any government entity but I do receive referrals from the county probation office. Some clients are former CDCR inmates.

INFORMATION REGARDING CONFLICT OF INTEREST AND FILING OF STATEMENTS OF ECONOMIC INTERESTS

In accordance with Government Code Sections 87300 – 87313 and the City of Stockton's Conflict of Interest Code, this Board/Commission/Committee may be designated to file Statements of Economic Interests. If you are appointed to this Board/Commission/Committee, you may be required to file statements disclosing certain types of information so that the public can be made aware of potential conflicts of interest. The types of disclosure are:

- Investments
- Interests in Real Property (other than your residence)
- Interests in Real Property Held by a Business Entity or Trust
- Investments Held by a Business Entity or Trust
- Income (other than loans and gifts)
- Income – Travel Payments, Advances, Reimbursements
- Income Gifts
- Business Positions
- Commission Income Received by Brokers, Agents, and Salespersons
- Income and Loans to a Business Entity or Trust
- Income from Rental Property

If you have any questions regarding disclosure requirements, please contact the City Clerk's Office at 937-8458.

CONVICTIONS: Conviction of a crime is not necessarily a bar to appointment. Each case is considered separately based on requirements of the position; however, failure to list convictions may result in disqualification.

1. Have you ever been convicted of a felony? If yes, please explain:
   
   No

2. List each civil action, if any, in which punitive or exemplary damages have been assessed against you, indicating in each instance the date of the trial, court judgment and the location of the court which rendered the judgment:

   None
I DECLARE, UNDER PENALTY OF DISQUALIFICATION AND TERMINATION, THAT ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature: __________________________ Date: May 31, 2013

Please identify any specialized accommodations needed for equal participation: __________________________

The following information is voluntary and is gathered in accordance with State and Federal laws for the purpose of evaluating the effectiveness of our Affirmative Action and recruitment efforts. Please check:

- Male
- Female

- White (Not Hispanic Origin) All persons having origins in any of the original peoples of Europe, North Africa or the Middle East
- Black (Not Hispanic Origin) All persons having origins in any of the Black racial groups of Africa.
- Hispanic All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
- American Indian or Alaska Native All persons having origins in any of the original peoples of North America and who maintain cultural identifications through tribal affiliation or community recognition. Please identify your tribal affiliation.
- Filipino All persons having origins in the Philippine Islands.
- Asian

The Stockton City Council appoints members to the various City of Stockton Boards and Commissions. The Council also appoints representatives to serve on various other San Joaquin County agencies as well. Please check the boxes below if you are interested in serving on any other boards/commissions. To find out about what these boards/commissions do and if you qualify, please visit the City of Stockton website at www.stocktongov.com/commissions

- 49-99 Cooperative Library System Advisory Board
- Arts Commission
- Building and Housing Board of Appeals
- Central Parking District Advisory Board
- City Council Salary Setting Commission
- Civil Service and Equal Employment Commissions
- Climate Action Plan Advisory Committee
- Community Development Committee
- Cultural Heritage Board
- Development Oversight Commission
- Handicapped Access Board of Appeals
- Measure W Oversight Committee
- Parks and Recreation Commission
- Planning Commission
- Port Commission
- Public Art Advisory Committee
- Redevelopment Commission/Relocation Appeals Board
- San Joaquin County Commission on Aging
- San Joaquin County Mosquito And Vector Control District
- San Joaquin Regional Transit District Board
- Sports Commission
- Water Advisory Group
- Youth Advisory Commission (must be in high school to serve on this Commission)
Garland Smith
Licensed Marriage and Family Therapist
License #38289

HIGHLIGHTS OF QUALIFICATIONS

- California Sex Offender Management Board certified as individual provider for sex offenders.
- Use of Cognitive Behavioral interventions in individual and group therapy setting, emphasizing individual plan development and brief goal oriented therapy.
- Licensed by Board of Behavioral Science to write continuing education for California MFT and LCSW practitioners.
- Experience in court mandated therapy with adult and juvenile offenders.
- Effective treatment modalities for Mood Disorders including Major Depression and Anxiety with emphasis on time limited Cognitive Behavioral Therapy.
- Expertise in treating and managing substance abuse and addictions.
- Experience in working with PTSD (I maintain a California State Military Reserve Medical Services Officers commission on the Combat Stress Team and work with soldiers readying for combat deployment as well as working with them upon their return from combat tour. I also work with the family members of soldiers and have a special interest with the parents of soldiers as my son served two combat tours in Iraq.)
- Experience in working with victims of crime (in and out of the home-spousal and nondomestic violence issues.
- Solid working knowledge of major mental illness including Schizophrenia, Bi-Polar disorder and the affective qualities typically found within the disorders. I work well with the clients in helping them to better understand their illness and the daily maintenance issues required to maintain remaining in the home without need for psychiatric hospitalization.
- Especially trained and function well within a multi-disciplinary, medical model of treatment and utilize the standard HIPAA compliance procedures when working with other treatment professions for the betterment of my clients.
- I have facilitated hundreds of family meetings to assist with education, crisis management, care team building and referrals to other social services within the community to meet the specific needs of the family and client.
- Excellent group and individual counseling skills with ethnically diverse population’s, age and gender groups.
- Possess the skills and knowledge to develop and implement treatment plans with independent responsibility emphasizing measurable results.
- Good working knowledge of current psychiatric medications, side effects and expected clinical outcomes with regards to behavioral and cognitive expectations.
- Participate as a Subject Matter Expert with the California BBSE writing the MFT written exam. Expertise in Legal and Ethical issues within the social sciences.
Garland Smith, MFT

June 2011-Present

Co Owner: GP Bridges Therapy and Continuing Education

- Owner of private practice which specializes in Individual, family and group therapy.
- Approved to provide supervision for MSW, MFTI and LPCC interns as well as clinicians requiring CASOMB certified hours.
- CASOMB certified as individual provider for sex offenders.
- Currently providing treatment for sex offenders in San Joaquin, Amador, Stanislaus and Calaveras counties.
- Domestic Violence treatment.
- CPS Referred Clients.
- Licensed by Board of Behavioral Science to write continuing education for California MFT and LCSW practitioners.
- Co-author of “Getting From Here To There: A Self Improvement Workbook” designed for use in individual and group sex offender treatment.
- Co-author of “It All Begins With Honesty: A Self Improvement Workbook” designed for use with addiction treatment and impulsive behaviors.

June 2003-April 2011

Sacramento County Department of Mental Health
Adult Psychiatric Support Services Clinic
Senior Mental Health Counselor and Group Coordinator

- Conducted assessments; develop mental health treatment plans with independent responsibility and provide individual, group and limited family therapy.
- Coordinated referral services and regular follow up care with Intermediate care providers, Regional Support Teams, Drug and Alcohol Bureau and provide crisis intervention services on a regular basis.
- Initiated involuntary holds, prepare reports and maintain records related to patient care services. Regularly coordinated system of care with Quality Management to ensure the highest level of care possible for Sacramento County residents.
- Provided a minimum of 25 hours of clinical experience weekly.
- Provided supervision of hours for ACSW’s And MFT Interns.
- Assisted with writing policy and procedure.
- Provided in house training on the Legal and Ethical issues as it relates to MFT’s and LCSW’s.

April 2011-July 2012

Heritage Oaks Hospital-Independent Contractor

- On-call position: Respond to emergency calls through Sacramento County Mental Health Services.
- Examined clients to determine if they meet criteria for 5150 hold.
- Wrote hold, if needed, and obtain hospitalization depending on the individual’s insurance. I have a thorough knowledge of the psychiatric hospitalization network throughout Northern and Central California for the specific needs of children and adults.
- Frequently worked with Children’s Protective services, Adult Protective services and Alta California Regional services and the respective service coordinators within these agencies.
June 2003-2010  Yolo County Suicide Prevention-Independent Contractor

- On-call position: Respond to emergency calls through Yolo County Police and Fire dispatch.
- Examined clients to determine if they meet criteria for 5150 hold.
- Wrote hold, if needed, and obtain hospitalization depending on the individual’s insurance. I have a thorough knowledge of the psychiatric hospitalization network throughout Northern and Central California for the specific needs of children and adults.
- Frequently worked with Children’s Protective services, Adult Protective services and Alta California Regional services and the respective service coordinators within these agencies.

April 2 2002-June, 2003  Sacramento County, CalWORKs
Senior Mental Health Counselor

- Conducted assessments; develop mental health treatment plans with independent responsibility and provide individual, group and limited family therapy.
- Coordinated referral services and regular follow up care with Intermediate care providers, Regional Support Teams, Drug and Alcohol Bureau and provide crisis intervention services on a regular basis.
- Prepared reports and maintained records related to patient care services.

August 1998-April 1, 2002  Sacramento County Department of Mental Health
Adult Psychiatric Support Services Clinic
Mental Health Counselor

- Conducted assessments; developed mental health treatment plans with independent responsibility and provided individual, group and limited family therapy.
- Coordinated referral services and regular follow up care with Intermediate care providers, Regional Support Teams, Drug and Alcohol Bureau and provided crisis intervention services on a regular basis.
- Initiated involuntary holds, prepared reports and maintained records related to patient care services.
- Regularly coordinated system of care with Quality Management to ensure the highest level of care possible for Sacramento County residents.
- Provided a minimum of 25 hours of clinical experience weekly.

October 1997-August 1998  Sacramento County Children’s Protective Services
Social Worker Practitioner/Court Investigator

- Investigated allegations of child abuse/neglect, wrote detention petitions, represented Sacramento County C.P.S. at detention, jurisdiction, disposition and any contested hearings.
- Interviewed family, neighbors, mandated reporters and other persons close to or having knowledge of the family and allegations.
- Conducted interviews in county jails and State Prisons as needed.
- Investigated the backgrounds of those suspected of child abuse/neglect and those requesting to be relative/non-relative caretakers or guardians of minors victimized by abuse/neglect.
- Wrote the court reports with recommendations for findings and orders with mandates for the parent(s) family maintenance or family reunification plan.
• Transported clients to random drug toxicology testing, regularly refer clients to out-patient substance abuse/addiction treatment and inpatient detoxification programs.
• Regularly worked with various law enforcement jurisdictions at time of detention and during the investigative course.
• Received monthly trainings on the legal and ethical issues relating to social services.

May 1996-October 1997  
Yolo County Children’s Protective Services
Social Worker Practitioner/Court Investigator
See above duties for Sacramento County C.P.S.

October 1994-July 1996  
Sacramento County Mental Health Treatment Center
Mental Health Counselor

• Triaged walk in-patients and write 5150 holds.
• Assessed patients on 5150 holds, work with multi-disciplinary team to facilitate treatment regimen, regularly write extended holds and conservatorship reports with recommendations.
• Facilitated groups and individual counseling sessions. Perform daily Mental Status Exams with a fixed caseload of patients.
• Wrote treatment plans emphasizing measurable results. Extensive knowledge of and work with other community resources.

March 1993-December 1994  
Associated Family Therapy Effective Recovery
Therapist Intern

• Performed individual and group therapy for perpetrators, survivors, non-offending spouses and siblings of sexual abuse.
• Worked with abuse reactive teens.
• Wrote extensive court reports.

November 1992-May 1993  
San Juan Unified School District: Early Childhood Development Program
Volunteer Counselor

• Worked with children and parents on parenting skills, learning disabilities, evaluated for child abuse and performed family counseling with groups and individuals.
• Wrote behavioral contracts with clients and their families.
• Made referrals to community resources.

March 1992-November 1992  
Easter Seals of Sacramento
Volunteer Counselor

• Worked with victims of traumatic brain injury and their families on social skills building, cognitive functioning, relationship building, emotional trauma, housing placements and made referrals to community resources.
• Wrote behavioral contracts with clients and their families.
September 1991-March 1992  Del-Oro Caregiver Resource Center for Brain Impaired Adults
Volunteer Counselor

- Facilitated group therapy for family members of survivors of stroke, Alzheimer's and Parkinson's disease.
- Utilized the principles of Elisabeth Kubler-Ross's "ON DEATH AND DYING", to promote a better understanding of grief.
- Emphasized "Emotional Distancing" as a natural defense mechanism.
- Focused on the changing roles within relationships as a result of Brain Impairment due to disease and other traumas to the brain.

EDUCATION

- MA, Counseling Psychology, (April 18, 1993), National University, Sacramento California.
- BS, Psychology, (October 20, 1991), National University, Sacramento California.
- AA, Business Administration, (June 1978), American River Community College, Sacramento, California.

SPECIALIZED TRAINING

Studied of Behavioral Modification with Brain Injury Survivors, (June 1992). Bristol, England
Dr. Peter Eames, Grafton Manor Brain Rehabilitation Unit.

References available upon request.
GP BRIDGES THERAPY AND
CONTINUING EDUCATION
Building Bridges Across Relationship Barriers

GARLAND SMITH
Licensed Marriage and Family Therapist
#30209

Therapy: (916) 541-0313
Continuing Education: (209) 604-5437
Fax: (866) 480-7617
therapy.smith@gmail.com
www.gpbridges.com

8807 Thornton, Suite M
Stockton, California 95209

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5056. (a) Each state prison under the jurisdiction of the department shall have a citizens' advisory committee except that one committee may serve every prison located in the same city or community. Each committee shall consist of not more than 15 members appointed by the institution's warden, nine of whom shall be appointed from a list of nominations submitted to him or her as follows:

1. Two persons from nominations submitted by the Assembly Member in whose district the prison is located.
2. Two persons from nominations submitted by the Senator in whose district the prison is located.
3. Two persons from nominations submitted by the city council of the city containing or nearest to the institution.
4. Two persons from nominations submitted by the county board of supervisors of the county containing the institution.
5. One person from nominations submitted by the chief of police of the city containing or nearest to the institution and the county sheriff of the county containing the institution.

(b) Where a citizens' advisory committee serves more than one prison, the warden of each prison served by this committee shall collaborate with every other warden of a prison served by the committee for the purpose of appointing committee members.

(c) Each committee shall select its own chairperson by a majority vote of its members. The term of office of all members shall be two years. In the event of a vacancy due to resignation, death, or absence from three consecutive meetings, the appointing power shall fill the vacancy following receipt of written notification that a vacancy has occurred.

(d) Each committee shall meet at least once every two months or as often, on the call of the chairperson, as necessary to carry out the purposes and duties of the committee.

Meetings of the committee shall be open to the public. The warden of each institution shall meet with the committee at least four times each year.
The advisory committees of the several institutions shall have the power of visitation of prison facilities and personnel in furtherance of the goals of this section.

(e) Nothing in this section shall be construed to require the disclosure by the department of information which may threaten the security of an institution or the safety of the surrounding community, nor shall the power of visitation specified in subdivision.

(d) extend to situations where institutional security would be jeopardized.
101090.11.3 Citizens' Advisory Committees

Functions
Each Warden shall establish a Citizens Advisory Committee which shall be used to:
• Improve the public's understanding of correctional programs.
• Influence correctional directions.
• Suggest means to improve and participate in inmate programming.

The role of the committees is to:
• Provide an important opportunity for the Department to gain the support of interested and concerned citizens. Wardens shall extend an invitation to committee members to acquaint themselves with the institution's facilities and programs.
• Voice their concerns and make suggestions for facility and program enhancements as well as to support the institution or facility and its programs.
• Play a key role in furthering the Department's mission. Wardens shall regularly attend meetings and shall feel free to share information with the committee on problems, progress, and resolutions.
• Encourage community service projects, open houses, public education efforts, and any other appropriate activities aimed at strengthening the institution's partnership with the community.

Composition
Each Warden shall appoint a 12 member Citizens Advisory Committee from a list of nominations submitted as follows:
• Two persons from nominations submitted by the Assembly member in whose district the prison is located.
• Two persons from nominations submitted by the Senator in whose district the prison is located.
• Two persons from nominations submitted by the city council of the city containing or nearest to the institution.
• Two persons from nominations submitted by the county board of supervisors of the county containing the institution.
• One person from nominations submitted by the Chief of Police of the city containing or nearest to the institution and the county sheriff of the county containing the institution.
Three persons selected by the Warden including one who is a victim of a crime or a representative of a victim's organization.

Selection
Nominators shall submit biographical data for each nominee. The Department's EEO and affirmative action policies shall be considered in the selection of nominees.

Orientation
Appointed committee members shall complete an orientation which shall include:
• A meeting with the Warden.
• Inmate, employee and community safety procedures.
• A tour of the institution.

Committee Member Files
A file shall be maintained on each committee member which shall include:
• Oath of allegiance.
• Digest of laws relating to association with prison inmates.
• Statement acknowledging receipt of a copy of the CCR and the IPA.

Operation
Each committee shall select a chairperson by majority vote who shall:
• Call meetings.
• Prepare meeting agendas.
• Preside over meetings.

Term of Members
The term of office of all members shall be two years. Members shall not serve more than two years unless nominated and re-appointed.
The Warden shall solicit a listing of five nominees from designated nominators 90 days prior to the expiration of any member's terms.
Committee member resignations shall be submitted in writing to the chairperson.

Vacancies
Vacancies may result from a member's death, written resignation or unexcused absence from three consecutive meetings. The Warden shall fill any vacancy upon receipt of written notification that a vacancy exists.
The Warden may fill a vacancy with a person selected from, but not limited to, the list of nominees originally submitted by nominators. Additional names may be requested from the nominators by the Warden.
Appointments to fill a vacancy shall be for the remainder of the unexpired term.

Meetings and Minutes
The committee shall meet at least once every two months or as necessary to carry out the purposes and duties of the committee.
The Warden shall meet with the committee at least four times per year. If the Warden is unable to attend, the chief deputy Warden shall attend. Attendance shall not be further delegated.
Committee meetings shall be open to the public. The date, time and place of each meeting shall be published in a local newspaper at least one week prior to the meeting.
Meetings shall be held outside the prison security area. Meetings may be held in public buildings away from the institution. If held on institution property, the meeting shall be accessible to the public without compromising security.
Minutes of each committee meeting shall be kept and a copy forwarded to the Director, Division of Adult Institutions.

Visitation
Advisory committees shall have the power of visitation of prison facilities and personnel in furtherance of committee objectives except in situations where security would be jeopardized.
The Warden shall schedule all visits, and shall personally escort the visitor(s). Scheduled visit agenda shall be subject to change based upon institutional situations at the time of the visit.
Visits to other departmental facilities shall be authorized if, in the opinion of the chairperson and the Warden, such visiting will enhance the work of the committee.
Visits to other departmental facilities shall be only by advance arrangement between the affected Wardens.
The size of the visiting committee shall be determined by the committee itself and the Warden.
The head of the visited institution shall meet with the visiting committee delegation.

**Travel Expenses**
Travel expenses of the committee members shall be paid as authorized under BOC rule 706(c) and CCR (2) 599.624. Expenses shall be borne by the parent institutions.

**101090.12 Revisions**
The Director, DAI, or designee, shall ensure that the content of this Section is accurate and current.

**101090.13 References**
CCR (2) §§ 599 - 624
CCR (15) §§ 3260 - 3265, 3285, 3415.
PC § 5056.
ACA Standards 2-4006, 2-4018, 2-4024, 2-4071, 2-4095, 2-4347, 2-4456, 2-4465, 2-4487 - 2-4495, 2-2054, 2-2180 - 2-2187.
DOM ARTICLE 9 — VOLUNTEERS* .
Effective February 7, 1990
Updated April 5, 2007
NOT CLEARED FOR STATEWIDE Use

RECOMMENDATION

It is recommended that the City Council adopt a resolution that:

- Adopts the Fiscal 2013-2014 Annual Budget as part of the City’s Pendency Plan (while under protection of the bankruptcy code), and also adopts the Proposed 2013-2018 Capital Improvement Program, the Proposed 2013-2014 Fee Schedule and the 2013-2014 Constitutional (Gann) Appropriations Limit.

And it is recommended that the Successor Agency to the former Stockton Redevelopment Agency (Successor Agency) approve a resolution that:

- Adopts the Fiscal 2013-2014 Annual Budget for the Successor Agency to the former Stockton Redevelopment Agency (Exhibit 1 to the resolution).

Summary

This staff report proposes that the City Council approve a resolution to adopt the City’s budget that represents the City’s financial plan for Fiscal Year 2013-2014. The City’s Proposed Budget submitted to Council by the City Manager on May 16, 2013, included a plan for all of the City’s funds, and continues for the General Fund the Pendency Plan which is the City’s budget while it is under the protection of Chapter 9 of the federal bankruptcy code. Since there were no proposed changes by Council during the two budget workshops, the budget we are asking you to adopt today is essentially the budget shared on May 16th with revised Bankruptcy fund as shown in Exhibit 1 to the City’s resolution. The revisions to this fund are based on the results of the FY 2012-2013 third quarter status report which indicates a greater projected General Fund balance than anticipated after the second quarter status report.

The key elements of this budget are summarized below, and are described in much greater detail in the Proposed Budget, Capital Improvement Program and Fee Schedule documents, all of which were released in mid-May. In addition to the adoption of the General Fund Pendency Plan, a number of other actions are proposed as part of this resolution. This includes adopting the proposed budgets for the solvent funds (those not affected by insolvency). It should be noted that solvent funds have
generally experienced some beneficial impact of the Pendency Plan changes, primarily due to organization wide cost reductions related to changes to labor agreements and the end of the Retiree Medical Insurance program. The other actions proposed in this Staff Report include approval of the 2013-2018 Capital Improvement Program, the 2013-2014 Fee Schedule, the 2013-2014 State Constitutional (Gann) Appropriation limit, and the 2013-2014 Successor Agency Annual Budget.

The Successor Agency to the former Stockton Redevelopment Agency

The Successor Agency became operative February 1, 2012, and is responsible for unwinding the affairs of the former Stockton Redevelopment Agency and ensuring recognized obligations are met. Tax increment continues to be the primary source of revenue for the Successor Agency. Since the dissolution of the Redevelopment Agency, tax increment can only be used to pay obligations approved on the Successor Agency’s Recognized Obligation Payment Schedule (ROPS), any excess revenues will be retained by the County Auditor Controller and distributed to the local taxing entities.

Prior to each six month fiscal period, the Successor Agency is required to submit a ROPS in accordance with Health and Safety Code Section 34177 (l). The ROPS must be approved by the Oversight Board and submitted to the County Auditor Controller, State Controller, Department of Finance, and posted online. The ROPS serves as the designated reporting mechanism for disclosing the Successor Agency’s payment obligations by amount, source, and schedule. In addition to the ROPS, the Successor Agency must submit an administrative budget to the Oversight Board. After adoption of the Successor Agency’s annual budget, staff will present it to the Oversight Board for approval.

DISCUSSION

Background

As has been well documented, over the past several years the City of Stockton absorbed painful service reductions and has gone through a long and arduous effort to repair the damage to its finances caused by poor fiscal management, previous City decisions based on the misguided belief in the seemingly endless growth in regional fiscal fortunes, which combined with the severe impacts of the “Great Recession”, exhausted the City’s general financial reserves and burdened it with obligations it could not pay. Those obligations had grown to exceed General Fund resources by $26 million in Fiscal 2012-2013 and unless addressed, would have continued to grow in future years. After an exhaustive process of self-examination, verification of our financial status by staff and outside experts, and participation in a new State mandated arbitration process (AB 506), one year ago the City Council made the courageous decision to apply for bankruptcy protection under Chapter 9 of the federal bankruptcy code. It adopted a 2012-13 Pendency Plan that balanced the General Fund budget by including approximately $26 million in reductions to debt payments, salary and benefit reductions, a two year phase-out of the Retiree Medical Insurance plan, and other measures. The creditors affected by those decisions fought hard to deny the City’s eligibility for bankruptcy for most of this fiscal year, costing the City to expend scarce resources defending its actions. Finally, on April 1, 2013, the federal bankruptcy court ruled that the City was indeed insolvent and had met the required conditions to enter Chapter 9 bankruptcy.
Successor Agency to the former Stockton Redevelopment Agency

On June 28, 2011, Governor Brown signed into law Assembly Bill x1 26 (AB x1 26 or Dissolution Act), which was later amended by Assembly Bill 1484 in June 2012. Under AB x1 26 all California redevelopment agencies were dissolved as of February 1, 2012, and replaced with successor agencies. The Dissolution Act allowed each city or county, as applicable, to establish itself as the successor agency to its former redevelopment agency. It also allowed each city or county to assume responsibilities for housing functions previously undertaken by the redevelopment agency. In August 2011, the City elected to become the Successor Agency and to perform the Redevelopment Agency’s housing functions. Under AB x1 26, the successor agency’s actions are governed by an oversight board. Under redevelopment law, when a project area was formed the assessed value of the project area was determined and became the base year valuation. As properties values grew, property taxes increased. The increase in property tax revenues between the base year and current year was known as tax increment and used by Redevelopment Agencies but now by Successor Agencies.

Recognized Obligations

The ROPS lists all enforceable obligations. Under AB x1 26 enforceable obligations include bonds, loans, federal and state required payments, judgments or settlements, legally binding agreements or contracts, and amounts borrowed from or owing to the Low and Moderate Income Housing Fund. These obligations, must meet specified criteria, and do not include agreements, contracts, or arrangements between the City and the former Redevelopment Agency. AB 1484 added contracts or agreements necessary for the administration or operation of the successor agency, including items such as legal expenses related to assets or obligations and maintenance of assets prior to disposition.

The ROPS also includes an administrative cost allowance. The Successor Agency may receive an administrative cost allowance in the amount of three percent (3%) of property tax revenues transferred to the Successor Agency’s Redevelopment Obligation Retirement Fund, or a minimum of $250,000 per fiscal year. If there are not sufficient funds in the Redevelopment Obligation Retirement Fund to cover all enforceable obligations, the deficiency is deducted from any amounts that would have been disbursed to the taxing entities, the administrative cost allowance, and finally from pass through payment obligations subordinate to debt service. In Fiscal Year 2011-2012 the Successor Agency received the minimum administrative cost allowance of $250,000. Due to declining revenues, the Successor Agency expects to receive $125,000 in Fiscal year 2012-2013, and does not expect to receive any administrative cost allowance in Fiscal year 2013-2014.

Obligations listed on the ROPS must be approved by the California Department of Finance (DOF). After approval by the DOF, the San Joaquin County Auditor-Controller is responsible for disbursing funds from Redevelopment Property Tax Trust Fund to the Successor Agency for payment of approved enforceable obligations up to the amount of property tax revenues available. Disbursements are made to the Successor Agency on January 2 and June 1 of each year.
Present Situation


The proposed budget for the 2013-2014 fiscal year, along with the 2013-2018 CIP and the 2013-2014 Fee Schedule was delivered to Council on May 16, 2013. On June 3 and on June 4, Council Study Sessions were held to review the proposed budget in detail.

The budget plan for Fiscal Year 2013-2014 reflects the priorities and direction of the Council goals in consideration of our limited resources in the current economic environment. Over the past two years, the City has made considerable progress toward achieving the City Council Goals to Achieve Fiscal Sustainability, Increase Public Safety, Promote Economic Development, and Increase Organizational Capacity. In February of this year, Council provided direction to stay the course in pursuing these core goals and related strategic initiatives. With these goals in mind, City Departments have identified strategies and initiatives relative to their specific service areas and determined the resources necessary to accomplish their objectives. For the most part, those additional resources have been budgeted through redistribution of existing expenditure budgets. In instances where small increases are proposed, it is as a result of planning for future revenue sources such as grants or for critical strategic initiatives such as implementation of the Marshall Plan project as directed by Council. Additionally, plans are underway to catch up on year-end financial reports within the next few months, as well as provide consistent financial reporting each quarter going forward. These and other changes are described briefly below, and in greater detail in the Proposed Budget document.

The City’s annual operating budget presents proposed appropriations for all funds of the City. As shown below, the proposed citywide budget totals $524.7 million, of which $159.5 million is in the General Fund. This represents an increase of $12.7 million for all funds, and $1.2 million for the General Fund.

<table>
<thead>
<tr>
<th>City-wide Expenditure Budget</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund*</td>
<td>$158,290,692</td>
<td>$159,518,531</td>
<td>$1,227,839</td>
</tr>
<tr>
<td>Utilities</td>
<td>109,129,043</td>
<td>114,510,812</td>
<td>5,381,769</td>
</tr>
<tr>
<td>Capital/Street Maintenance</td>
<td>31,590,614</td>
<td>33,796,093</td>
<td>2,205,479</td>
</tr>
<tr>
<td>Other Community Programs</td>
<td>58,085,089</td>
<td>64,616,599</td>
<td>6,531,510</td>
</tr>
<tr>
<td>Debt Service</td>
<td>27,261,545</td>
<td>28,350,320</td>
<td>1,088,775</td>
</tr>
<tr>
<td>Redev. Low/Mod Housing</td>
<td>-</td>
<td>2,222,347</td>
<td>2,222,347</td>
</tr>
<tr>
<td>HUD/Housing Programs</td>
<td>12,257,221</td>
<td>10,909,115</td>
<td>(1,348,106)</td>
</tr>
<tr>
<td>Internal Services</td>
<td>115,383,433</td>
<td>110,789,195</td>
<td>(4,594,238)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$511,997,637</td>
<td>$524,713,012</td>
<td>$12,715,375</td>
</tr>
</tbody>
</table>

*The 2012-13 General Fund expenditure budget is presented as amended to provide a more appropriate comparison between fiscal years.

Appropriations Limit

An amendment to the California Constitution intended to limit the growth in local government spending requires establishment of a maximum limit for expenditures from general taxes. The law
requires that the limit be recalculated and approved by the City Council at the beginning of each fiscal year. Generally known as the Gann Limit, it is indexed to specified growth factors approved by the Legislature. The City’s annual appropriation limit has been calculated in the amount of $272,173,088 for 2013-2014 pursuant to the requirements of the California Government Code. This limit pertains to appropriations from general taxes and is far above the general taxes the City has available to appropriate. The total of fiscal year 2013-2014 revenue appropriations that are subject to the limit has been calculated at $127,860,231. The appropriation limit is far above the amount of general taxes that are currently available for expenditure in this City. Accordingly, the Proposed Fiscal 2013-2014 Budget is well within the appropriations limit.

Pendency Plan Reductions

As noted in the Transmittal Letter to the Proposed Budget, the City’s General Fund budget is balanced by making $22.5 million in reductions to creditors and retirees (see schedule below), and by assuming that all pendency plan reductions continue through the end of the next fiscal year. This is down from the $26 million in pendency plan reductions included in fiscal year 2012-2013 budget, primarily due to yet more concessions achieved through negotiations with city labor organizations.

<table>
<thead>
<tr>
<th>Pendency Plan Reductions</th>
<th>2012-13 Adopted</th>
<th>2013-14 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Howard Jarvis Settlement</td>
<td>$1,127,000</td>
<td>$1,127,000</td>
</tr>
<tr>
<td>Marina Towers Settlement</td>
<td>312,500</td>
<td>312,500</td>
</tr>
<tr>
<td>Public Facilities Bonds</td>
<td>632,000</td>
<td>1,130,000</td>
</tr>
<tr>
<td>Marina DBAW Loan</td>
<td>685,000</td>
<td>685,000</td>
</tr>
<tr>
<td>Events Center Bonds</td>
<td>-</td>
<td>341,000</td>
</tr>
<tr>
<td>Main Hotel Loan (one-time)</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>400 E. Main Bonds</td>
<td>2,588,000</td>
<td>2,672,500</td>
</tr>
<tr>
<td>Pension Obligation Bonds</td>
<td>5,775,000</td>
<td>6,305,000</td>
</tr>
<tr>
<td>Entertainment Venue Subsidy</td>
<td>370,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>11,989,500</td>
<td>12,573,000</td>
</tr>
<tr>
<td>Retiree Medical Reductions</td>
<td>7,053,000</td>
<td>9,903,000</td>
</tr>
<tr>
<td>Salary &amp; Benefit Reductions</td>
<td>4,160,000</td>
<td>-</td>
</tr>
<tr>
<td>Fiscal Stabilization &amp; Other</td>
<td>2,797,500</td>
<td>-</td>
</tr>
<tr>
<td>Ending Available Balance</td>
<td>$26,000,000</td>
<td>$22,476,000</td>
</tr>
</tbody>
</table>

During the period the City operates under the Pendency Plan in bankruptcy, the differences between
payments required by contracts and the amount actually paid become claims in bankruptcy and are
resolved through negotiations and, ultimately, the Plan of Adjustment submitted to the creditors for
approval and to the bankruptcy court for confirmation.

The Proposed Budget for Fiscal Year 2013-2014 separates the resources and costs of bankruptcy
activities from other funds so that tracking of bankruptcy expenditures is more transparent. The new
Bankruptcy Fund begins with the available general fund balance (unaudited) that the Council has
committed towards bankruptcy costs. This fund began with the initial Council commitment of $5.6
million at the beginning of Fiscal Year 2012-2013 increased by additional projected general fund
balance ending June 30, 2013. The combined total is projected to be approximately $12.5 million to
begin this fund as of July 1, 2013. This has been revised since the 2013-2014 Proposed Annual
Budget document shared on May 16th based on the FY 2012-2013 third quarter status report results
which projects the General Fund ending fund balance to be $2.2 million more than previously
projected. In addition, known proposed settlement with retirees is shown as expenditures ($5.1
million less other fund reimbursement of $1.6 million) which reduces projected ending available
Bankruptcy fund balance to $5.8 million. The revised Bankruptcy Fund schedule (Exhibit 1 to the
City resolution) updates page L-31 of the Proposed 2013-2014 Annual Budget and will be
incorporated into the final version of the budget book. These funds were generally created by year-
end General Fund budget savings (vacancies, etc.). These resources are dedicated to negotiating a
consensual Plan of Adjustment (or bankruptcy exit plan). The Plan of Adjustment is intended to bring
the City’s debts in line with our resources, both now and over time. Specifically, the Bankruptcy Fund
will be used to cover costs for Chapter 9 project management, litigation and negotiations with our
creditors, with remaining money available to pay our creditors as settlements for claims. The
outstanding claims or potential “call” on this money far exceed available monies as demonstrated by
the tentative agreement with retirees for $5.1 million associated with their retiree medical claims.

Capiman Improvement Plan (CIP)

The City’s Capital Improvement Program (CIP) is a five year plan that addresses facility and
infrastructure needs for the City. Total project costs for the five years are $706 million of which $217
million have identified funding sources. The first year of the CIP is appropriated as part of the
approval of the 2013-2014 Budget and totals $24,550,000, and is included in multiple City funds.
The CIP for next year is almost entirely made up of transportation and utility improvements, as is the
remaining four years of the Program. This is reflective of the poor condition of the General Fund and
the lack of new development mitigation fees. In the 2013-2018 CIP plan, 99% of the funding
designated for capital projects comes from restricted, non-discretionary funding sources, which can
only be spent of specific projects or types of projects.
Summary By Program
Five Year Capital Improvement Program
2013-2018
(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proposed</td>
<td>Budget</td>
<td>Projected</td>
<td>Projected</td>
<td>Projected</td>
</tr>
<tr>
<td>General Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Government Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total CIP Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The CIP for fiscal year 2013-2014 includes a General Fund allocation of $1,290,000, which is up from the $575,000 included in the current year budget. This level is still far below the amount needed to address existing deficiencies or ongoing needs for maintenance of capital assets essential to functions funded through the General Fund. Highlights of the Capital Improvement Program are discussed in the CIP transmittal letter and on pages 3-8 of the 2013-2018 Capital Improvement Program document.

FY 2013-2014 Proposed Fee Schedule

The 2013-2014 Proposed Fee Schedule is largely unchanged. Proposed changes do include however the additions of 2 new fees in the Stormwater and Wastewater Programs, the addition of fees for the soccer complex, as the program management function for that facility is returning to the City, the elimination of a first page Print Mass Production Reprographics fee, and eight adjustments to conform to existing agreements related to the Fire and Municipal Utilities Department. These contracts have specific requirements that span multiple years and include specifications for fee increases.
### Proposed New Fees

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUD - Stormwater</td>
<td>Conditional Discharge Permit fee</td>
</tr>
<tr>
<td>MUD - Wastewater</td>
<td>Wastewater Grease Disposal Mitigation fee</td>
</tr>
<tr>
<td>Community Services</td>
<td>Soccer Complex General &amp; Use Fees</td>
</tr>
</tbody>
</table>

### Changed Fees

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reprographics</td>
<td>Mass produced documents 1) Elimination of 1st page fee &amp; 2) clarification of documents &amp; public records request fees</td>
</tr>
</tbody>
</table>

### Other Adjustments related to existing contracts

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Emergency Dispatch</td>
<td>Medical, ambulance and dispatch call fees</td>
</tr>
<tr>
<td>MUD - Wastewater</td>
<td>Wastewater collection rates</td>
</tr>
<tr>
<td>MUD - Water</td>
<td>Water connection and usage rates</td>
</tr>
<tr>
<td>PFF - Surface Water</td>
<td>All fees</td>
</tr>
</tbody>
</table>

### Development Impact Fees

The Proposed Fee Schedule includes the development impact fees which are discussed here and presented on Attachment A. On June 6th, the City Development Oversight Commission received a briefing on the first phase of a comprehensive assessment of development impact fees. The Commission then passed a motion requesting that the Council extend current fee reductions by three years, and substantially increase the amount of that reduction, subject to annual review. The fee reduction currently in effect is around $7,500 for a new 2,000 square foot single family dwelling unit. The Commission recommended a further reduction of $12,000 for a net reduction of $19,500 for the same three years, subject to annual review. A proportional reduction for new multi-family dwelling units was also included in the adopted motion.

Staff recommends that the Council reject that recommendation, stay the course and adopt the Fee Schedule as proposed. That means current fee reductions will expire on December 31st, and future fee adjustments, up or down, will be reliant upon sound financial footing and documented analysis rather than speculative factors.

First, the Bankruptcy Ask seeks to renegotiate the terms of our debt obligations under the 2009 Lease Revenue Bonds Series A. We have defaulted on the bonds. The source of repayment is development impact fees collected to finance the construction of fire stations, police stations, parklands and street improvements throughout Stockton. The City cannot forgo the collection of the very same fees backing those negotiations. To do so would be seen as a sign of bad faith by the Bankruptcy Court and creditors. This could have a major detrimental impact on our bankruptcy negotiations. The City’s imperative need to exit bankruptcy, in a timely and sustainable manner, makes the recommendations of the Development Oversight Commission a non-starter.

Second, the City has foregone $2.25 million in development impact fee revenue since the enactment of a first round of fee reductions in September 2010. That figure will likely continue to rise to $2.76 million by the time the program sunsets at the end of 2013. Those revenues cannot be made up by future development impact fees. The additional round of fee reduction recommended by the
Development Oversight Commission would increase fee losses by at least $12 million more than already experienced. Either the bond holders eat this cost or the general fund. With respect to the later, we do not have the funds to cover it.

Third, the tract homes that we see under construction today have had the land costs substantially written down to show slight profitability for the developer. There are several ready-to-go projects jockeying on all financial fronts to see where other financial write-downs may materialize, including the targeting of development impact fees. An econometric model tells us that a profitable, sustainable new home market will return to Stockton on its own accord, in two to three years.

Fourth, sound financial planning dictates that any consideration of development impact fee reductions is based on a balance sheet of fee accounts. As reported in the Phase 1 study, that balance sheet does not exist for hundreds of line-item projects for which a fee, other financial instrument, engineered plan set or as-built drawings were submitted to the City. Many of these projects were engineered and built by developers, but the project accounts have not been closed out. Six months to a year or more of effort lies ahead for the conduct of engineering field inspections and corrections, warranty reviews, financial reconciliations, conveyances and other actions before the City can official sign-off on them. Until that occurs, the City does not know the bottom-line balance of the fee accounts and whether there are sufficient funds on-hand. Some level of trending and netting-out will provide an early, high-level picture of the financial health of the fee accounts. Until that picture emerges, any discussion of fee adjustments that pertains to capital improvements is done blindly.

Fifth, by State law, development impact fees may only be collected for capital improvements that actually get built. The law also provides that a developer may only be assessed for the proportional fair share of that new growth. Often times an accommodation is also made between a developer and the City that goes well beyond that fair share. For example, a larger community center, fire station or street may be built by the developer to provide for the needs of the greater community (existing plus new). In exchange, the developer gets the regulations to hold still so he/she knows what standards to engineer by and build to. The instrument to do this is a Development Agreement. The approvals that granted these developments relied upon the pledge of sufficient fees to cover the proportional fair shares and accommodations. Financial gaps, more often than not, must be made up by the General Fund or restricted funds desired for other projects. So, there are both actuarial and legal reasons to absolutely know that the projected fund balances are sufficient to deliver all of the capital improvements relied upon in these enabling agreements and documents.

Sixth, development impact fees and the improvements that they provide are, in almost every case, mitigating measures for significant adverse environmental impacts. The Environmental Impact Reports and certifications that led to the approval of these projects legally locked in reliance upon these impact fees.

Seventh, the General Plan 2035 is broken by the weight of its greenfield expansion a complete correction in the Stockton economy and growth projection, and the City’s bankruptcy. The land pattern for future growth in Stockton could be reshaped by the above changes and the Climate Action Plan settlement agreement, State mandates for new floodplain controls, further State mandates for transit oriented housing solutions, community choice for Downtown revitalization and infill, and a host of economic and behavioral drivers of affordability and real estate sales. The life-cycle of capital and operating costs in a post-bankruptcy era also supports a compact urban form and a re-thinking about
service level standards that complement that land pattern. The City is poised to spend down millions of dollars of General Fund subsidy and development impact fees in FY 2013-14 and beyond to begin this transition. Fiscal Year 2014-15 and beyond will focus on a comprehensive update of the entire General Plan and its 10 elements, along with the Capital Improvement Plan. Development impact fees will be revisited and adjusted accordingly to support the infrastructure needs emanating from these plan adjustments.

Periodically throughout FY 2013-14, staff will bring forward to the Development Oversight Commission and the Council discreet line-item fee reductions. Staff has identified several fees that are thought to be out of line with processing costs (CEQA Notice of Exemption, special event fee, industrial racking fee, and grading fee). They need to be changed and due diligence is now underway to quickly do so. As mentioned during the Council’s recent public workshop on the Budget, the reorganization plan for the Community Development Department includes active management of development fees rather than passive, as has been the case over past decades. A high level Program Manager will be assigned the priority role of fee management with the expectation of constant oversight and testing of development fees against actual processing costs. The soon procurement of the permit tracking and fee management system complements this priority function.

**General Fund Operating Budget**

As the table below illustrates, General Fund total revenues budgeted for fiscal year 2013-2014 are projected at $159.5 million and expenditures are projected at $159.5 million. The combined revenue and expenditures budgets result in an ending available balance of zero. The change in expenditures, as shown in the table below, between the Fiscal Year 2012-13 Current Budget and Fiscal Year 2013-14 Proposed Budget is an increase of approximately $1,228,000.

<table>
<thead>
<tr>
<th>General Fund Budget</th>
<th>2012-13 Current</th>
<th>2013-14 Proposed</th>
<th>Proposed vs. 12-13 Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Available Balance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Revenues</td>
<td>155,987,713</td>
<td>159,518,531</td>
<td>3,530,818</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police</td>
<td>82,593,751</td>
<td>83,698,594</td>
<td>1,104,843</td>
</tr>
<tr>
<td>Fire</td>
<td>36,343,178</td>
<td>36,456,447</td>
<td>(863,969)</td>
</tr>
<tr>
<td>Other Programs</td>
<td>39,353,763</td>
<td>40,363,490</td>
<td>1,009,727</td>
</tr>
<tr>
<td></td>
<td>158,290,692</td>
<td>159,518,531</td>
<td>1,227,839</td>
</tr>
<tr>
<td>Prior Year Commitments*</td>
<td>2,302,979</td>
<td>-</td>
<td>(2,302,979)</td>
</tr>
<tr>
<td>Ending Available Balance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

*Adjustments include AB506 carryover, encumbrances and anticipated balance commitment for bankruptcy.

General Fund revenues proposed in the Fiscal Year 2013-14 budget are $159.5 million which is an increase from the prior year by $3.5 million or 2.3% due to the following factors:
1. Property Tax revenues show slow recovery in alignment with the general economic improvements, specifically as median home prices trend upward slightly. The Fiscal Year 2013-2014 Proposed Budget reflects a Property Tax revenue increase of 2.4% or $1 million. If materialized, this will be the first year property tax revenues have increased since 2008.

2. Improvement in sales tax revenues of almost $1.3 million or 3.2% is reflected in the new forecasts due to slight upward trends in automotive and retail sales.

3. Utility Users Taxes are expected to increase by $703,000 or 2.2% due to slight increases in Water and Electric & Gas revenue trends. Most of this growth is due to rate increases, not additional consumption.

4. Franchise taxes and other tax revenue budgets reflect slow improvements based on current trends.

5. Program Revenues continue to decline primarily due to service contract reimbursements being reduced by lower City service costs, such as salaries and benefits. Overall these revenues are being budgeted lower than prior year by $1.2 million or 10%.

6. Of special note is a change in the recording of Police Department reimbursements for services that were previously recorded in a special revenue fund and proposed to be recorded in the General Fund to offset costs also recorded in the General Fund. The amount budgeted Fiscal Year 2013-2014 is $1.1 million in both revenues and expenses for a net impact of zero. Through these contracts the City is partially reimbursed for full time police officer salary and benefits in exchange for increased service to contracting entities (i.e., school districts and Housing Authority).

General Fund expenditures proposed in the Fiscal Year 2013-14 budget are $159.5 million which is an increase from prior year of $1,228,000 due to the following budget changes.

1. Employee Services general fund costs have increased by $2.7 million or 2.6%. Several factors attribute to the changes.
   a. Salary costs city-wide have increased due to provisions of the bargaining unit agreements that eliminate furloughs for those agreements that are open and modification of longevity levels to provide equity among employees in most labor groups. The increase to the General Fund is $734,000 and City-wide is $2.3 million. The elimination of furloughs for many employees should result in productivity gains for City services across the board.
   b. In support of Project Ceasefire and the department’s Real Time Policing strategy, two crime analysts and one property/evidence position have been added to the budget. These positions increase the budget by $181,000 net of reduced hourly costs.
   c. Administrative Services is committed to continuing to address the Council’s strategic initiative of “getting our fiscal house in order” and has increased its accounting staff by one Supervising Accountant as part of the clean-up efforts ($69,000) to assist in bringing audits and accounting current. We expect this will help get the issuance of our
financial statements more in line with expectations.

d. Part-time salary expenses are up by $485,000 in the Police Department as a result of efforts to bring the department to full staffing as well as provide the capacity to support Project Ceasefire and other violence reduction efforts. This has specifically included increases in background investigations, camera operators, dispatch, and code enforcement.

e. An evaluation of overtime costs has been conducted by the Budget Office and departments, which has brought to light the need for an increase to the Police Department budget of $496,000 due to increased investigations, recruitment and special missions.

f. Pension has increased by $590,000 or 3% due to a change in CalPERS rate from 16.88% to 17.939% (Misc.) and from 31.79% to 34.605% (Safety).

g. Health Benefit budgets will increase by $307,000 due to adjustments to current employee labor agreements (with all groups except Fire, Fire Management and POA) which increase the City contribution for health care coverage on a tiered basis. This is offset by the elimination of a City contribution to retiree health.

h. Worker’s Compensation costs will increase by $850,000 due to fluctuations of 12% in claims and 18% in administration. These increases are for current costs and do not begin to reflect the large deficit balance in the fund of more than $40 million.

i. Compensated Absences are dropping ($536,000) due primarily to elimination of sick leave pay-offs at separation. Changes in the treatment of vacation, including the recently implemented vacation cap, will also have a long-term impact on compensated absences costs.

2. Other services are primarily made up of costs for services provided to the City. This includes our gas and electricity expenses, advertising, audit services, and construction costs to name a few types of items included in this category. The proposed decrease of $2.9 million is primarily due to a combination of line item changes; the transfer of bankruptcy related legal costs to the new separate fund ($4.2 million), additional funds to cover the continuation of the Project Ceasefire and support services for the Marshall Plan Stakeholders Committee ($225,000), increased water utility usage and rates for City parks ($200,000), additional auditor services budget to bring the annual financial audits up to date ($300,000) and increased election costs ($100,000).

3. Capital Outlay has been decreased by $250,000 due to prior year one time bankruptcy related expense for preliminary work on moving the Information Technology division out of the 400 E. Main building funded in Fiscal Year 2012-13. If the move occurs, the project costs will come from the Bankruptcy Fund.

4. Loan Repayments budget has been increased by $400,000 to pay the Civic HVAC lease directly from the General Fund ($250,000), increased costs associated with debt administration ($100,000), and a change in the pass through debt payment for the Stewart/Eberhardt Building bond ($50,000) (essential services building). The Civic HVAC lease has been paid from the General Capital Improvement fund balance for the past few years, but this General Fund supported capital fund no longer has available balance.

5. Police Department has increased evidence supplies and ammunition budget due to increasing
costs driven by high demand ($110,000). Parks and Street Trees supplies have increased to repair damage to playgrounds and irrigation systems due to vandalism and thefts ($125,000).

6. Transfers out to other City funds have been increased by $1 million based on updated information from third party service providers and others relative to operations of the City’s community services that are partially funded by City resources. Budgets have been revised as appropriate and are listed below.

   a. Recreation general fund subsidy has increased by $500,000 due to the reinstatement of City managed Soccer activities ($35,000), fully funding vacant positions that provided savings in Fiscal Year 2012-13 ($200,000), moving arts budget from the General Fund to the Recreation Fund ($33,000), and labor agreement driven salary increases ($75,000). The Fiscal Year 2012-13 Recreation subsidy was lowered from prior years because of $375,000 in one-time funds available for recreation activities. The 2013-14 recreation General Fund subsidy is consistent with prior year subsidies.

   b. Successor Agency/Redevelopment expenses have reduced in this budget based on recent experience as the winding down of redevelopment activities continues, thus reducing the subsidy from general fund by $319,000.

Funding for capital projects has increased by $690,000 to make a small dent in deferred repairs on City buildings and infrastructure. This includes roof replacements, entry improvements, animal shelter repairs, and drinking fountain repairs, to name a few.

Other City Funds

Included in the Proposed Budget document are balanced pro forma schedules for all other City funds. In the body of the document, grouped by the departments that retain responsibilities for each fund, there are pro forma schedules for each special fund that includes actual expenditures and revenues for the two prior fiscal years, a year-end projection for the current fiscal year, and a proposed 2013-14 budget. Included also is a brief bulleted summary of the history, current year issues and significant developments, and comments about significant elements of the 2013-14 budget being proposed. Highlights are described below:

Police

The Police Department is responsible for five funds: Police Measure W, Asset Seizure, COPS State Block Grant, Special Revenue Grants, and Police Special Revenue. Notable elements of the 2013-14 proposed budgets for these funds include the following:

- The Police Measure W fund continues to pay the salaries, benefits, equipment and supplies for 23 Police Officer positions. Measure W sales tax proceeds are projected to grow by approximately 3% from current projected revenue.
- In the Asset Seizure Fund revenues continue to decline. The available funds will be used to fund safety equipment and supplies.
- The COPS fund will continue to pay salaries and benefits for seven Community Service Officers.
- In the Special Revenue Grant Fund, the Federal COPs Hiring Grant for 17 new entry-
level Police Officers was budgeted to begin in the current year when the Department reached 344 filled sworn positions which may occur as early as January 2014 provided there are no further officer exits. This funding remains available and is programmed in the Fiscal Year 2013-14 Proposed Budget.

Fire

The Fire Department is partially responsible for three funds: Fire Development Services, Fire Measure W, and Fire Special Revenue.

- The Fire Measure W fund continues to pay the salaries, benefits, equipment and supplies for 23 firefighter positions. Measure W sales tax proceeds are projected to grow by approximately 3% from current projected revenue.
- The Fire Department is implementing an Alternative Response Program (ARP) as a new service to provide a smaller vehicle and a two-person crew to respond to increased lower priority medical and small fire calls. This will be funded only by Measure W funds. Two Fire Fighters have been added to the budget in support of this new program. This program is expected to lower overall cost of vehicle operations by lowering the cost of operating emergency response units, reducing the cost of acquiring fire and medical response vehicles and reducing the wear and tear on the larger fire engines and trucks. The ARP also is expected to increase efficiency of response to lower level medical calls by using smaller units and crew size while at the same time will increase fire engine and ladder truck efficiency for higher priority incidents. An evaluation of the ARP will be conducted and a report will be prepared on the outcome after one year of ARP’s implementation.

Community Services

The Community Services Department is responsible for three fund groups: Library, Recreation, and Golf.

- The proposed 2013-14 budget for the Library Fund requires a General Fund subsidy of $4 million. This pays for the City portion of the County-wide Library system operated by Stockton. The proposed budget does not reflect any service reductions or enhancements.
- The proposed 2013-14 budget for the Recreation Fund requires a subsidy of $2.8 million. Although many Recreation programs are funded through registration and rental fees, historically the fee structure was developed to maximize recreational opportunities for the community, and has not traditionally been solely based on full cost recovery for facilities, administration and overhead. To fill this gap the General Fund subsidy will primarily be used to support Youth Sports and Community Centers. A small portion will also fund recreation facilities such as the Teen Center, Civic Auditorium, Weber Point Events Center, community pools, Tennis Center and Silver Lake Family Camp. The proposed budget for this fund reflects no service changes except the reinstatement of City managed soccer complex operations.
- The proposed 2013-14 budget for the Golf Fund requires a General Fund subsidy of $450,000, down from the $500,000 included in the 2012-13 current budget. Rounds of play and revenue are down at both City courses due to increased competition from area courses and an overall drop in golf play. Kemper Sports Inc., the City’s Golf operator,
has submitted a plan to increase marketing efforts in an attempt to reduce the subsidy requirements.

Community Development

The Community Development Department is responsible for one fund: the Development Services fund.

- In the Community Development section of this fund, the Fiscal Year 2012-13 current year budget included for the first time a General Fund subsidy of $1.0 million. It was determined that there were a number of services and initiatives in this department that are more appropriately charged to the General Fund rather than recovered through development fees. The $1.0 million will be used to cover these general government costs each year beginning in Fiscal Year 2012-13 and going forward. For 2012-13 only $180,000 of the $1 million subsidy is expected to be spent. Plans are underway to carryover the balance and use this resource for several one-time costs such as completion of the Fee Study, a major update of the General Plan, an update of the Housing Element based on the new cycle of Regional Housing Needs Assessment (State mandated), an update of the Municipal Services Plan (State mandated), an update of CEQA environmental review thresholds and processes, an update of the Development Code, re-crafting of the Design Guidelines with a focus on Downtown transit oriented, mixed use development opportunities, and makeover of the website to support the application and issuance of on-line permits for routine construction activities. The FY 2013-14 General Fund subsidy is expected to be used for on-going costs in a reorganization plan. A comprehensive review was conducted by Management Partners, Inc. and the Urban Land Institute which made over 60 recommendations. In response to the recommendations, the department is bringing forth this reorganization plan for review and consideration which includes four new positions.

Public Works

The Public Works Department is responsible for seven funds: Street Maintenance Gas Tax, Boat Launching Facilities, Solid Waste and Recycling, Lighting Maintenance District, Assessment District Maintenance, and Measure K Maintenance.

- In the Street Maintenance Gas Tax fund, funding is proposed to be used to fill cracks and patch streets between Eight Mile Road and Hammer Lane, as part of a 6 year cyclical program to address failing streets. Funding is also included to continue re-stripping arterial and collector streets, to address deteriorated pavement markings that have not been maintained for several years (over 50 miles), as well as to start replacing large overhead street name signs on arterials. Signs on Pacific Avenue will be replaced. Funding will also continue reflectivity upgrades of all regulatory and warning signs required by Federal mandate. Signs between Harding Way and March Lane will be replaced. This will bring all signs into compliance prior to the 2017 deadline. Activities will also complete annual traffic signal controller preventative maintenance inspections for 305 controllers, and an upgrade of 13 traffic signal controllers in the Weston Ranch area to complete a multi-year program to upgrade 138 intersections. Proposed expenditures will exceed revenue by almost $620,000. This will reduce the
In the Solid Waste and Recycling Fund projected revenues reflect a 1.59% annual CPI adjustment for residential and commercial service. An increase in program expenses is included which will provide funds for tree trimming related to street sweeping, a financial consultant for franchise agreement analysis, translation services for printed outreach material, and a capital improvement project to build a storage facility for existing solid waste and recycling containers at Louis Park.

In the Measure K Maintenance Fund, revenues are projected to increase by approximately 5%. Of the funding projected, $2 million is budgeted for several capital projects including the required matches for a number of City projects. The transfer to the Gas Tax Fund has been budgeted to increase slightly to $2 million to account for the additional electrical costs for street lighting and traffic signals, and maintenance costs for the Traffic Control System.

In the Boat Launching Facilities Fund fees will not be changed from the current rates. Expenditures for security services and maintenance and repair services are being increased slightly. With the budgeted assumptions, revenues are projected to exceed expenditures.

Economic Development

The Economic Development Department is responsible for the various Housing funds, as well as the City Administration Building, Central Parking District, and Downtown Marina Complex funds. The department formerly oversaw the Redevelopment Agency funds prior to the dissolution of the Agency. The General Fund will be required to fund administrative and overhead costs for the Successor Agency, due to the fall-off in tax increment proceeds. Those costs, estimated at $750,000, are included as a transfer in the General Fund Budget.

Included in the Housing funds is the impact of an additional 8% decrease in the CDBG entitlement on top of last year’s 18% decrease, and an additional 8% reduction in the HOME entitlement grant. This will result in reductions to the CDBG Housing Loan Pool, Sub-Recipient Assistance, and the budget for CDBG and HOME Administration and Program Delivery.

The Administration Building Fund is used to account for costs associated with the 400 E. Main building. The proposed budget reflects only a small amount of funding for administrative costs and tracking of any related City expenses for the building. The City no longer has control of the building since the Trustee assumed control of the building on behalf of Assured Guaranty Trust on June 1, 2012. The City continues to lease the fourth floor of this building and expense the costs to the Computer Internal Service Fund.

The Central Parking District Fund proposed budget reflects revenue and costs for the City garage and parking lots remaining after Trustee Wells Fargo took possession of the Market Street, Coy and Arena garages last year after the City defaulted on its debt payments. No increases to monthly or hourly fees are planned for next fiscal year.

The proposed Fiscal Year 2012-13 budget for the Downtown Marina Complex will again require a subsidy from the General Fund in the amount of $160,000. The increase in events planned at Weber Point and the Arena have increased revenues in the transient/guest docks. Marina staff will increase marketing efforts to attempt to increase short-term berthing and boat launching revenue.
Municipal Utilities Department

The Municipal Utilities Department is responsible for three fund groups: Water Enterprise, Wastewater Enterprise, and Stormwater Enterprise.

- Water user rates and connection fees are projected to be increased by the Consumer Price Index (CPI). Construction of the Ammonia Facilities Project is expected to be completed by June 2014.
- In the Wastewater Fund, the fourth year rate increase of 9%, of the approved 5 year tiered increase plan, is reflected. The tiered structure was designed to ensure adequate coverage required by the bond covenants and to fund the Capital Improvement and Energy Management plans. The Phase 2 projects identified in the CIEMP have been separated into five packages with three RFPs to be released this year with the Headworks Project. Activities during coming year will focus on meeting all requirements of the Consent Decree for the collections system and to successfully negotiate the new National Pollutant Discharge Elimination System (NPDES) permit.
- As rates are capped in the Stormwater Fund, some required NPDES program elements have been reduced to stay within projected revenue levels. No funding is available for needed infrastructure repairs. The Fiscal Year 2013-14 Proposed Budget for this fund is balanced, but without a rate increase, there is General Fund exposure for this fund in future years if NPDES requirements are to be met. A new permit is anticipated by October 2013 which may include additional requirements that further strain this fund’s budget. Plans to attempt another Proposition 218 ballot measure to increase revenue are under review.

City Manager and Administrative Services

The City Manager’s Office, in addition to being responsible for the entire City budget, monitors and manages one fund, the Entertainment Venues Fund:

- The Fiscal Year 2013-14 General Fund subsidy for the Entertainment Venues Fund is estimated at $2.6 million. This compares to $3.2 million under the previous facilities manager (IFG).

Internal Service Funds

There are 12 Internal Service Funds: Four of the funds are overseen by the Administrative Services Department (Computer Equipment, Radio Equipment, Telephone Equipment, and Office Equipment). Seven Internal Services Funds are overseen by the Human Resources Department (General Liability, Workers Compensation, Health Insurance, Unemployment, Long-Term Disability/Life Insurance, Retirement Benefits and Compensated Absences). One (Fleet) is managed by the Public Works Department. These Internal Service Funds can be categorized as Equipment or Benefits. During the course of developing each fund’s allocation rates, an evaluation was done on the methodology used to determine and distribute rates, in addition to evaluation of the costs associated with each fund. Methodologies for most Equipment type of Internal Service Funds were improved to follow consistent and logical calculations while eliminating duplications. This process created some fluctuations in costs between departments, such as a fleet increase to the Police Department and a decrease to the Fire Department; however these improvements did not significantly impact the
overall costs being allocated. Notable elements of the Fiscal Year 2013-14 Proposed Budget for Internal Service Funds include the following:

- The proposed Fleet Budget includes an increase of $120,000 for fleet operations, maintenance, fuel and replacement vehicles.
- The Computer Equipment budget includes approximately $2.1 million that was set aside for implementing the Citywide Technology Strategic Plan projects which have been approved by Council. This does not come close to meeting our needs. The Plan spans five years and some projects have shifted into future years beyond their initial planning but within the five year model. These planning changes have been reflected in the Fiscal Year 2013-14 budget and will be reported to Council through a separate Citywide Technology Strategic Plan update report. The budget for computer replacements has been budgeted at $200,000 above last year.
- In the Risk Services and Workers Compensation Funds proposed budget, insurance rates charged to the departments have been raised to reflect the higher cost of insurance coverage. These funds are still carrying huge fund balance deficits in the Liability and Workers Compensation Funds because past administrations did not budget adequate contributions of the General Fund and other Funds to finance accrued long-term liabilities.
- In the Health Benefits Fund the proposed increase in the City contribution to health for active employees increased revenues from other City funds by $1.3 million. The increase in City contributions were offset by the elimination of contributions to retiree health per the Pendency Plan ($3.9 million). Human Resources staff will be working to ensure compliance with the Affordable Care Act provisions mandated for January 1, 2014.

Successor Agency to the former Stockton Redevelopment Agency

Administrative Budget

The Successor Agency may request an administrative cost allowance on its ROPS. However, staff does not believe there will be sufficient funds to cover all enforceable obligations and the administrative allowance. Because of this, staff did not budget receipt of the administrative cost allowance in Fiscal Year 2013-2014. If property tax revenues are higher than anticipated, and funding becomes available in the Redevelopment Property Tax Trust Fund, staff will request the three percent (3%), or $250,000 minimum allowance as allowed under AB x1 26. Any administrative cost allowance awarded will reduce the general fund subsidy required by the Successor Agency.

The annual administrative budget is $750,000. This is a reduction from the previous year’s budget of $1,319,248. The Successor Agency will require a subsidy from the general fund until funding for the administrative cost allowance becomes available and is sufficient to cover the cost of managing the Successor Agency. The subsidy has declined significantly since Fiscal Year 2011-12. The approved subsidy that year was $3.1 million. In Fiscal Year 2012-13 the general fund subsidy budget was reduced to $1,069,248. Due to a decrease in legal activity and expenses, the subsidy required for Fiscal Year 2013-14 is down to $750,000. Any savings in expenditures during the fiscal year will reduce the amount of general fund subsidy provided to the Successor Agency. The administrative budget consists of $270,000 for ongoing litigation and legal expenses, $50,500 for
assessments, $334,000 in staff costs, and $95,500 in operating and maintenance costs. Staff costs are approximately $200,400 for Economic Development Department personnel that directly support the Successor Agency, and $133,600 for other City staff providing indirect support. Administrative expenses such as litigation costs for assets or obligations and maintenance will be listed on the ROPS, and may be paid with property tax revenues if approved by the DOF.

**Revenues and Expenditures - Successor Agency**

Property tax revenues dropped from $25 million in Fiscal Year 2008-09 to less than $9 million in Fiscal Year 2012-13. Staff projects property tax revenues to remain level in Fiscal Year 2013-14. While property tax revenues have leveled off, bond debt service payments continue to rise. Debt service payments in the prior fiscal year were paid due to a working capital conversion of unspent bond proceeds which was completed prior to the dissolution of the Redevelopment Agency. Working capital proceeds have been depleted. Without this additional source of funds the Successor Agency projects that it will not have sufficient funds to pay all enforceable obligations in the 2013-2014 annual budget.

The Successor Agency is working with the County Auditor-Controller to take steps necessary to subordinate payments to taxing entities when allowed, and to obtain updated estimates of property tax revenues as they become available, to meet all of the enforceable obligations, including bond debt service. The project area budgets (Exhibit 1 to the Resolution) are for planning purposes only. Successor Agency payment obligations must be submitted on the ROPS before each six-month fiscal period and go through the review and approval process. A new estimate of property tax revenues will be provided by the County Auditor-Controller before each filing period which may be different from the proposed budget.

The annual budget, including administrative costs, is $10,159,578. Of that amount, ninety-one percent (91%), $9,291,376, is for debt service. Pass through payments are not included in this budget, as that process is now handled by the County Auditor-Controller, and deducted from the amount of property tax revenues available to the Successor Agency. Pass through payments represent the local taxing entities’ share of property tax revenues. The taxing entities include San Joaquin County, the City, schools, and special districts such as the San Joaquin Regional Transit District and the San Joaquin County Mosquito and Vector Control District.

Under AB x1 26, property tax revenues are disbursed to the Successor Agency’s Redevelopment Obligation Retirement Fund for the amount needed to meet obligations listed on the approved ROPS, up to the amount of tax increment that would have been available had the Redevelopment Agency not been dissolved. The Successor Agency receives payment of property tax revenues on June 1 and January 2 of each year. The June 1 disbursement is for obligations listed on the July through December ROPS; and the January 2 disbursement is for the January through June ROPS. This budget recognizes revenues and expenditures during the fiscal year in which they are received or paid. Revenues received in June are transferred from the project area funds to the debt service funds, and will not be expended until the following fiscal year.

The ROPS for July 1, 2013 through December 31, 2013 was amended and approved by the DOF on April 13, 2013. Staff will return in September to begin the approval process for the ROPS covering the final six months (January 1, 2014 through June 30, 2014) of the 2013-2014 fiscal year.
FY 2013-14 Budget Adoption - Conclusion

The organization remains very focused on our City’s recovery and on long-term sustainability. The most pressing two initiatives that will have the greatest impact on our recovery are: getting a bankruptcy (exit) plan of adjustment approved by the court and implementing our new Marshall Plan on Crime. The pall and confusion of bankruptcy and the concerns about our crime rates are preventing robust investment in our economy. The strength or weakness of our economy impacts our financial sustainability as a city. As a result, we cannot recover without both exiting bankruptcy and implementing our Marshall Plan on Crime.

The City's general fund is obviously insolvent in the immediate and long-term. We have a temporary reprieve by not paying certain creditors under the protection of Chapter 9; however, we cannot suspend payments to all these creditors indefinitely. We eventually have to negotiate a new payment schedule that hopefully provides us some permanent debt reduction and near-term relief. We plan to propose a Plan of Adjustment for our other creditors sometime in the third quarter of this calendar year. However, the City financial picture is so dire any Plan will likely be contingent on a request from tax payers for more revenues to simply maintain general fund insolvency for the modest services we have now. At the same time, we plan to ask voters for more resources to restore police services in a very strategic way as found in the Marshall Plan. These two needs should be addressed at the same time, via one request from our citizenry, hopefully this fall.

The City of Stockton, its citizens, the City Council and City staff have all made tremendous sacrifices and adjustments. The City staff will continue to work hard for our citizens during a time of great stress. We have accomplished a huge milestone in the bankruptcy process, with our determination of eligibility, despite opposition from a well- financed group. Like all of you, I am looking forward to getting through this very difficult and complex restructuring and exiting bankruptcy so we can return 100 percent of our focus on providing the best for our city.
FINANCIAL SUMMARY

This report recommends for adoption the City’s Fiscal 2013-2014 Annual Budget of $524,713,012. This budget continues the general fund Pendency Plan under Chapter 9 protection of the federal bankruptcy code and reflects the expenditure priorities pending confirmation of a plan of adjustment to exit Chapter 9.

Included in the City’s Fiscal 2013-2014 Annual Budget is the Successor Agency 2013-2014 Annual Budget subsidy from the general fund of $750,000. The Successor Agency will fund the remaining expenditures with property tax revenues received in June and January of each year. Funds from the June 1, 2013 payment of property tax revenues have been set aside for the September 2013 debt service payments. Property tax revenues from June 2013 and January 2014 are not expected to be sufficient to cover all debt service payments. The Successor Agency staff will continue to work with the County Auditor-Controller’s Office, the DOF, and legal counsel to make every effort to meet the obligations of the former Stockton Redevelopment Agency.

The full documents of the City’s Proposed 2013-2014 Annual Budget, the Proposed 2013-2018 Capital Improvement Program, and the Proposed 2013-2014 Fee Schedule are available for review on the City’s website, www.stocktongov.com or in the City Clerk’s office.

Attachment A - City of Stockton Public Facility Fees 2013-14 Fee Schedule
The listed Public Facility Fees have not been increased for the fiscal year 2013-14.

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Amount</th>
<th>Proposed Amount</th>
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</thead>
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<tr>
<td><strong>Air Quality (Fee Schedule Page Number F-94)</strong></td>
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<td><strong>Community Recreation Centers (Fee Schedule Page Number F-96)</strong></td>
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<td>Warehouse/Low Density (per 1,000 sq. ft.)</td>
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<tr>
<td><strong>Residential - Greater Downtown Area</strong></td>
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<tr>
<td>Single Family Units (per unit)</td>
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<td>NO CHANGE</td>
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<tr>
<td>Multiple Family Units (per unit)</td>
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</tr>
<tr>
<td>Guest Rooms (per room)</td>
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<tr>
<td><strong>Residential Projects - Existing City Limits</strong></td>
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<tr>
<td>Single Family Units (per unit)</td>
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<td>NO CHANGE</td>
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<tr>
<td>Multiple Family Units (per unit)</td>
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<td>NO CHANGE</td>
</tr>
<tr>
<td>Guest Rooms (per room)</td>
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<td><strong>Fire Stations (Fee Schedule Page Number F-98)</strong></td>
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<td>Guest Rooms (per room)</td>
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<tr>
<td>Single Family Units (per unit)</td>
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<td>NO CHANGE</td>
</tr>
<tr>
<td>Multiple Family Units (per unit)</td>
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<td>NO CHANGE</td>
</tr>
<tr>
<td>Guest Rooms (per room)</td>
<td>$44.50</td>
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<tr>
<td><strong>Libraries (Fee Schedule Page Number F-100)</strong></td>
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<td>Warehouse/Low Density (per 1,000 sq. ft.)</td>
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<tr>
<td>Residential - Greater Downtown Area</td>
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</tr>
<tr>
<td>-----------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Single Family Units (per unit)</td>
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</tr>
<tr>
<td>Guest Rooms (per room)</td>
<td>$85.50</td>
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</table>

| Parkland (Fee Schedule Page Number F-100) |
|------------------------------------------|--|
| Residential                               |
| Single Family Units (per unit)            | $2,798.00  |
| Multiple Family Units (per unit)          | $1,712.00  |
| Guest Rooms (per room)                    | $85.50  |

| Non-Residential                           |
| Office/High Density                       | EXEMPT  |
| Retail/Medium Density                     | EXEMPT  |
| Warehouse/Low Density                     | EXEMPT  |

| Police Station Expansion (Fee Schedule Page Number F-102) |
| Non-Residential                                      |
| Office/High Density (per 1,000 sq. ft.)             | $106.00  |
| Retail/Medium Density (per 1,000 sq. ft.)          | $54.00  |
| Warehouse/Low Density (per 1,000 sq. ft.)         | $62.00  |

| Residential - Existing City Limits |
| Single Family Units (per unit)      | $591.00  |
| Multiple Family Units (per unit)    | $497.00  |
| Guest Rooms (per room)              | $99.50  |

| Residential - Greater Downtown Area |
| Single Family Units (per unit)      | EXEMPT  |
| Multiple Family Units (per unit)    | EXEMPT  |
| Guest Rooms (per room)              | $99.50  |

| Street Improvements (Fee Schedule Page Number F-104) |
| Single Family Units                     |
| Greater Down Town Area, per unit        | EXEMPT  |
| 10/14/2008 Citywide Except Downtown, per unit | $6,613.00  |
| Beyond 10/14/2008 City Limits, per unit | $13,226.00  |

| Multiple Family Units                   |
| Greater Down Town Area, per unit        | EXEMPT  |
| 10/14/2008 Citywide Except Downtown, per unit | $4,828.00  |
| Beyond 10/14/2008 City Limits, per unit | $9,656.00  |

| Guests Rooms                            |
| Greater Down Town Area, per room        | $5,157.50  |
| 10/14/2008 Citywide Except Downtown, per room | $5,157.50  |
| Beyond 10/14/2008 City Limits, per room | $10,315.00  |

| Commercial - City Wide                  |
| Office/High Density, per 1,000 square feet | $2,412.00  |
| Retail/Medium Density, per 1,000 square feet | $3,177.00  |
| Warehouse/Low Density, per 1,000 square feet | $931.50  |

| Street Trees (Fee Schedule Page Number F-105) |
| Tree without root barrier, per tree         | $140.00  |
| Tree wells with root barrier, per tree      | $195.00  |

<p>| Traffic Signals (Fee Schedule Page Number F-107 to F-109) |
| Single Family Detached (PURD SFT) per D.U. Units - 10 Trip Ends per Unit | $110.00  |
| Condominium (PURD SFA) per D.U. Units - 8.6 Trip Ends per unit | $94.00  |
| Mobile Home per D.U. Units - 5.4 Trip Ends per unit | $59.00  |
| Apartment per D.U. Units - 6.1 Trip Ends per unit | $66.50  |
| Retirement Village per D.U. Units - 3.3 Trip Ends per unit | $36.00  |
| Hotel per Room Units - 11 Trip Ends per unit | $122.00  |
| Motel per Room Units - 9.6 Trip Ends per unit | $106.00  |
| Daycare/Preschool per Student Units - 5 Trip Ends per unit | $55.00  |
| Daycare/Preschool per 1,000 sq. feet Units - 79 Trip Ends per unit | $866.00  |
| Elementary–Intermediate School per Student Units - 0.5 Trip Ends per unit | $5.50  |
| High School per Student Units - 1.2 Trip Ends per unit | $13.25  |
| Junior College–Community College per Student Units - 1.6 Trip Ends per unit | $17.75  |
| University per Student Units - 2.4 Trip Ends per unit | $26.50  |
| Church &amp; Accessory Use per 1,000 sq. feet Units - 7.7 Trip Ends per unit | $84.50  |
| Industrial-Warehouse-Manufacturer per 1,000 sq. feet Units - 7.6 Trip Ends per unit | $83.25  |</p>
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<td>Truck Terminal--Distribution Center per 1,000 sq. feet</td>
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<td>Boat Launching Ramp per Space Units - 3 Trip Ends per unit</td>
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<td>Free Standing Retail per 1,000 sq. feet</td>
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<td>Service Station--more than 2 pumps or 4 nozzles per Site Units</td>
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<td>Used Car (No service) per Acre Units</td>
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<td>$603.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>New Car/New Boat Dealer per 1,000 sq. feet</td>
<td>-</td>
<td>$485.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>Auto Center Dealership per 1,000 sq. feet</td>
<td>-</td>
<td>$342.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>General Auto Repair/Body Shop per 1,000 sq. feet</td>
<td>-</td>
<td>$298.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Self Service Car Wash per Stall Units</td>
<td>-</td>
<td>$571.00</td>
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<tr>
<td>Automatic Car Wash per Site Units</td>
<td>-</td>
<td>$9,859.00</td>
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<tr>
<td>Auto Supply per 1,000 sq. feet</td>
<td>-</td>
<td>$976.00</td>
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<tr>
<td>Drug Store/Pharmacy per 1,000 sq. feet</td>
<td>-</td>
<td>$482.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Discount Store per 1,000 sq. feet</td>
<td>-</td>
<td>$780.00</td>
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<tr>
<td>Supermarket per 1,000 sq. feet</td>
<td>-</td>
<td>$1,373.00</td>
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<tr>
<td>Convenience Market per 1,000 sq. feet</td>
<td>-</td>
<td>$6,293.00</td>
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<tr>
<td>Convenience Markets dispensing fuel--maximum of 2 pumps/4 nozzles per 1,000 sq. feet</td>
<td>-</td>
<td>$9,718.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>Clothing Store per 1,000 sq. feet</td>
<td>-</td>
<td>$343.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>Paint/Hardware Store per 1,000 sq. feet</td>
<td>-</td>
<td>$562.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Variety Store per 1,000 sq. feet</td>
<td>-</td>
<td>$157.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Video Rental Store per 1,000 sq. feet</td>
<td>-</td>
<td>$628.00</td>
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<tr>
<td>Furniture/Appliance Store per 1,000 sq. feet</td>
<td>-</td>
<td>$47.50</td>
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<td>Department Store per 1,000 sq. feet</td>
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<td>$391.00</td>
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<tr>
<td>Hair Salon/Dog Grooming per 1,000 sq. feet</td>
<td>-</td>
<td>$279.00</td>
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<tr>
<td>Bar/Tavern per 1,000 sq. feet</td>
<td>-</td>
<td>$438.00</td>
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<td>Laundromat/Dry Cleaners per 1,000 sq. feet</td>
<td>-</td>
<td>$548.00</td>
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<tr>
<td>Bakery/Craft Store/Yogurt Shop per 1,000 sq. feet</td>
<td>-</td>
<td>$482.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Carpet-Floor/Interior Decorator per 1,000 sq. feet</td>
<td>-</td>
<td>$61.00</td>
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<tr>
<td>Bank per 1,000 sq. feet</td>
<td>-</td>
<td>$2,081.00</td>
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<td>Banks with Drive-up Facilities per 1,000 sq. feet</td>
<td>-</td>
<td>$3,178.00</td>
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<tr>
<td>Free Standing Automatic Teller per Unit</td>
<td>-</td>
<td>$1,753.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Savings &amp; Loan/Mortgage Co. per 1,000 sq. feet</td>
<td>-</td>
<td>$662.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Restaurant-Quality per 1,000 sq. feet</td>
<td>-</td>
<td>$1,046.00</td>
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<tr>
<td>Restaurant-Dinner House per 1,000 sq. feet</td>
<td>-</td>
<td>$617.00</td>
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<tr>
<td>Restaurant-High Turnover/Sit Down per 1,000 sq. feet</td>
<td>-</td>
<td>$1,801.00</td>
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<tr>
<td>3N 8/25/2012 Restaurant-Fast Food per 1,000 sq. feet</td>
<td>-</td>
<td>$8,514.00</td>
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<tr>
<td>Restaurant-Fast Food with Drive-thru per 1,000 sq. feet</td>
<td>-</td>
<td>$7,450.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Library per 1,000 sq. feet</td>
<td>-</td>
<td>$497.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>Hospital per bed Units</td>
<td>-</td>
<td>$135.00</td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>Hospital per 1,000 sq. feet</td>
<td>-</td>
<td>$186.00</td>
<td>NO CHANGE</td>
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<tr>
<td>Nursing Home per bed Units</td>
<td>-</td>
<td>$30.00</td>
<td>NO CHANGE</td>
</tr>
</tbody>
</table>
Clinic/Weight Loss/Aerobics/Karate/Dance per 1,000 sq. feet Units - 23.8 Trip Ends per unit | $262.00 | NO CHANGE
Medical Office per 1,000 sq. feet - 54.6 Trip Ends per unit | $597.00 | NO CHANGE
General/Medical office per 1,000 sq. feet - 36.9 Trip Ends per unit | $405.00 | NO CHANGE
General Office (in square feet) - Less than 100,000 per 1,000 sq. feet Units - 17.70 Trip Ends per unit | $195.00 | NO CHANGE
General Office (in square feet) - Over 100,000 per 1,000 sq. feet Units - 14.30 Trip Ends per unit | $156.00 | NO CHANGE
Office Park per 1,000 sq. feet Units - 11.4 Trip Ends per unit | $125.00 | NO CHANGE
Government Offices per 1,000 sq. feet Units - 68.9 Trip Ends per unit | $755.00 | NO CHANGE
Public Clubhouse/Meeting Rooms, Halls per 1,000 sq. feet Units - 19 Trip Ends per unit | $208.00 | NO CHANGE
Recreation Center (Private Dev.) per 1,000 sq. feet Units - 30 Trip Ends per unit | $328.00 | NO CHANGE
Family Recreation Center-Billiards, etc. per 1,000 sq. feet Units - 60.4 Trip Ends per unit | $662.00 | NO CHANGE
Batting Cages per Cage Units - 6 Trip Ends per unit | $65.50 | NO CHANGE
Tennis/Racquetball Club per Court Units - 30 Trip Ends per unit | $328.00 | NO CHANGE

### Other Agency Public Facility Fees (not set by City)

<table>
<thead>
<tr>
<th>Fee Area</th>
<th>Fee Schedule Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Land Mitigation</td>
<td>F-93</td>
</tr>
<tr>
<td>County Facilities</td>
<td>F-97</td>
</tr>
<tr>
<td>Habitat Fees</td>
<td>F-99</td>
</tr>
<tr>
<td>Regional Transportation Impact Fee</td>
<td>F-103</td>
</tr>
</tbody>
</table>

Some of the fees have been discounted by 50% based on Council Resolution 2012-12-11-1601. The discount expires on December 31, 2013. The discounted fees include:

1. Citywide Non-residential Fee Reduction Program: For non-residential projects located anywhere in the City (including parcels annexed into the City throughout the duration of the program), the following public facilities fees will be reduced by fifty percent.
   a. City Office Space
   b. Community Recreation Centers
   c. Libraries
   d. Fire Stations
   e. Police Stations
   f. Street Improvements

2. Residential Fee Reduction Program (all developers): Within the "existing Stockton city limits," as defined in the 2008 Attorney General Settlement Agreement, all residential projects will receive a fifty percent reduction of certain public facilities fees. Those fees include:
   a. City Office Space
   b. Community Recreation Centers
   c. Libraries
   d. Street Improvements

On May 16, 2013, the City Manager presented the City Council with a Proposed 2013-2014 Annual Budget in accordance with City Charter, Article XIX, Section 1906, 2013-2018 Proposed Capital Improvement Program, and 2013-2014 Proposed Fee Schedule; and

The Proposed 2013-2014 Annual Budget includes a Statement of Policy for each City department in accordance with City Charter, Article IV, Section 409 which, among other provisions, sets forth department broad goals, objectives, and aspirations; and

The Proposed 2013-2014 Annual Budget continues the Pendency Plan under Chapter 9 protection of the federal bankruptcy code. This reflects the expenditure priorities pending confirmation of a plan of adjustment to exit Chapter 9; and

The City Council scheduled and conducted Budget Workshops on June 3 and 4, 2013, to review projections and alternative plans, to allow for public discussion, and to provide direction in the preparation of the annual budget. These workshops included the Proposed 2013-2014 Annual Budget, Proposed 2013-2018 Capital Improvement Program, and Proposed 2013-2014 Fee Schedule; and

On June 25, 2013, the City Council conducted a duly noticed public hearing on the Proposed 2013-2014 Annual Budget, the Proposed 2013-2018 Capital Improvement Program, and the Proposed 2013-2014 Fee Schedule; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Proposed 2013-2014 Annual Budget, as submitted by the City Manager and revised in the June 25, 2013, Budget Public Hearing staff report and Exhibit 1 of this resolution, $524,713,012 City-wide appropriation, is adopted.

2. The number of full-time positions authorized under the Proposed 2013-2014 Annual Budget is 1,439 as detailed in Appendix 2.

3. The 2013-2018 Capital Improvement Program is approved and the specific projects listed for 2013-2014 are appropriated.
4. The Proposed Fee Schedule is approved, effective July 1, 2013, and any fee changes that are not effective July 1, 2013, are noted in the Proposed 2013-2014 Fee Schedule.

5. An appropriation limit is established in the amount of $272,173,088 for Fiscal Year 2013-2014 pursuant to the requirements of the California Government Code. The City of Stockton selected the “change in California per capita personal income” for the “change in cost of living” component and the change in annual population for the County of San Joaquin as of January 1, 2012, component in the calculation of the appropriation limit.

6. The threshold for which contracts must be approved by the City Council is hereby increased by $747 to $32,123 effective July 1, 2013, for Fiscal Year 2013-2014, in accordance with the annual inflation adjustment authorized by Ordinance No. 007-94 C.S., which amended Section 3.68.040 of the Stockton Municipal Code.

7. The unencumbered ending available general fund balance as of June 30, 2013, shall be transferred to the Bankruptcy Fund, account 012-0139-510, and shall be used to cover costs for Chapter 9 project management, litigation, and negotiations with our creditors, with remaining money available to pay our creditors as settlements for claims.

8. The budget appropriation for certain of the City’s debt service payments for obligations in default are authorized under protection of Chapter 9 bankruptcy from payments received from insurance settlements that are subject to the City’s bankruptcy filing and confirmation of plan of adjustment.

9. The following administrative actions required to implement the 2013-2014 Annual Budget are authorized:
   
a) The City Manager or his designee is authorized to abolish positions and/or reduce and reorganize personnel, programs, services, departments, offices, or agencies and take such other action as is necessary to maintain a balanced budget.

   b) For the purpose of implementing department restructuring, the City Manager is authorized to make adjustments in classifications, including salary adjustments, to ensure comparability with similar classifications to maintain equity in the City’s salary schedules as recommended by the Human Resources Department classification studies and reviews, and to incorporate changes into the Salary Schedule, as appropriate.

   c) The City Manager or his designee is authorized to make technical corrections to the 2013-2014 Adopted Budget not to exceed $32,123 per correction.
d) The City Manager or his designee is authorized to establish appropriations for and expend grant funding received during the year where the grant funds and any matching City funds are under the Council threshold of $32,123 as established above.

e) The City Manager or his designee is authorized to establish revenue estimates and corresponding budget appropriations in Trust Special Revenue funds as donations are received during Fiscal Year 2013-2014.

f) The City Manager or his designee is authorized to establish revenue estimates and corresponding budget appropriations in General Fund Fire Department as needed during Fiscal Year 2013-2014 to recognize the costs, and the subsequent reimbursement of those costs, for providing wild-land firefighting and other disaster response services requested by state or federal governments.

g) The City Manager or his designee is authorized to fill additional Special Revenue Fund positions, such as grant funded and contract reimbursement positions, if additional funding becomes available.

h) The indirect cost rate, as detailed in the City of Stockton Full Cost Allocation Plan and OMB-87 Plan, shall be charged to all applicable capital project funds, as project funding and regulations permit.

i) The City Manager or his designee is authorized to transfer funds from eligible capital project funds to the Public Art Fund (306) to implement the Fiscal Year 2013-2014 Public Art Plan, as approved by Council, including transfers relating to mid-year appropriations to capital projects eligible for public art contributions.

j) The City Manager or his designee is authorized to engage services as necessary for the Chapter 9 process that are within the budget appropriation for this purpose without pre-approval by the City Council but subject to quarterly reporting in open or closed sessions, as appropriate and necessary to protect attorney client privilege regarding the City’s Chapter 9 strategy and investment level.

k) The City Manager or his designee is authorized to approve temporary inter-fund borrowing within the fiscal year, and at the June 30 fiscal year end, to finance the collection period for tax, grant, and other accounts receivable. Any new inter-fund loans extending beyond these terms must be approved by the City Council. The City Manager is authorized to repay inter-fund loans when funding becomes available.
l) The City Manager or his designee is authorized to move appropriations and transfer between funds within a single budget unit, such as Municipal Utilities, Central Parking District and Federal grant funds, where multiple funds have been established for operating/tracking purposes and the fund relationship has been identified in the Fiscal Year 2013-2014 Annual Budget, or established by subsequent City Council action.

m) Payment in the amount of $46,000 is authorized to the League of California Cities for the City’s 2013-2014 membership fee. This funding is included in the proposed General Fund Non-department appropriation.

n) Payment of up to $135,000 is authorized to the Community Partnership for Families for administrative and program costs that support community outreach efforts at City of Stockton community centers. This funding is included in the proposed General Fund Non-department appropriation.

o) Level of Budgetary Control - Budgetary control is established at the following levels: a) General Fund - Department Level; b) Other Funds - Fund level; and c) Capital Projects - Project level. The City Manager or his designee may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund.

p) The City Manager or his designee is authorized and directed to take such actions as are appropriate and necessary to carry out the intent of this resolution.

PASSED, APPROVED, and ADOPTED June 25, 2013

________________________________
ANTHONY SILVA
Mayor of the City of Stockton

ATTEST:

______________________________
BONNIE PAIGE
City Clerk of the City of Stockton
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>General Fund</strong></td>
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<td></td>
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<tr>
<td><strong>Unaudited</strong></td>
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<td></td>
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</tr>
<tr>
<td><strong>Actual</strong></td>
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<td></td>
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<tr>
<td><strong>Projected</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Budget</strong></td>
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</tbody>
</table>

### Revenues

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>AB506 Funding</td>
<td>3,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapter 9 Funding</td>
<td></td>
<td>4,548,979</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>3,500,000</td>
<td>4,548,979</td>
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</tbody>
</table>

### Expenditures

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<tr>
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<th>Projected</th>
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</tr>
</thead>
<tbody>
<tr>
<td>AB506 Administration &amp; Legal</td>
<td>2,308,453</td>
<td>7,699,381</td>
<td>5,200,000</td>
</tr>
<tr>
<td>Chapter 9 Administration &amp; Legal</td>
<td></td>
<td>(1,958,855)</td>
<td>(1,907,500)</td>
</tr>
<tr>
<td>Cost Reimbursed from Other Funds</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Known Proposed Settlements</td>
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<td></td>
<td>5,100,000</td>
</tr>
<tr>
<td>Settlement Reimbursed from Other Funds</td>
<td></td>
<td></td>
<td>(1,641,000)</td>
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<tr>
<td></td>
<td>-</td>
<td>2,308,453</td>
<td>5,740,526</td>
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### Transfers

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</thead>
<tbody>
<tr>
<td>Transfer In - General Fund</td>
<td>5,592,291</td>
<td>6,912,500</td>
<td></td>
</tr>
<tr>
<td>Transfer In - Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer Out</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>5,592,291</td>
<td>6,912,500</td>
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### Net Annual Activity

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</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>6,783,838</td>
<td>5,720,953</td>
</tr>
<tr>
<td></td>
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<td>(6,751,500)</td>
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### Ending Available Balance*

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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>6,783,838</td>
<td>$12,504,791</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$5,753,291</td>
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### Encumbrances

<table>
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<tbody>
<tr>
<td>AB506 Carryover</td>
<td>$1,108,026</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Bankruptcy Commitment</td>
<td>83,521</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5,592,291</td>
<td>12,504,791</td>
<td>5,753,291</td>
</tr>
</tbody>
</table>

* Available for paying claims and related costs to exit bankruptcy, including possible election costs.

Resolution No.

SUCCESSOR AGENCY OF THE STOCKTON REDEVELOPMENT AGENCY

RESOLUTION OF THE SUCCESSOR AGENCY OF THE STOCKTON REDEVELOPMENT AGENCY ADOPTING AN ANNUAL BUDGET FOR THE 2013-2014 FISCAL YEAR AND APPROVING CERTAIN RELATED ACTIONS

The Stockton Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Stockton ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with § 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

The City Council has adopted redevelopment plans for City's redevelopment project areas and, from time to time, the City Council has amended such redevelopment plans; and

The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

Assembly Bill x1 26 ("AB x1 26") was signed by the Governor of California on June 28, 2011, and was held by the California Supreme Court to be largely constitutional on December 29, 2012; and

As a result of the Supreme Court's decision, on February 1, 2012, all California redevelopment agencies were dissolved, and successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code section 34173; and

The City Council adopted Resolution No. 11-0251 on August 23, 2011, electing for the City to serve as the Successor Agency to the Stockton Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB x1 26 ("Successor Agency"); and

Pursuant to AB x1 26, prior to each six-month fiscal period, the Successor Agency is required to prepare a Recognized Obligation Payment Schedule ("ROPS") listing all enforceable obligations; and

Pursuant to Health and Safety Code section 34177(a)(3), only payments listed in an approved ROPS may be made by the Successor Agency from the funds specified in the ROPS; and
It is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency’s payment obligations by amount, source, and schedule subsequent to the audit and approval of the ROPS; and

Pursuant to Health and Safety Code section 34177(a)(5)(J), the Successor Agency is to prepare an administrative budget and submit it to the oversight board for approval; and

The administrative cost allowance for Fiscal Year 2012-13, and each year thereafter, is up to three percent (3%) of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency; provided however, that the amount shall not be less than two hundred fifty thousand dollars ($250,000) for any fiscal year; and

The Successor Agency’s annual budget, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to this Resolution as Exhibit “1”; and

This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 et seq., hereafter the “Guidelines”), and the City’s environmental guidelines; and

This Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

All of the prerequisites with respect to the approval of this Resolution have been met; now, therefore,

BE IT RESOLVED BY THE SUCCESSOR AGENCY OF THE STOCKTON REDEVELOPMENT AGENCY, AS FOLLOWS:

1. The foregoing recitals are true and correct and are a substantive part of this Resolution and all prerequisites to its adoption have occurred.

2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB x1 26 through administrative or judicial proceedings.

3. The Successor Agency hereby adopts the annual budget for Fiscal Year 2013 – 2014, attached hereto as Exhibit 1 and incorporated herein by this reference.

4. The Successor Agency determines that this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a
direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.

5. This Resolution shall take effect upon the date of its adoption.

6. The Executive Director, or designee, is hereby authorized to take such actions as are necessary and appropriate to comply with Health and Safety Code section 34177 and the purposes and intent of this Resolution.

PASSED, APPROVED, and ADOPTED June 25, 2013.

__________________________
ANTHONY SILVA, Chairperson
of the Successor Agency of the
Stockton Redevelopment Agency

ATTEST:

__________________________
BONNIE PAIGE, Secretary
of the Successor Agency of the
Stockton Redevelopment Agency
### CITY OF STOCKTON
#### ECONOMIC DEVELOPMENT DEPARTMENT
#### SUCCESSOR AGENCY FUND - 633 ADMINISTRATION

**EXHIBIT 1**

<table>
<thead>
<tr>
<th>RDA Agency</th>
<th>Successor Agency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/11 - 1/31/12</td>
<td>2/1/12 - 6/30/12</td>
<td></td>
</tr>
</tbody>
</table>

| | Adopted Budget | Current Budget | Year to Date Actual | Year End Projection | Proposed Budget |

### Beginning Available Balance
- Prior Period Adjustment

### Revenue
- Tax Increment
- Investment Income: 2,928, 966, 3,894
- Refunds, reimbursements and others: 2,928, 966, 3,894

### Expenditures
- County Admin Fee and tax entity payments
- Administration & Overhead: 704,754, 527,198, 1,231,952
- Legal: 9,120, 9,120
- Property Taxes/Assessments: 50,000, 50,000
- City Indirect Costs: 70,000, 50,000
- Capital Projects
- Debt Service
- Arena
- Strong Neighborhoods Initiative (SNI)
- DBAW Loans
- PFF Loan
- 2003 Cops (Transfer out-GF): 783,874, 577,198, 1,361,072

### Transfers
- Transfer - Admin: 250,000, 250,000
- Transfer - Low/Mod 20%
- Transfer - Low/Mod 20% NS
- Transfer - Low/Mod 20% WF
- Transfer - Supplemental for LM Housing DS
- Transfer - 231 Debt Service
- Transfer - 201 Debt Service
- Transfer - General Fund: 530,946, 576,232, 1,107,178
- Transfer - South (WC Housing DS)
- Transfer - SNI: 780,946, 576,232, 1,357,178

### Net Annual Activity
- - - - - -

### Ending Available Balance
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<td>4,287,924</td>
<td>8,747,898</td>
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INFORMATIONAL ITEM - SUMMER PROGRAMS OFFERED BY CITY OF STOCKTON

RECOMMENDATION

This item is informational only and does not require City Council action.

Summary

At the Stockton City Council meeting held May 7, 2013, Councilmember Tubbs requested information on recreation program and activity scheduling for the summer of 2013 that is geared toward youth in Stockton. We are pleased to provide information below on what is offered by the City of Stockton and its community partners to serve the recreation and leisure demands of the community.

DISCUSSION

Background

The City of Stockton has, historically, made significant numbers of programs and activities available for members of the community, especially in summer months. The Recreation Division within Community Services has made efforts to continue the traditional wide array of offerings, despite significant decreases in staffing and funding of the past three to four years. Community organizations, volunteers, and contract relationships have been instrumental in maintaining the depth and value of City recreation programming.

Community partner organizations have stepped up to share in the operation of programs that otherwise may have been cancelled, or facilities that otherwise may have been closed. Examples of programs and facilities the City previously staffed, that are now conducted by outside organizations include aquatics, Billy Hebert Baseball Stadium, Oak Park Tennis Complex, Oak Park Ice Arena, Silver Lake Family Camp, Swenson and VanBuskirk Golf Courses, the Children’s Museum, and concessions at parks and complexes.

Volunteers have always played a pivotal role in recreational activities, and continue that role in the more recent leaner times. The Pixie Woods Board is a non-profit organization that provides funding, labor, and supplies to assist in keeping the theme park open to the public. The assistance the Board musters each year is vital in opening day preparation for the park. Volunteer coaches are how low-cost and no-cost youth sports programs can accommodate the large groups of children who enroll in City and School District leagues.
Present Situation

The Community Services Department and community partner organizations offer a wide variety of programs for local youth. Below is a discussion of what is planned for this summer.

City Programs for Youth:
(For more information on any City sponsored activity, visit the Community Services Department link on the City homepage: www.stocktongov.com or call 937-8206.

Summer Day Camps
Camps offered at Community Centers for children ages 5-12 provide a place to learn, play and stay active during summer. Camps are designed to provide children a fun, enriched environment through daily activities. Kids will meet new friends; enjoy action-packed indoor and outdoor games; explore performing and creative arts; discover nature, science and sports, revel in story time and more!

When: May 28 - August 9 (11 weeks);

Camp locations:
Arnold Rue Community Center, Full Camp
Monday - Friday: 7:30 a.m. - 5:30 p.m.
Cost $80 per week per child

Stribley Community Center, Drop-in Camp
Monday - Friday: 10:00 a.m. - 4:00 p.m.
Cost: FREE

VanBuskirk Community Center, Drop-in Camp
Monday - Friday: 10:00 a.m. - 4:00 p.m.
Cost: FREE

Play-in-the-Shade Program
Recreation programming is provided in conjunction with various free lunch programs offered at:

Seifert Community Center
Monday - Friday: 10:00 a.m. - 2:00 p.m.
Through August 2nd
Cost: FREE

Weston Ranch Parks
Tuesdays: 11:00 a.m. - 2:00 p.m. at Smith Park
Wednesdays: 11:00 a.m. - 2:00 p.m. at Paul E. Weston Park
Thursdays: 11:00 a.m. - 2:00 p.m. at Long Park
Through August 2nd
Cost: FREE
Free Summer Meals for Kids
A free, healthy meal will be provided to children 1-18 years of age through collaborations with Stockton Unified School District and Manteca Unified School District Summer Lunch Program. When: June 10 - August 2;

Locations: Community Centers - lunch sponsored by Stockton Unified School District
   - Arnold Rue Community Center: Monday - Friday, breakfast and lunch
   - Stribley Community Center: Monday - Friday, breakfast and lunch
   - Seifert Community Center: Monday - Friday, lunch 11:30 a.m. - noon

Weston Ranch - lunch sponsored by Manteca Unified School District
   - Smith Park on Tuesdays
   - Paul E. Weston Park on Wednesdays,
   - Long Park on Thursdays.

Pixie Woods Children’s Theme Park
Attractions, rides and educational programs have been enjoyed by Stocktonians for generations at Pixie Woods. Park features include a carousel, lagoon, train, concessions and many attractions and features which make this a popular destination for families.

Hours of operation: June and July - Thursday - Sunday, noon - 5:00 p.m., August through September 29, Saturday and Sunday, noon - 5:00 p.m.
Open Independence Day, July 4th and Labor Day, September 2 noon - 5:00 p.m
Field trip and private group reservations are available.

Youth Sports
The City Recreation Department offers recreational sports for young athletes to enjoy learning a game in a positive, nurturing environment. Summer sports include basketball, tennis and Jr. Giants baseball/softball.

Summer sports leagues are in session for basketball. Registration remains open for the league at August Knodt School.

Free Jr. Giants baseball and free 10 & under tennis are in session.

Free Jr. Giants Diamond Division (for children with disabilities) remains open until the program is filled.

Community Centers
In addition to the day and drop-in summer camps, youth can enjoy and participate in daily activities such as board games, art projects, movies, Frisbee, basketball, kick ball, soccer, story time and much more. Centers also have open gym, a fitness room, and other programs for active lifestyles and community involvement for citizens of all ages.
Summer hours of operation for Community Centers are:

- **Arnold Rue**, 5758 Lorraine Ave., 95210, 937-7350  
  Monday - Thursday: 9:00 a.m. - 7:00 p.m.  
  Friday: 9:00 a.m. - 6:00 p.m.  
  Saturday: 9:00 a.m. - 5:00 p.m.

- **Seifert**, 128 W. Benjamin Holt Drive, 95207, 937-7350  
  Monday - Friday: 10:00 a.m - 2:00 p.m.

- **Stribley**, 1760 E Sonora, 95205, 937-7351  
  Monday - Thursday: 9:00 a.m. - 7:00 p.m.  
  Friday: 9:00 a.m. - 6:00 p.m.  
  Saturday: Closed

- **VanBuskirk**, 734 Houston Ave., 95206, 937-7358  
  Monday - Friday: 9:00 a.m. - 6:00 p.m.  
  Saturdays: 9:00 a.m. - 5:00 p.m.

**Youth Programs Provided by Partners in the Community**

**Instructional Classes:**  
Each month private instructors offer classes for toddlers, youth, teens and seniors at various Community Centers to provide a wide variety of opportunities that promote health, recreation, education, fitness, arts, and socialization. Classes are offered in: guitar, gymnastics, fencing, babysitting, dance, tutoring, and tai chi.

**Girl Scouts**  
Meet Tuesday’s and Thursdays 1:30 p.m. - 4:30 p.m., at Stribley Community Center; registration forms for Girls Scouts are provided at the sessions. Drop-in activities are free of charge.

**Badminton**  
Free badminton instructional class is offered Tuesdays and Thursdays from 4:00 p.m. - 6:00 p.m. at Stribley Community Center.

**Golf**

The First Tee of San Joaquin, a nationally recognized program, teaches young people core values and leadership skills using golf as a platform. First Tee golf lessons for youth are offered at Swenson Golf Course Saturdays 8:15 a.m. to 11:00 a.m. The cost to participate is $60 per student. Scholarships are available. For more information call (209) 915-8300 or visit the website at www.firstteesanjoaquin.org.

Private golf lessons for all ages are available by appointment at Swenson Park and Van Buskirk Golf Course, for a fee. For more information call (209) 601-3388 or visit the website www.stocktongolfcourses.com.
Silver Lake Family Camp
A seasonal Sierra camp located 100 miles from Stockton, operated by the Silver Lake Campers Association offers 31 cabins, a lodge with full kitchen and restrooms. Campground opens July 11th through the second week in August 2013. For rates, directions, and reservations visit or more information visit www.silverlakestocktoncamp.org/ or call 209-227-0082.

Oak Park Ice Arena
SMG offers skate lessons, hockey skills, public open skate time, and special youth promotions throughout the summer months. For more information call 209-937-7433 or visit the website at www.stocktonlive.com/venues/detail/oak-park-ice-arena.

Oak Park Tennis Complex
10 tennis courts with group and private lessons during the summer months. Tennis balls and loaner rackets are available for use. For more information visit www.stockontennisclub.net, or call 209-547-1522.

Children’s Museum
The museum has interactive exhibits for children and families. Also, beginning July 1st, the museum offers a 6-week day camp children kindergarten-6th grade, Monday - Friday for $125 per child, per week. For more information visit www.childrensmuseumstockton.org, or call 209-465-4386.

Swimming Pools
Seven City owned pools are managed and operated by non-profit organizations throughout Stockton. Programming consists of swim lessons, aquatic camps, open swim, and junior lifeguard training.

For more information and times please contact the following:

- Holiday Park Pool - (free to residents of the Homeowner’s Association, open to the general public for a fee) 5703 Kermit Lane, 95207
- Sherwood Park Pool (free to residents of the Homeowner’s Association, open to the general public for a fee)100 W. Robinhood Dr., 95207
Gary and Janice Podesto Teen Center
Family Resource and Referral of San Joaquin offers basketball, a computer lab, breakdancing and fitness classes, teen projects, and a recording studio, in addition to special events and programs aimed at mentoring and empowering teens. Open Tuesday through Sunday afternoons. A calendar of events is attached for the months of June and July.


FINANCIAL SUMMARY

No financial action is required.

Attachment A - Teen Impact Center Summer Calendar (June & July 2013)
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<th>Wed</th>
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<td>-Project Yes! Launch Party</td>
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Breakdancing – Sessions are open for youth to learn and practice Bboy skills

Youth Group – with Pastor Ernest Tascoe (Private Rental)

Guitars Not Guns – free 8wk guitar class

IMPACT Recording Studio – Affordable music recording session. Contact Jonathan Ramirez (209)-461-2942

Serve as a Teen Leader – Join the Teen Leadership Council at the Teen Center. Make an impact on your city by volunteering as a youth leader.
<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
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<th>Thu</th>
<th>Fri</th>
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**Basketball Practice** — 4pm-6pm  
**Boxing Lessons** — 3pm-5pm  
**Computer Lab** — 3pm-7pm  
**Youthlinks**— 3:30pm-4:30pm  
**Rock Climbing**— 3pm-5:30pm  
**Breakdancing**— 6pm-8pm  
**Girls Power Station** — 5pm-7pm  
**Popping Essentials**—3:30pm-5:30pm  
**Guitars Not Guns**— 3:30pm-4:30pm  
**Youth Group** — 5:30pm-7:30pm  
**Art Studio**— 2pm-7pm  
**Tutoring**— 5pm-7pm  
**Open Gym**—3pm-5:30pm  
**With Our Words Poetry** 2pm-6pm

**Breakdancing**— Sessions are open for youth to learn and practice Bboy skills

**Youth Group**— with Pastor Ernest Tascoe  
(Private Rental)

**Guitars Not Guns**— free 8wk guitar class

**IMPACT Recording Studio**— Affordable music recording session. Contact Jonathan Ramirez (209)-461-2942

**Serve as a Teen Leader**— Join the Teen Leadership Council at the Teen Center. Make an impact on your city by volunteering as a youth leader.

**Podesto Teen Impact Center**  
725 N El Dorado 95202

**July 2013**