

**CITY OF UKIAH
CITY COUNCIL AGENDA
Regular Meeting
CIVIC CENTER COUNCIL CHAMBERS
300 Seminary Avenue
Ukiah, CA 95482
December 2, 2015
6:00 p.m.**

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

- a. Review the City Council's Strategic Plan and Process.

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

- a. Minutes of November 12, 2015, a Special Meeting.
- b. Minutes of November 18, 2015, a Regular Meeting.

6. RIGHT TO APPEAL DECISION

Persons who are dissatisfied with a decision of the City Council may have the right to a review of that decision by a court. The City has adopted Section 1094.6 of the California Code of Civil Procedure, which generally limits to ninety days (90) the time within which the decision of the City Boards and Agencies may be judicially challenged.

7. CONSENT CALENDAR

The following items listed are considered routine and will be enacted by a single motion and roll call vote by the City Council. Items may be removed from the Consent Calendar upon request of a Councilmember or a citizen in which event the item will be considered at the completion of all other items on the agenda. The motion by the City Council on the Consent Calendar will approve and make findings in accordance with Administrative Staff and/or Planning Commission recommendations.

- a. Approval of Contract with Jack Henry & Associates, Inc., Profit Stars Division, for RemitPlus Software and Services.

8. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

9. COUNCIL REPORTS

10. CITY MANAGER/CITY CLERK REPORTS

11. PUBLIC HEARINGS (6:15 PM)

12. UNFINISHED BUSINESS

- a. Award Contract to Gregg Simpson Trucking in the Amount of \$136,734.63 for the Construction of the Crosswalk and Pedestrian Improvements on North State Street at Garrett Drive and Authorize Corresponding Budget Amendment.
- b. Approve Plans and Specifications for Grace Hudson Museum Outdoor Classroom and Boardwalk Spec No. 15-16.
- c. Award of Contract to SHN Engineers and Geologists for Construction Management and Inspection Services for the North State Sewer Main Improvement Project in the Amount of \$29,815 and Corresponding Budget Amendment.

13. NEW BUSINESS

- a. Appointment of New Mayor and Vice Mayor.
- b. Status Report Regarding the Work of the Shopping Cart Ad-Hoc Committee.
- c. Update and Provide Direction Regarding Refinancing 2005 Water Bonds.
- d. Adoption of Resolution Approving 2015-2018 Memoranda of Understanding for the Miscellaneous, Water Utilities-Mechanics, and Department Head Bargaining Units.

14. CLOSED SESSION – Closed Session may be held at any time during the meeting.

a. Conference with Legal Counsel – Existing Litigation

(Cal. Gov't Code Section 54956.9(d)(1))

Name of case: *City of Ukiah v. Questex, LTD, et al*, Mendocino County Superior Court, Case No. SCUK- CVPT-15-66036

b. Conference with Legal Counsel – Existing Litigation

(Government Code Section 54956.9(d)(1))

Name of case: *Ukiah Valley Sanitation District v. City of Ukiah*, Mendocino County Superior Court Case No. SCUK-CVC-13-63024

c. Conference with Labor Negotiator

(Government Code Section 54957.6)

Agency Representative: Sage Sangiacomo, City Manager

Employee Organizations: All Bargaining Units

15. ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 72 hours prior to the meeting set forth on this agenda.

Dated this 25th day of November, 2015.
Kristine Lawler, City Clerk



ITEM NO.: 3a

MEETING DATE: December 2, 2015

AGENDA SUMMARY REPORT

SUBJECT: REVIEW THE CITY COUNCIL'S STRATEGIC PLAN AND PROCESS.

Summary: Over the past two and a half months, the City Council has held a series of workshops to review and develop a Strategic Plan that provides focus on critical priorities and actionable items. A draft of the plan will be presented at the December 2nd City Council meeting. During the presentation, the Council and the public will have the opportunity to review and comment on the work product.

Background: Beginning in 2007, the City Council worked to develop a strategic planning process and plan. Steve Zuieback of *Synectics: Creative Management Strategies* facilitated the process which included extensive work study sessions with the Council, staff and the public.

The primary outcomes for this process were threefold:

1. Create alignment among the Councilmembers about the top strategic priorities for the City of Ukiah.
2. Develop a set of operational principles that will guide the practices and decisions of the Council in focusing the strategic priorities.
3. Identify specific mechanisms for tracking these strategic priorities over time that will allow the Council and City staff to make the necessary adjustments to achieve the desired results.

Through the process, the following four strategic planning areas were developed:

- Develop a prioritized plan for maintaining and improving public infrastructure.
- Planning Valley-Wide takes place based on sound planning principles.
- Maintain downtown historic place as a regional center of civic and economic activity. (*Modification shown on attachment*)
- Council and staff work together to create a more responsive and effective workplace environment.

Continued on Page 2

RECOMMENDED ACTION(S): Continue to review and consider the City Council's strategic plan and process.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: City Council
Prepared by: Sage Sangiacomo, City Manager
Coordinated with: Mayor Crane and Councilmember Doble (Strategic Planning Ad-hoc)
Presenters: Sage Sangiacomo, City Manager; Charley Stump, Planning and Community Development Director; and Shannon Riley, Senior Management Analyst
Attachments: 2007-2010 Strategic Planning Notes/Presentations can be referenced at:
<https://cityofukiah.box.com/2007-10strategicplan>
1. Draft Strategic Plan

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

A detailed history of the process and work product are outlined in the notes and presentations available at <https://cityofukiah.box.com/2007-10strategicplan>.

At the work study session on July 29, 2015, the City Council reaffirmed the continued relevance of the four strategic planning areas previously developed.

At the work study session on October 22, 2015, the City Council completed the following:

- Redrafted the General Principles;
- Agreed upon a structure that includes identifying strategies and actionable items for the four strategic planning areas;
- Drafted the strategies and actionable items for the Strategic Planning Area: Develop a prioritized plan for maintaining and improving public infrastructure.

Utilizing the agreed upon structure, the Council at the November 12th work study session reviewed and considered strategies and actionable items for the remaining Strategic Planning Areas:

- Planning Valley-Wide takes place based on sound planning principles.
- Maintain downtown historic place as a regional center of civic and economic activity. (*Modification shown on attachment*)
- Council and staff work together to create a more responsive and effective workplace environment.

Discussion: The City Council is nearing completion of draft strategies and actionable items for each of the four strategic planning areas. At the November 12th study session, the Council directed staff to finalize the draft work plan incorporating discussed points from the meeting. A draft of the plan will be presented at the December 2nd City Council meeting (Attachment #1). During the presentation, Council and the public will have the opportunity to review and comment on the work product. Additional comment will be incorporated into the final draft of the plan which will be considered at a future Council meeting along with an initial implementation schedule.

Per Council's direction, a preface was added to the planning document to provide an overview and identify review points. In addition to the midterm and year-end reviews identified in the plan, the soon to be drafted implementation schedule for the actionable items will detail and track development and progress.

Furthermore, staff redrafted the "Downtown Historic Place" planning area as directed by Council to include a broader view of the importance of economic development activities for the entire City while providing for one of the two strategies that maintains a focused on the downtown core.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A



Ukiah City Council Strategic Plan

December 2, 2015

The Ukiah City Council, through a strategic process of discussion, observation, and education, has developed the following set of focused priorities and actionable items. These four areas are in no way all-encompassing of the City's scope of work nor are they finite; rather, the strategic planning process is evolutionary and often vision-based. Some goals can be accomplished in 1-3 years, where others will be addressed over a much longer time span. All of these areas work to further promote the vibrancy and sustainability of the Ukiah community and the organization.

In order to maintain focus and momentum on the strategic areas, the plan will be reviewed by the City Council twice per year at the midterm and yearend. Actionable elements will be considered throughout the year as the work product and/or specific items mature.

Outcomes

The primary outcomes for the Strategic Planning Process are threefold:

1. Create alignment among the Councilmembers about the top strategic priorities for the City of Ukiah.
2. Develop a set of operational principles that will guide the practices and decisions of the council in focusing the strategic priorities.
3. Identify specific mechanisms for tracking these strategic priorities over time that will allow the Council and City Staff to make the necessary adjustments to achieve the strategic priorities.

General Principles

A set of accepted guidelines formed to capture values and priorities that transcend broadly to the strategic plan.

- Our strategies and approaches maintain or enhance the unique positive characteristics of our community.
- Our decisions reflect fiscal responsibility, reliability, sustainability, and affordability with an understanding and consideration of impacts to the entire organization.
- We look to partner with our community members to promote greater ownership and involvement in their services.
- We look for strategies that increase efficiencies while enhancing customer service.
- Where applicable, we adjust rates and fees to reflect changes in the economy and cost of services.

Strategic Planning Areas in Detail

Strategic Planning Area:

Develop a prioritized plan for maintaining and improving public infrastructure.

Recommended Strategy:

Continue the development and maintenance of a comprehensive Capital Improvement Plan.

Actionable Items:

- *Participate in workshops for the following areas to determine current conditions, needs and opportunities, and focus on specific capital improvement projects:*

Streets

Water

Sewer

Storm drains

Electric

Recommended Strategy:

Identify and/or develop funding for essential and vital infrastructure for the long-term.

Actionable Items:

- *Conduct an evaluation of rates*
- *Explore and seek Prop 84 funding*
 - *Council approved the submittal of a funding application for the recycled water system (November 4, 2015 CC mtg)*
- *Evaluate potential street funding*

Strategic Planning Area:

Planning Valley-Wide takes place based on sound planning principles.

Recommended Strategy:

Review and revise land use planning documents to be reflective of the long-term vision for the community

Actionable Items:

- *Update the Ukiah General Plan*
- *Update the City of Ukiah's sphere of influence (SOI)*
- *Prepare and adopt annexation policies*
- *Evaluate and amend the city zoning code to improve efficiencies/public service and protect natural resources*

Recommended Strategy:

Analyze and consider opportunities for regional partnerships that support or improve the delivery of municipal services

Actionable Items:

- *Develop Tax Sharing Agreement with the County of Mendocino*
- *Redefine participation agreement with the Ukiah Valley Sanitation District*
- *Develop a plan for the delivery of Fire Services*

Strategic Planning Area:

Facilitate the development of a sound local economy that attracts investment, promotes economic diversity, supports businesses, creates employment opportunities, and generates public revenues.

Recommended Strategy:

Identify and remove barriers to economic development while leveraging economic opportunities

Actionable Items:

- Leverage partnerships with other local agencies and stakeholders to provide economic development resources and services for the retention and recruitment of businesses.
- Improve housing stock with an emphasis on matching housing projects to existing needs and future industry
- Implement the Redwood Business Park Infrastructure Improvement Project

Recommended Strategy:

Develop and preserve the downtown historic place as a regional center of civic and economic activity.

Actionable Items:

- Develop a plan to identify and attract anchor tenants to the downtown core
- Continue efforts to affect positive change with the Palace Hotel
- Coordinate with the County and State for a reuse plan for the Courthouse
- Evaluate and implement Downtown Streetscape Improvement Plan
- Plan and coordinate public infrastructure at the Perkins Street Depot site
- Develop and implement an improved downtown parking plan

Strategic Planning Area:

Council and staff work together to create a more responsive and effective workplace environment.

Recommended Strategy:

Promote core values that are embedded in the operational culture of the organization

Actionable Items:

- Develop and articulate core values with team members
- Redefine organizational practices to embed core values

Recommended Strategy:

Develop open communication and workflow practices that cultivate invested team members and community awareness/involvement

Actionable Items:

- Develop a public education and outreach plan
- Redesign City Council workflow calendaring and ad-hoc/committee files

**CITY OF UKIAH
CITY COUNCIL AGENDA
Special Meeting
Ukiah Valley Conference Center
200 S. School Street
Ukiah, CA 95482**

**November 12, 2015
5:30 p.m.**

1. ROLL CALL

Ukiah City Council met at a Special Meeting on November 12, 2015, having been legally noticed on November 6, 2015. Mayor Crane called the meeting to order at 5:33 p.m. Roll was taken with the following **Councilmembers Present:** Maureen Mulheren, Kevin Doble, Jim O. Brown, Vice Mayor Scalmanini and Mayor Crane. **Staff Present:** Sage Sangiacomo, City Manager; Karen Scalabrini, Finance Director; Melody Harris, Human Resources/Risk Management Director; John Bartlett, Fire Chief; Tim Eriksen, Public Works Director; Charley Stump, Planning and Community Development Director; Greg Owen, Airport Manager; Shannon Riley, Senior Management Analyst; Maya Simerson, Community Services Director; Sean White, Water and Sewer Director; and Kristine Lawler, City Clerk.

MAYOR CRANE PRESIDING.

2. WORK STUDY SESSION

a. Review and Consider the City Council's Strategic Plan and Process.

Presenter: Sage Sangiacomo, City Manager.

City Manager Sangiacomo briefly summarized the steps that had been taken regarding Council direction from the October 22, 2015, Strategic Planning work session in respect to the strategic planning area, *Develop a prioritize plan for maintaining and improving public infrastructure*, and the proposed strategic planning model. Following no additional input from Council, City Manager Sangiacomo explained that using the same model, staff would address the three remaining strategic planning areas:

- Planning Valley-Wide takes place based on sound planning principles;
- Maintain downtown historic place as a regional center of civic and economic activity; and
- Council and staff work together to create a more responsive and effective workplace environment.

A PowerPoint presentation (PPT; attached) was also used to detail the planning areas.

Charley Stump, Planning and Community Development Director, introduced the strategic planning area, *Planning Valley-Wide takes place based on sound planning principles*. He went through each of the actionable items listed in the PPT, giving the history and current status. Director Stump said that his department was prepared to bring an estimated cost and plan to update the General Plan to the 16-17 Fiscal Year budget discussions.

Shannon Riley, Senior Management Analyst, gave an overview on the strategic planning area *Maintain downtown historic place as a regional center of civic and economic activity*.

Councilmember Doble suggested modifying the title to “Maintain downtown historic place, *and Ukiah* as regional center of civic and economic activity.”

He also proposed, and Council concurred, to add another strategy that would encompass the following actionable items: Promote economic diversity; strengthen the foundation for the future of economic growth; and support business retention and expansion efforts.

Mark Hilliker, a public citizen, reiterated Councilmember Doble’s proposal, emphasizing the importance of not eliminating the growth of the city center from the long-term strategic planning process.

Cynthia Ariosta, a public citizen, made the suggestion to use existing programs that are already in place like the patio program, and ensure that those programs are viable and accessible to new and existing businesses, while encouraging more businesses to participate.

City Manager Sangiacomo presented the remaining strategic planning area, *Council and staff work together to create a more responsive and effective workplace environment*, referencing steps that have already begun and actionable items still in the process. He then outlined the next steps to be taken, which included bringing the strategic plan to a regular Council meeting for adoption.

Vice Mayor Scalmanini requested, and Council concurred, that the plan come forward to Council first as a draft to give the public additional opportunity for input, and then at a subsequent meeting for final adoption.

City Manager Sangiacomo concluded that the draft plan will be agendized at a meeting in the near future. Once the final plan is adopted, staff will work on identifying team members and refining the implementation for the actionable items. The implementation schedule will come forward to Council for any additional feedback regarding timelines, and for final approval.

Throughout the discussion, staff was available to take notes of any discussion points that Council would like to have revisited in the future. The following item was added to that list:

- Create partnerships with private industry, like the sustainable food industry, and other businesses that would be beneficial to this area.

3. PUBLIC COMMENT

4. ADJOURNMENT

There being no further business, Mayor Crane adjourned the meeting at 7:07 p.m.

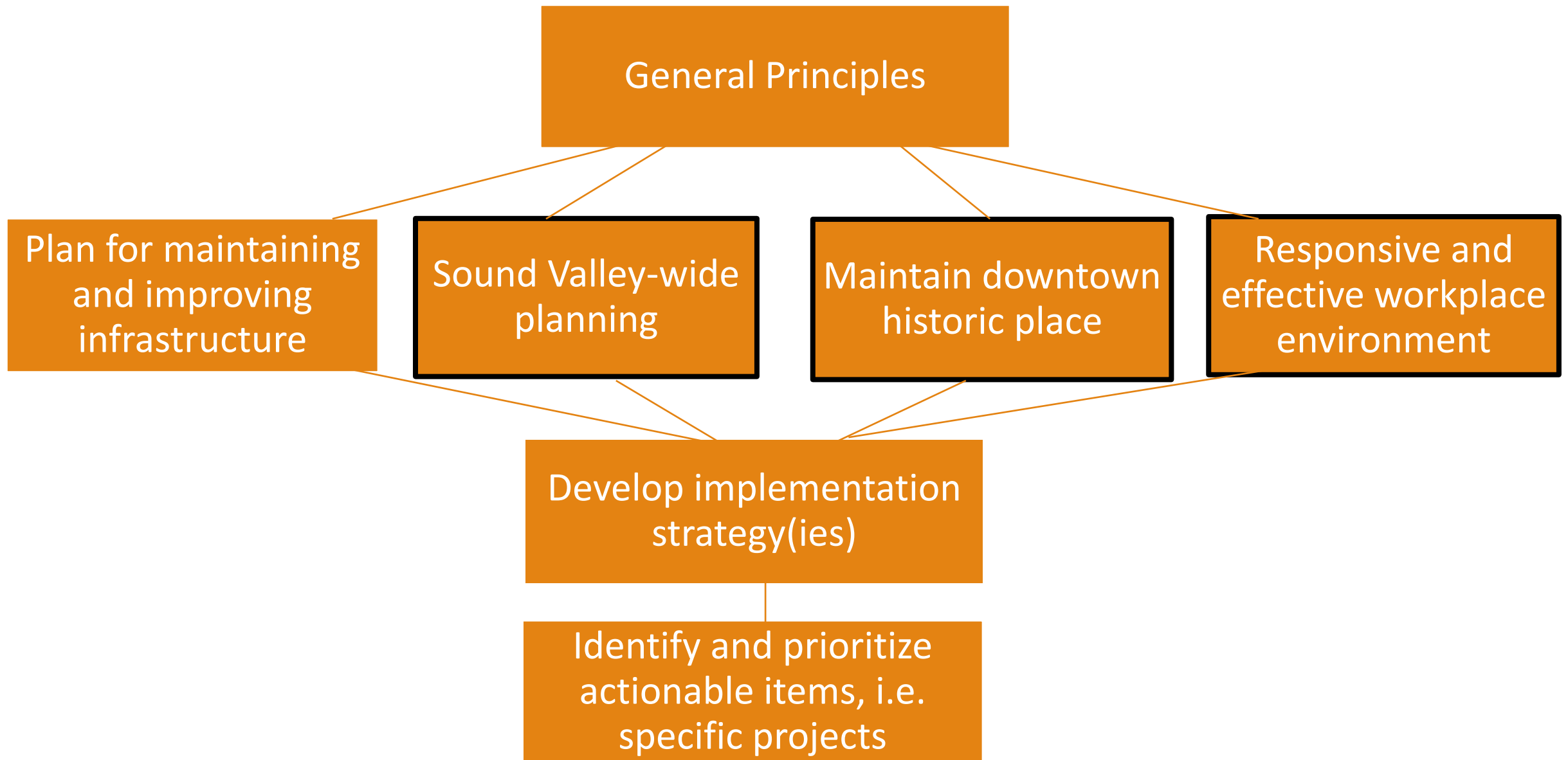
Strategic Planning

UKIAH CITY COUNCIL

General Principles (Revised)

These are the overarching principles that guide our work City-wide

- Our strategies and approaches to financial sustainability maintain or enhance the unique positive characteristics of our community.
- Our decisions reflect fiscal responsibility, involvement with stakeholders and the community, and consideration of impacts to the entire organization.
- We look to partner with our community members so that they take greater ownership and involvement in their services.
- We look for strategies that increase efficiencies while enhancing customer service.
- Where applicable, we continually adjust rates and fees to reflect changes in the economy and cost of services.



Develop a prioritized plan for maintaining and improving public infrastructure

Recommended Strategy:

Continue the development and maintenance of a comprehensive Capital Improvement Plan.

Actionable Items:

Participate in workshops for the following areas to determine current conditions, needs and opportunities, and focus on specific capital improvement projects:

Streets

Water

Sewer

Storm drains

Electric

Develop a prioritized plan for maintaining and improving public infrastructure

Recommended Strategy:

Identify and/or develop funding for essential and vital infrastructure for the long-term.

Actionable Items:

Evaluation of rates

Explore and seek Prop 84

Evaluate potential street funding

Planning Valley-Wide takes place based on sound planning principles

Recommended Strategy:

Review and revise land use planning documents to be reflective of the long-term vision for the community

Actionable Items:

- ❑ Update the Ukiah General Plan
- ❑ Update the City of Ukiah's sphere of influence (SOI)
- ❑ Prepare and adopt annexation policies
- ❑ Evaluate and amend the City zoning code to improve efficiencies/public service and protect natural resources

Planning Valley-Wide takes place based on sound planning principles

Recommended Strategy:

Analyze and consider opportunities for regional partnerships that support or improve the delivery of municipal services

Actionable Items:

- ❑ Develop Tax Sharing Agreement with the County of Mendocino
- ❑ Redefine participation agreement with the Ukiah Valley Sanitation District
- ❑ Develop a plan for the delivery of Fire Services

Maintain downtown historic place as a regional center of civic and economic activity

Recommended Strategy:

Identify and remove barriers to economic development while leveraging economic opportunities

Actionable Items:

- ❑ Develop a plan to identify and attract anchor tenants to the Downtown Core
- ❑ Continue efforts to affect positive change with the Palace Hotel
- ❑ Coordinate with the County and State for a Reuse Plan for the Courthouse

Maintain downtown historic place as a regional center of civic and economic activity

Recommended Strategy:

Develop infrastructure and policy that promotes private investment in the downtown.

Actionable Items:

- ❑ Evaluate and implement State Streetscape Improvements
- ❑ Plan and coordinate public infrastructure at the Perkins Street Depot Site
- ❑ Develop and implement an improved downtown parking plan

Council and staff work together to create a more responsive and effective workplace environment

Recommended Strategy:

Promote core values that are embedded in the operational culture of the organization

Actionable Items:

- ❑ Develop and articulate core values with team members
- ❑ Redefine organizational practices to embed core values

Council and staff work together to create a more responsive and effective workplace environment

Recommended Strategy:

Develop open communication and workflow practices that cultivate invested team members and community awareness/involvement

Actionable Items:

Develop a public education and outreach plan

Redesign City Council workflow calendaring and ad-hoc/committee files

Next steps

Identify specific mechanisms for tracking these strategic priorities over time that will allow the Council and City staff to make the necessary adjustments to achieve the desired results

**CITY OF UKIAH
CITY COUNCIL MINUTES
Regular Meeting
CIVIC CENTER COUNCIL CHAMBERS
300 Seminary Avenue
Ukiah, CA 95482
November 18, 2015
6:00 P.M.**

1. ROLL CALL

Ukiah City Council met at a Regular Meeting on November 18, 2015, having been legally noticed on November 13, 2015. Mayor Crane called the meeting to order at 6:03 P.M. Roll was taken with the following **Councilmembers Present:** Maureen Mulheren, Kevin Doble, Jim O. Brown, Vice Mayor Scalmanini and Mayor Crane. **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; Kristine Lawler, City Clerk; and Ashley Cocco, Deputy City Clerk.

MAYOR CRANE PRESIDING.

2. PLEDGE OF ALLEGIANCE

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

- a. Minutes of October 30, 2015, a Special Meeting.
- b. Minutes of November 4, 2015, a Regular Meeting.

Motion/Second: Mulheren/Brown to approve the minutes of October 30, 2015, a Special Meeting, and November 4, 2015, a Regular Meeting, as submitted. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

6. RIGHT TO APPEAL DECISION

7. CONSENT CALENDAR

- a. Report of Disbursements for the Month of October 2015 – *Finance*.
- b. Approval of Notice of Completion for Slurry Seal of Local Streets and Airport Parking, Specification No. 15-07 – *Public Works*.
- c. Approval of Notice of Completion for Northwestern Pacific Rail Trail Phase 1, Specification No. 14-01 – *Public Works*.

Motion/Second: Doble/Brown to approve Consent Calendar Items 7a-c, as submitted. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

8. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

Presenters: Bill Koehler, Redwood Valley Water District General Manager and Pinky Kushner.

9. COUNCIL REPORTS

10. CITY MANAGER/CITY CLERK REPORTS

Presenters: Sage Sangiacomo, City Manager; Tim Eriksen, Public Works Director\City Engineer; Mel Grandi, Electric Utilities Director; Karen Scalabrini, Finance Director; and Kristine Lawler, City Clerk.

11. PUBLIC HEARINGS**12. UNFINISHED BUSINESS****13. NEW BUSINESS****a. Discussion and Possible Direction Regarding Support for Ukiah Valley Medical Center's Family Medicine Education Project – Administration.**

Presenter: Shannon Riley, Senior Management Analyst.

Family Medicine Education for Mendocino County Representatives: Mary Anne Landis, Board Member; Mimi Doohan, Medical Director; and Daphne Macneil, President.

Public Comment: Chris Dewey, Police Chief.

Motion/Second: Brown/Doble to utilize existing City resources to support and promote the Family Medicine Education Program. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

THE CITY COUNCIL ADJOURNED TO CLOSED SESSION AT 7:19 P.M.

14. CLOSED SESSION**a. Conference with Legal Counsel – Existing Litigation**

(Cal. Gov't Code Section 54956.9(d)(1))

Name of case: *City of Ukiah v. Questex, LTD, et al*, Mendocino County Superior Court, Case No. SCUK- CVPT-15-66036

b. Conference with Legal Counsel – Existing Litigation

(Government Code Section 54956.9(d)(1))

Name of case: *Ukiah Valley Sanitation District v. City of Ukiah*, Mendocino County Superior Court Case No. SCUK-CVC-13-63024

c. Conference with Labor Negotiator

(Government Code Section 54957.6)

Agency Representative: Sage Sangiacomo, City Manager

Employee Organizations: All Bargaining Units

No action was taken on Closed Session items.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 9:01 P.M.



ITEM NO.: 7a

MEETING DATE: December 2, 2015

AGENDA SUMMARY REPORT

SUBJECT: APPROVAL OF CONTRACT WITH JACK HENRY & ASSOCIATES, INC., PROFIT STARS DIVISION, FOR REMITPLUS SOFTWARE AND SERVICES.

Summary: Council will consider the approval of contract with Jack Henry & Associates, Inc., Profit Stars Division, for RemitPlus Software and Services. RemitPlus is an automated remittance processing and electronic deposit solution that enables businesses to scan and capture images of checks and payment coupons. The paper checks are converted into electronic transactions that are processed via ACH into the bank as well as posting electronically to the utility billing software.

Background: The City's Finance Department, Utility Billing Division, currently processes over 9,200 statements each month. Individual utility payments received are manually keyed into the appropriate customer account. Although we have a very good record of accuracy, there are occasional data entry errors. After the checks are keyed in, they are then reconciled with the payment posting in the billing system, scanned and submitted to the bank. The total amount of checks processed daily is anywhere between 200 to 300.

By electronically automating the process, the RemitPlus Software and Services will allow the City to improve accuracy and efficiency associated with posting payments and depositing funds in the bank.

Discussion: RemitPlus provides services that include high-speed scanning of checks and payment coupons to produce an electronic payment posting file that will automatically post payments to the billing system. RemitPlus also produces an electronic deposit file that is automatically sent to the bank. In addition, RemitPlus stores images of both the checks and payment coupons in a searchable database that will greatly improve customer service and reduce research time. The image archive will eliminate the need for file drawers and boxes currently used for record retention.

RemitPlus works in partnership with our current bank, Umpqua, who recommended this service, which will replace the proposed lockbox service approved in the budget for \$48,874 with an alternative that costs less over time for processing payments. In addition, Staff was concerned about having customers

Continued on Page 2

RECOMMENDED ACTION(S): Approve entering a contract with Jack Henry & Associates, Inc., Profit Stars Division, for RemitPlus Software and Services, and allow for continuation of contract for subsequent years dependent on yearly approved budget.

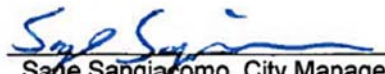
ALTERNATIVES: Do not approve, and provide alternate direction to staff.

Citizens advised: N/A
Requested by: Jan Newell, Finance Controller; Karen Scalabrini, Finance Director.
Prepared by: Jan Newell, Finance Controller; Karen Scalabrini, Finance Director.
Coordinated with: Karen Scalabrini, Finance Director; Mary Horger, Purchasing Supervisor.
Presenter: Jan Newell, Finance Controller.
Attachments: 1. Profit Star Contract
2. Umpqua Bank Treasury Management Services fee schedule

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted..

Approved: 
Sage Sangiacomo, City Manager

send payments to an address outside the City for processing. By using the RemitPlus service, the City would continue to have customer payments sent directly to the City and save time processing payments.

The cost of RemitPlus Software and services is \$20,060 for the first year which includes one time software and equipment costs for \$20,060. Thereafter, costs will be approximately \$8,760 (some costs are dependant upon the number of checks processed). RemitPlus would cost about \$59,600 over five years.

A summary of costs are shown below:

<u>Umpqua Costs:</u>	Monthly Cost	Annual Cost
Remote Deposit Image File	\$125	\$1,500
Upload Processing Item Cost	<u>\$250</u>	<u>\$3,000</u>
Total Umpqua Costs	\$375	\$4,500

Year 1 Costs

RemitPlus (software, install, annual fee)	\$20,060
Umpqua costs	<u>\$ 4,500</u>
Total Costs of RemitPlus and Umpqua Bank	\$24,560

Year 2 Costs and thereafter

Remit Plus (annual license fee)	\$ 4,260
Umpqua Costs (Detail shown in Umpqua costs above)	<u>\$ 4,500</u>
Total ongoing Costs of RemitPlus:	\$ 8,760

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$48,874	N/A	20513300.52100	Yes ☐ No ☒	N/A



**ADDENDUM TO
GOVERNMENT PURCHASE
AGREEMENT/ORDER NO. [REDACTED]**

OFFICE ADDRESS OF JHA:

Jack Henry & Associates, Inc.
663 Highway 60 • P. O. Box 807
Monett, MO 65708

DATE: October 26, 2015

NAME AND ADDRESS OF CUSTOMER:

City of Ukiah
300 Seminary Ave
Ukiah, CA 95482

Jack Henry & Associates, Inc., acting through its ProfitStars® Division ("JHA") and Customer agree to amend the Purchase Agreement/Order No. [REDACTED] (the "Purchase Agreement/Order") relating to Customer's acquisition of licenses of JHA's ProfitStars Remit Plus Software products and related installation/training services and hardware as may be specified in the Purchase Agreement/Order, to incorporate the terms of this Addendum including the following Exhibits to this Addendum:

Exhibit	Title of Exhibit
A	Products and Services Schedule No. 1 (ProfitStars Remit Plus Software) Products and Services Schedule No. 2 (Third Party Hardware)
B	ProfitStars Customer Agreement Order Form Attachment Standard Terms and Conditions

The parties acknowledge and agree that the Purchase Agreement/Order and this Addendum together constitute the entire agreement between the parties with respect to the transaction described in the Purchase Agreement/Order and Exhibit A of this Addendum.

In witness of this agreement, authorized representatives of the parties have executed this Addendum where provided below, in duplicate copies.

JHA:

JACK HENRY & ASSOCIATES, INC.
ProfitStars Division

Customer:

City of Ukiah

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

JS#69161
GaryHolt/amcw

EXHIBIT A**PRODUCTS AND SERVICES SCHEDULE No. 1****ProfitStars® RemitPlus® Software****1. Products and Services:**

1.1 **Software License:** The following Software components are licensed by JHA to Customer for installation and internal use in Customer's production environment on Customer's computer system:

ProfitStars® RemitPlus Software—Annual License Fee Option

Description		# of Copies	Base Software License Fee	Software Installation Fee	Annual License Fee
JHA Software:					
RemitPlus® Software		1	\$6,500.00	\$3,000.00	\$3,000.00
Initial Item Processing Volume Tier License:	Up to 100,000 Items processed per Annual License Fee term				
ScanForm		1	\$250.00	N/A	\$50.00
Third Party Software:					
Parascript CheckPlus® Software (CAR/LAR) – Server Version		1	\$3,250.00	N/A	\$650.00
Volume Tier License:	Up to 500,000 Counts processed per Year				
Parascript FormXtra® Software - Server Version		1	\$2,800.00	N/A	\$560.00
Volume Tier License:	Up to 1,000,000 Counts processed per Year				
Total Net Fees Due:			\$12,800.00	\$3,000.00	\$4,260.00

1.2 **Third Party Services:** None.

1.3 Annual License Fee Option:

(a) The Annual License Fee option allows Customer to acquire a License for the Software products listed in this Schedule on an annually renewable term basis. The Annual License Fee shown above includes Customer's licensed use of the Software in accordance with the licensing terms described in this Schedule and JHA's provision of standard Maintenance for the Software during the annual license term. All JHA Software and Third Party Software products shown in the table above are licensed by JHA to Customer on an Annual License Fee term basis, unless a different license term period is specified above.

(b) After completion of the initial Annual License Fee term, JHA reserves the right to prorate the Annual License Fee term so that it will commence on each July 1 thereafter. Approximately sixty (60) days in advance of the expiration of the current Annual License Fee term, JHA will issue an invoice to Customer for the next following Annual License Fee term, which will be due and payable by Customer no later than the first day of the next following Annual License Fee term. If Customer fails or declines to pay this renewal Annual License Fee term invoice received in a timely manner from JHA, then Customer's license of the Software shall automatically terminate without any notice or action by either party. In addition, either party may elect not to renew the Annual License Term applicable to any of the Software by giving the following advance written notice of non-renewal to the other party:

- (1) Notice of non-renewal by Customer to JHA: **Thirty (30) days** in advance of the expiration date of the current Annual License Fee term.
- (2) Notice of non-renewal by JHA to Customer: **One hundred eighty (180) days** in advance of the expiration date of the current Annual License Fee term, provided however that JHA shall not exercise this right of non-renewal prior to the occurrence of at least three (3) full Annual License Fee terms for the Software affected.

1.4 RemitPlus Software License:

(a) Licensing and Pricing Metrics: JHA RemitPlus Software is licensed on the basis of an Item processing volume tier licensing metric and priced on the basis of the base Software license fee ("Base License Fee" or "BLF") shown above and a recurring renewable Annual License Fee shown above, for the cumulative volume of Items (defined below) which are processed during each Annual License Fee term of this License.

(b) Item Processing Volume Tier: If during the course of any Annual License Fee term Customer's use of the RemitPlus Software reaches the maximum limit of the Item processing volume tier license previously acquired by Customer, Customer will be required to purchase an Item processing volume tier license upgrade for the Remit Plus Software in order to enable the Remit Plus Software to process a higher volume tier of Items covering the remainder of the then-current Annual License Fee period and each renewal Annual License Fee term thereafter. The Remit Plus Software License upgrade fee payable by Customer in this instance will be priced at the then-current standard JHA Base Software license fee and Annual License Fee applicable to the higher tier volume of Items to be processed, as selected by Customer, against which will be applied a full credit of the Base Software License fee and the then-current Annual License Fee already paid by Customer, which amount will be prorated to cover the remaining period of the then-current Annual License Fee term.

(c) The term "Item" used in this licensing metric is defined as a single payment transaction processed by use of the RemitPlus Software, including one or more checks and one or more accompanying payment documents ("coupons"), such as payment stubs, deposit tickets and remittance coupons. The Item count is determined in accordance with the following principles:

- (1) The primary determinant of the Item count in a single payment transaction is the number of checks being processed. One check equals one Item count, regardless of the number of coupons processed with the check. For example, processing one check with six coupons results in an Item count of one; processing six checks with one coupon results in an Item count of six.
- (2) If only coupons and no checks are being processed as part of the payment transaction, then the determinant of the Item count in the payment transaction is the number of coupons being processed. For example, if no checks and six coupons are processed in a single payment transaction, the Item count equals six.

(d) Customer's failure to pay a Base License Fee upgrade fee or an Item Processing volume tier License upgrade fee when due will result in automatic termination of Customer's License of the Software.

(e) Projects: If a license for additional RemitPlus Projects is being purchased under this Exhibit as shown in Section 1.1 above, the following terms apply: The RemitPlus Software license shown above includes the right for Customer to deploy up to five (5) Projects using the RemitPlus Software. Deployment of additional Projects by Customer will require the purchase of a separate license upgrade of the RemitPlus Software.

1.5 Parascript Software License: If Customer has licensed the Parascript Software product(s) identified above as Third Party Software, the following terms and conditions apply to that License:

(a) The Parascript Software (for which JHA is an authorized reseller) is owned by Parascript, LLC and sublicensed by JHA to Customer for Customer's use solely in conjunction with the JHA RemitPlus Software. The Parascript Software is licensed on the basis of the following licensing metrics:

- (1) The hardware platform upon which the Parascript Software will be installed and used (e.g. on a desktop scanner or on a server computer);
- (2) The number of copies of the Parascript Software to be installed by Customer on the designated hardware platform for use with the RemitPlus Software; and
- (3) The number of Counts processed by Customer using the Parascript Software during per each Year, calculated in accordance with the formula set forth in clauses (b) and (c) below.

(b) The term "Count" used in this licensing metric is defined and tracked by Parascript LLC and means a single instance in which the Parascript Software is used to read a character, field or document and results in a billable unit. A billable unit may also be a preset quantity of "Counts" (e.g. a volume tier). Parascript LLC has assigned Count values for individual field types which may be read on a document of a check or coupon being processed. Parascript LLC's schedule of Count values will be communicated to Customer on JHA's customer website; by publication in the Documentation that applies to the Parascript Software; or provided in a written document if requested by Customer. The term "Year" used in this licensing metric is defined as a 12 calendar month, which period is set by Parascript LLC in its license key for the Parascript Software.

(c) Each copy of the Parascript Software is licensed for Customer's use solely with the RemitPlus Software. Customer's installation and use of the Parascript Software with any other JHA or non-JHA Software product will require Customer's purchase of a separate Parascript Software license for such use.

1.6 Server-Based Software Licenses: Unless otherwise specifically indicated in the table above or this Exhibit A, all JHA Software and Third Party Software products listed in the table above are for installation and use of the JHA Software and Third Party Software products on a server computer owned or controlled by Customer.

2. Software Deliverables: JHA will furnish to Customer one copy of the object code software programs of the JHA and Third Party Software product(s) listed above which will be installed on Customer's IBM-compatible computer, and one set of the standard software user documentation for the Software product(s). The installation location of the Software shall be at the address for Customer first shown above, unless a different address is indicated in this Addendum.

3. Third Party Software Products: If Third Party Software products are specified above, the Third Party Software products are owned and licensed by their respective owners, and Licensee's licensed right to use these software products will be governed by the software end-user license agreement accompanying the third party software programs, which includes the third party owner's standard product warranties, indemnities and liabilities applicable to its software product. JHA does not make or extend any separate product warranties, guarantees, indemnities or liabilities with respect to these third party software products.

4. Professional Services:

4.1 Software Installation Services: JHA shall perform the installation of the Software at Customer's location first identified above, commencing on a date mutually agreed by the parties. Customer shall be responsible for providing all hardware, other third party software, and internet/network/infrastructure components necessary to install and operate the Software products in its production environment, which shall be installed by Customer and operational as of the scheduled commencement date of the Software installation project. If contemporaneously with this Exhibit Customer has acquired hardware from JHA under a separate hardware purchase agreement upon which the

Software will be installed, JHA will install this hardware as part of the Software installation project and fees quoted above.

4.2 **Reimbursable Travel Expenses:** The professional services fees quoted in this Exhibit do not include reimbursable travel expenses of the JHA professional services personnel who travel to and from Customer's site to perform these services, which will be invoiced to and paid by Customer.

5. **Annual Software Maintenance Support:**

5.1 **JHA Software Products:** Upon payment of the Annual License Fee for the JHA Software, JHA will provide standard Maintenance for the JHA Software to Customer in accordance with the terms of the Agreement. The JHA customer support center for the Software products listed in Section 1 above will be available for the receipt and handling of Customer's Maintenance Services requests including Software Error reports during the following hours of operation:

Product Group	Hours of Operation	
Remit Plus Software	Standard:	8:00 a.m. through 5:00 p.m., Central US time zone, Monday through Friday
	After Hours:	5:00 p.m. through 8:00 a.m., Central US time zone, Monday through Friday; 24 hours Saturday and Sunday

All times listed are for Monday through Friday, excluding standard US banking holidays published by the US Federal Reserve System.

5.2 **Third Party Software Products:** In consideration of Customer's payment of the Annual License Fee for Third Party Software, JHA will provide the following standard Maintenance for the Third Party Software:

- (a) The JHA customer support organization will receive and process Error incident reports submitted by Customer with regard to the operation of the Third Party Software, during the same hours of operation specified above for JHA Software. JHA will perform a basic level of Error troubleshooting and resolution activities with respect to Errors determined by JHA to be caused by the Third Party Software and escalate the Error incident to the owner of the Third Party Software for handling and resolution if the Error requires access to the source code of the Third Party Software or advanced technical expertise with the Third Party Software programs which is beyond JHA's technical competency to resolve.
- (b) JHA will provide to Customer periodic standard Update releases of the Third Party Software issued by the owner of the Third Party Software to JHA, which have been tested and certified to interoperate with the RemitPlus Software.

6. **Payment Terms:** Customer shall pay the fees shown above to JHA, together with reimbursement of JHA's reasonable, actual out-of-pocket travel expenses incurred by its Professional Services personnel traveling to and from Customer's location to deliver the Professional Services specified in this Exhibit. These fees shall be due to JHA on the following schedule and paid by Customer within thirty (30) days following the date of JHA's invoice:

Transaction	Payment Due by Customer
Base Software License Fees and Initial Annual License Fees	100% on the Implementation Date
Professional Services Fees	100% on the Implementation Date

7. **Supplemental Terms and Conditions:** The following terms and conditions apply to the Software listed above:

7.1 **Remit Plus Software Products:**

- (a) The Software programs will be delivered by JHA to Customer in object code format only.
- (b) The initial License copy of the Software shall be installed and used by Customer solely in its production environment. In addition to this primary production License copy of the Software acquired by Customer, Customer may acquire from JHA additional License copies of the same Software product or product component for Customer's internal use in conjunction with its production environment License copy which the Customer will use (1) as additional production environment License copies, and/or (2) solely for non-production purposes, such as development, test or disaster recovery.
- (c) The Software requires the use of third party software, such as client and server operating systems, relational database systems, communications/networking systems, and internet browsers in order to be fully functional. In addition, the Software requires appropriate computer hardware with an adequate amount of memory as indicated in JHA's published specifications for the Software. Customer is responsible for obtaining and maintaining such hardware and third party software for use with the Software. Any purchase of the hardware and licensing of the third party software through JHA shall be documented in a separate Products and Services Solution Schedule document entered into between JHA and Customer.

< End of Products and Services Schedule No. 1 >



**AGREEMENT / SUPPLEMENT
FOR PURCHASE OF MACHINES LESS THAN \$15,000.00
FROM JACK HENRY & ASSOCIATES, INC. ("JHA")**
663 WEST HIGHWAY 60 • P.O. BOX 807
MONETT, MISSOURI 65708
(417) 235-6652

INVOICE TO:

Customer Name: City of Ukiah
Street Address: 300 Seminary Ave
City, State, & Zip: Ukiah, CA 95482
Contact Name: Jan Newell
Contact Phone#: 707-463-6216
Email: jnewell@cityofukiah.com

LEASE: ☐ YES ☒ NO IF 'YES', PLEASE COMPLETE BELOW:

LEASING COMPANY (NAME & ADDRESS)

DATE: October 26, 2015

SHIP TO: SAME AS ABOVE

Customer Name:
Street Address:
City, State & Zip:
Contact Name:
Contact Phone#:

Customer Order Contact:
Customer Order Phone:
Customer Order Fax #:
Customer Order e-mail:
Requested Delivery Date:
Institution Closed On (*day of week*):

If different than Ship to information, please complete the following:

Customer is responsible for WAN/LAN network connectivity and management, switches, Ethernet drops, patch cables, UPS and Surge Protection, Rack Units, Rack mounting, Virus and Firewall protection. Products and/or services associated with fulfillment of these responsibilities may be purchased from JHA. Microsoft may require Customer to acquire a Service Provider Licenses Agreement for any Microsoft licensed products to be used for Commercial Hosting.

This agreement may only be used to purchase Machines from JHA whose aggregate total is less than \$15,000.00

Product Code	Description	Qty	Price
5060B002	Canon CR-135i	1	\$2,500.00
5060B003	1 Year CarePack	1	\$399.00
0616B002	Ink Cartridge	1	\$40.00
TOTAL			\$2,939.00

IN THE EVENT THAT THIS ORDER IS ALTERED, CUSTOMER WILL REIMBURSE JHA FOR ALL REWORK CHARGES THAT MAY BE LEVIED BY VENDOR.

TOTAL SECURITY DEPOSIT OF: \$0	SPECIAL TERMS: N/A	TERMS: Balance in full due 30 days after receipt of JHA's invoice which will be issued upon delivery of each Machine. In addition, Customer will pay 1 ½ % interest per month (annual rate 18%) on all delinquent payments.
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Under the terms and conditions as described herein, JHA will sell Machines to Customer, unless any modifications have been made by Customer or any third party to the face of this Agreement. The Term "Machines" is used herein to refer to Machines and/or their features (including additions and removals), model conversions (including upgrades and downgrades), machine elements, and accessories unless the context required individual reference. Machines may be manufactured from new and used parts, or may have been previously installed.

Customer agrees to purchase and accept the Machines under the terms and conditions of this Agreement. Customer further agrees, with respect to the Machines and programming, to accept responsibility for (1) their selection to achieve Customer's intended results, (2) their use, and (3) the results obtained therefrom. Customer also has the responsibility for the selection and use of, and results obtained from, any other equipment, programs, or services used with the Machines and programming.

An authorized representative of Customer has signed this Agreement where provided below. JHA's shipment of the Machines identified above shall constitute JHA's acceptance of this Agreement.

Customer: City of Ukiah

By _____

Authorized Signature

Date

Name / Title (Type or Print)

jSource: 69161

Submitted by: Gary Holt/amcw

Additional terms and conditions follow and are incorporated in and made part of this agreement.

PRICE AND PAYMENT

Prices are quoted in U.S. dollars and are exclusive of (a) taxes, duties or other charges imposed by a governmental entity on the transaction, except for taxes based on JHA's income, and (b) transportation and insurance charges relating to the shipment, all of which are payable by Customer. If Customer is exempt from paying taxes on the transaction, Customer shall not be liable for paying taxes on the transaction, provided Customer has provided JHA with a copy of its current tax exemption certificate or other evidence of its tax-exempt status reasonably acceptable to JHA. Customer shall bear any personal property taxes assessable on on-order Machines on or after delivery to the carrier.

Payment in full for each Machine shall be due within thirty (30) days following receipt of JHA's correct and valid invoice for the Machines, which will be issued by JHA on delivery of the Machines to Customer. Payment in full will be due immediately if Customer refuses or delays taking delivery of the Machines. If the scheduled delivery date is extended on request of, or by the action of Customer, then Customer will pay any additional fee or charge assessed by the manufacturer or incurred by JHA, together with any warehouse charges and other related expense, if any.

OWNERSHIP – SECURITY INTEREST

The ownership of all Machines transfers to Customer when delivered by the manufacturer to the transportation carrier; however, JHA reserves a purchase money security interest in all Machines until they are all paid for in full. A copy of this Agreement may be filed by JHA to perfect JHA's security interest. Customer will sign execute and deliver to JHA any other documents which are required to be filed to perfect JHA's security interest. If Customer fails to make any payment, required herein, JHA may remove said Machines from Customer's possession, at which event title is transferred to JHA.

SHIPMENT – RISK OF LOSS OR DAMAGE

All Machines purchased by Customer from JHA are manufactured by other companies. JHA will advise the manufacturer of Customer's requested shipping dates, but Customer will accept and abide by any manufacturing or shipping date or sequence of Machines established or amended by the manufacturer. Customer accepts all risk of loss or damage of Machines from and after their delivery to the transportation carrier. JHA or JHA's supplier will arrange for coverage against risk of loss or damage while Machines are in transit to Customer. Such coverage will be at Customer's expense.

DELIVERY CHARGES

Customer will pay direct or reimburse JHA for all charges and expenses of transportation, packing, crating, rigging, storage, warehousing, unloading, delivery, insurance and handling, if any.

PRICE PROTECTION

Prices for Machines shall be as shown herein, but are subject to all price increases announced by the manufacturer. If a price increase is made by the manufacturer prior to shipment of a Machine, JHA will promptly give Customer written notice of the price increase. Customer may cancel its order for that Machine by written notice immediately delivered to JHA, otherwise that Machine will remain on order at the new increased price.

INSTALLATION

Some Machines and some attached peripherals are designed and manufactured to be Customer installed. These will be installed by Customer; however, if requested by Customer, JHA will install same at its then current hourly charge and expense.

All other Machines will be installed either by JHA or the manufacturer at a time convenient to both Customer and the installer. Customer will pay the installer its then current installation charges and expenses.

If requested by Customer, JHA will install Machines purchased elsewhere by Customer, and/or will integrate such Machines, if possible to do so, with Machines purchased from JHA and/or the software licensed to Customer, all at JHA's then current charges and expenses.

Customer will provide a suitable location, environment and equipment for the installation; and will assist in unpacking, moving and locating Machines, and otherwise as requested by the installer.

RETURNS

Machines may be custom manufactured or configured for Customer order. As such, JHA may be unable to accept return of certain Machines. Returns require prior approval by JHA and will not be accepted more than 15 days after shipment. Approved returns will only be accepted in the original, unopened, shipping container. All approved returns will be subject to a 20% restocking fee.

If a machine is determined to be defective upon delivery to the Customer location, Customer must notify JHA within 10-days of delivery and receive a defective machine return approval. Defective machines may be repaired or replaced under the manufacturer's warranty or returned for credit at the discretion of JHA or the manufacturer. A restocking fee will not apply to approved returns of defective equipment.

WARRANTY

It is understood and mutually agreed that Machines purchased by Customer from JHA under this Agreement are manufactured by companies other than JHA, and therefore JHA makes no warranty, express or implied, on any such Machines; and Customer accepts as

the sole warranty on any such Machine, such warranty as is issued or made by the manufacturer of each such Machine.

JHA does warrant to Customer that any Machine installed by JHA will be properly installed in accordance with the manufacturer's installation instructions, but JHA does not in any fashion extend to Customer any other warranty on or pertaining to such Machines.

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

MAINTENANCE AND SERVICE

Customer may at its option and expense enter into a separate written contract with JHA or directly with the manufacturer of a Machine for ongoing or future Machine maintenance and service.

LIMITATION OF LIABILITY

JHA's liability to Customer for damages, for any cause whatsoever, regardless of the form of action, whether in contract or in tort, including negligence, shall be limited to the lesser of (1) actual direct damages of the Customer or (2) the purchase price of the Machine that caused the damages or that is the subject matter of or is directly related to the cause of action.

In no event will JHA be liable for any damages caused by Customer's failure to perform Customer's responsibilities or for any lost profits or savings or other indirect, consequential or punitive damages, regardless of the form of action, whether in contract or in tort, including negligence, even if JHA has been advised of the possibility of such damages; or for any claim against the Customer by any other party, or for any damages caused by performance or non-performance of Machines or programming not designed or manufactured by JHA; nor will JHA be liable for loss of funds contained in, dispensed by, or associated with any Machine.

GENERAL

This Agreement is not assignable without the prior written consent of JHA.

This Agreement supersedes all prior Agreement(s) / Supplement(s) For Purchase of Machines for the Machines listed herein.

In order to facilitate fulfillment of this agreement and to comply with the terms of related reseller relationships between JHA and JHA's suppliers, Customer agrees that JHA may disclose to its supplier(s) Customer information specific to this transaction. This information may include but is not limited to customer contact information, shipping address, equipment configuration details, and related purchases of JHA software.

Except as otherwise provided for in this Agreement, this Agreement can only be modified by a written agreement signed by the Customer and JHA; and variance from or addition to the terms and conditions of this Agreement in any other manner or other written notification from the Customer will be of no effect.

If any provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

JHA is not responsible for failure to fulfill its obligation under this Agreement due to causes beyond its control.

No action, regardless of form, arising out of this Agreement may be brought by either party more than two years after the cause of action has arisen or, in the case of an action for non-payment, more than two years from the date the last payment was due.

Customer will pay JHA 1 ½% interest per month (18% per year), plus all attorney fees and expenses actually incurred by JHA in collecting any delinquent or past due payments of any kind due JHA by Customer.

This Agreement is governed by the laws of the State of Missouri.

THE CUSTOMER ACKNOWLEDGES THAT THE CUSTOMER HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. FURTHER, THE CUSTOMER AGREES THAT THIS AGREEMENT, TOGETHER WITH ANY OTHER APPLICABLE JHA AGREEMENTS, CERTIFICATION, AMENDMENTS, AND SUPPLEMENTS AND ANY EXHIBITS OR ATTACHMENTS THERETO REFERENCING THIS AGREEMENT OR EXPRESSLY MADE A PART HEREOF THAT ARE DULY SIGNED BY THE PARTIES, WILL BE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, SUPERCEDING ALL PROPOSALS OR PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT.

EXHIBIT B

**ProfitStars Customer Agreement Order Form Attachment
Standard Terms and Conditions
(Government Customers)**

1. DEFINITIONS

1.1 "Customer" means the government customer identified in the Customer Agreement.

1.2 "Customer Agreement" means the procurement agreement or purchase order document issued by Customer to JHA for the acquisition of Software Licenses, Services, Maintenance, Hardware and Professional Services from JHA, including any written modification or addenda to the Customer Agreement which references the Customer Agreement and is executed by both parties.

1.3 "Documentation" means all installation, operating instruction and end user manuals, in hard copy or electronic form, provided by JHA with the Software programs to support the use and operation of the Software programs.

1.4 "Enhancements" mean new Software program or Services features or functions provided by JHA to Customer and other JHA customers as part of Maintenance which are not licensed or sold by JHA separately for an additional Software license or Services subscription fee payable by its customers generally. Once installed by Customer, Enhancements become an integrated part of the Software or Services, as applicable.

1.5 "Error" means any material defect or malfunction of a Software product or Services that causes the Software or Services not to operate in accordance with the Documentation.

1.6 "Hardware" means any third party computers, scanners, peripherals or other equipment offered by JHA to Customer and any third party operating system, database, firmware and other software programs that may be installed on the Hardware and used to operate the Hardware.

1.7 "JHA" means Jack Henry & Associates, Inc. and/or its subsidiary or affiliated companies who have executed the Customer Agreement and provide the Solution, Maintenance and Professional Services to Customer under the Customer Agreement.

1.8 "Maintenance" means the standard Software or Services maintenance support deliverables provided by JHA to Customer as further specified in these Standard Terms and Conditions or the Customer Agreement.

1.9 "Professional Services" means any installation, conversion, customization, consulting, training or other services performed by JHA to assist in Customer's implementation of the Solution.

1.10 "Services" means any solution-based service offering other than Professional Services which is identified in the Customer Agreement and is owned by JHA.

1.11 "Software" means the JHA software programs identified in the Customer Agreement; Documentation accompanying the software programs; and all Enhancements, Updates, Upgrades, customizations, modifications of the software programs and Documentation.

1.12 "Solution" means any combination of Software, Third Party Software, Services, Third Party Services and Hardware which are provided by JHA to Customer under the Customer Agreement.

1.13 "Third Party Services" shall mean any service offering which is identified as a Third Party Services offering in the Customer Agreement and is owned by a party other than JHA.

1.14 "Third Party Software" means any software program and accompanying documentation that is identified as a Third Party Software product in the Customer Agreement and is owned and licensed by a party other than JHA.

1.15 "Updates" means periodic program fixes, patches and releases issued by JHA to correct Errors reported in the Software programs or Services as part of standard Maintenance. Once installed by Customer, Updates become an integrated part of the Software or Services, as applicable.

1.16 "Upgrades" means new versions of the Software or Services issued by JHA which include major new features and functionality for which JHA requires the payment of a separate Software license or Services subscription fee from its customers generally.

2. SCOPE OF AGREEMENT

2.1 These Standard Terms and Conditions pertain to Software

licenses, Services and Hardware acquired by Customer from JHA and associated Maintenance and Professional Services that may be acquired by Customer from JHA with respect to installation and implementation of the Software, Services and Hardware. Each Software license, Services and Hardware acquisition transaction will be identified in the Customer Agreement with which these Standard Terms and Conditions are incorporated. When attached to and referenced in the Customer Agreement, these Standard Terms and Conditions shall be incorporated as part of the Customer Agreement as if fully set forth therein.

2.2 With respect to Third Party Software licensed or Third Party Services acquired by Customer from JHA, the third party owner's software license agreement or services agreement accompanying the Third Party Software or Third Party Services will govern Customer's use. For a particular Software or Services offering, a supplemental exhibit or addendum document may be included with the Customer Agreement or these Standard Terms and Conditions that provides supplemental terms and conditions applicable specifically to that Third Party Software or Third Party Services offering.

3. FEES

3.1 Customer shall pay to JHA the fees and expenses identified in the Customer Agreement for the Solution, Maintenance and Professional Services delivered by JHA to Customer which conform to the Customer Agreement.

3.2 Customer shall promptly reimburse JHA for all actual, reasonable out-of-pocket expenses incurred by JHA's personnel traveling to and from Customer's site to perform Professional Services. If the Customer Agreement indicates a not-to-exceed amount for these reimbursable expenses, JHA will limit its billing of its reimbursable expenses to the agreed limit. JHA will incur these expenses in accordance with JHA's corporate travel policies and procedures and will invoice these expenses to Customer on a monthly basis as incurred. With its invoices, JHA will provide documentation of all reimbursable travel expenses charged to Customer.

3.3 The parties recognize that Customer is a government entity and as a result JHA will not invoice Customer for sales or use taxes pertaining to the transactions identified in the Customer Agreement on the basis of Customer's status as a tax-exempt entity. If however Customer is not exempt from the obligation to pay such taxes for the items or services provided by JHA to Customer under the Customer Agreement, JHA will invoice Customer and Customer shall be solely responsible to pay all such taxes imposed by another government entity on the transactions completed under the Customer Agreement, except for taxes based on JHA's revenue or income.

4. GRANT OF LICENSES AND USAGE RIGHTS TO SOFTWARE AND SERVICES

4.1 Software Licenses and Usage Rights. In consideration of Customer's payment of the Software license fees identified in the Customer Agreement, JHA grants to Customer a non-transferable (except as authorized herein) and non-exclusive license or usage right to install the Software internally and access and use the Software solely for its internal operations, in accordance with the scope, configuration and quantity of the Software licenses identified in the Customer Agreement and pursuant to these Standard Terms and Conditions. For Software designated as server-based Software, Customer shall be entitled to install, access and use the Software programs on a single server computer located at Customer's site listed in the Customer Agreement. Customer may transfer the installation of the Software programs to another server at Customer's site by giving JHA prior written notice and the full installation details of the new Customer site of the installation. For Software designated as being workstation-based Software, Customer may install the Software programs on the number of Customer-owned client workstations and access the Software programs up to the maximum limit of the authorized users shown in the Customer Agreement for the workstation licenses purchased by Customer. If the Software license has an annual license term, the annual Software license fee includes standard Maintenance provided by JHA for the Software products.

4.2 U.S. Government Rights. If Customer is a U.S. government entity, the Software products and/or Services are provided with RESTRICTED RIGHTS. Use, duplication or disclosure by the Government is subject to restrictions set forth in subparagraphs (a) through (d) of the Commercial Computer Software—Restricted Rights at FAR 52.227-19 when applicable, or in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, and in similar clauses in the NASA FAR supplement, as applicable.

4.3 Software License and Usage Right Term Period:

(a) License and Usage Right Term Options. As shown in JHA's quotation of Software licensing or usage rights options to Customer, JHA may offer the Software products for Customer's use for the duration of any of the following license or usage right term periods:

(1) Twenty five (25) year license term, which requires the payment of a one-time license fee to JHA for Customer's use of the Software over this period. Annual Software Maintenance fees are charged separately from this one-time license fee.

(2) Twelve (12) month license term ("Annual Term"), which is renewable for successive twelve month periods and requires the payment of an annual license fee to JHA for Customer's use of the Software over this period. Annual Software Maintenance fees are included as part of the Annual Term license fees paid by Customer.

(3) Monthly Usage right term ("Monthly Usage Term"), which is renewable on a calendar monthly basis and requires the payment of a monthly usage fee to JHA for Customer's use of the Software over this period. Software Maintenance fees are included as part of the Monthly Usage Term fees paid by Customer.

The type and duration of Software licenses acquired by Customer will be specified in the Customer Agreement. JHA reserves the right to not offer any of the foregoing Software license term options for specific Software products. If no Software license term is specified in the Customer Agreement, then the license term period for the Software shall be deemed to be for an Annual Term.

(b) License Term Commencement: For all Software licensed under the Customer Agreement, the term of the Software license granted to Customer shall be for the period specified in the Customer Agreement, commencing on the following date as applicable (the "Commencement Date"):

(1) If Customer has contracted with JHA to install the Software at Customer's location, then the effective date of the license shall be the date that the Software has been installed and tested by JHA and is first made available to Customer for use in its production environment.

(2) If Customer has not contracted with JHA to install the Software at Customer's location, then the effective date of this initial license of the Software shall be the date of JHA's delivery of the Software to Customer.

(3) If Customer has contracted with JHA to install and use the Software as part of processing services or a hosted service to be provided by JHA to Customer via a remote Customer connection to JHA's data center or hosted service center used by JHA to provide the Software to Customer, then the effective date of the license or usage right shall be the date that the Software has been installed and tested by JHA and is first made available to Customer for use in its production environment.

(c) Annual Term Licenses.

(1) For Annual Term Software licenses, after completion of the Initial Annual Term of the Software license, the Software license may be renewed by Customer for additional Annual Terms as follows:

(A) JHA will provide Customer with a quotation or invoice of the Annual Term license fees due for the next following Annual Term license period for the Software then licensed by Customer. JHA shall provide this written quotation or invoice to Customer no later than sixty (60) days prior to the Annual Term license renewal anniversary date. The Annual Term Software license fee will not be increased by JHA by more than ten percent (10%) over the preceding Annual Term Software license fee for the same scope and configuration of the Software licenses, except as provided in Section 4.5 below. If JHA does not notify Customer of an increase in the Annual Term license fees, then the renewal Annual Term license fees shall be the same as the Annual Term license fees paid by Customer for the Annual Term period immediately preceding the renewal Annual Term period.

(B) Customer may contract for the Annual Term license renewal by (i) issuing a purchase order to JHA prior to the next renewal Annual Term anniversary date for the Software license, which indicates an Annual Term license renewal for the Software products, or (ii) paying the invoice received from JHA for the renewal Annual Term license no later than the renewal anniversary date.

(2) Withdrawal of Annual Term Licenses: After completion of the first full initial Annual Term license period, JHA reserves the right to withdraw the availability of the Annual Term licenses of any or all of the Software products licensed by Customer, by giving Customer written notice of non-renewal of the Annual Term licenses at least one hundred eighty (180) days prior to the next renewal anniversary date.

(3) Prorated Initial Annual Renewal Term: After completion of the first Annual Term, JHA reserves the right to prorate the Annual Term so that it will expire on the next following July 1 and each Annual Term will commence on July 1 thereafter. In this instance, JHA will issue a partial

year invoice to Customer covering this prorated Annual Term period, and issue regular full Annual Term invoices to Customer thereafter.

(d) Monthly Usage Term: For Monthly Usage Term transactions, the Monthly Usage Term will automatically renew on a calendar monthly basis, until such time that either Customer or JHA shall terminate the Monthly Usage term by giving at least ninety (90) days prior written notice of termination. Each monthly fee will be due and payable by Customer in advance no later than the first day of each calendar month during the term of the Monthly Usage Term.

4.4 Services Subscription Term: For Services acquired under the Customer Agreement, the subscription term of the Services granted to Customer shall be for the period specified in the Customer Agreement, commencing on the date that the Services have been installed and tested by JHA and are first made available to Customer for use in its production environment (the "Commencement Date"). If no Services subscription term is specified in the Customer Agreement and the Services are being acquired by Customer for use with Software licensed under the Customer Agreement, then the initial subscription term for the Services shall be for a period of one (1) year and automatically renewed for additional terms of one (1) year each unless terminated by either party giving the other party at least ninety (90) days written notice of termination prior to the annual renewal anniversary date.

4.5 Additional Software or Services fees will be due and payable by Customer to JHA for using the Software or Services to process the data or requirements of entities other than Customer; for an increase in the scope, configuration or quantity of its existing Software licenses or Services; or for licensing or acquiring additional Software products or Services. The Software and Services are licensed and provided for use in Customer's production environment. If Customer wishes to utilize the Software or Services in its nonproduction environments, such as development, testing, or disaster recovery, additional Software license or usage rights fees or Services fees may be charged by JHA for such use.

4.6 Except as authorized by law or in these Standard Terms and Conditions, the Software licenses or Services acquired by Customer may not be assigned, sublicensed, or otherwise transferred or copied in any manner by Customer to any other entity without the prior written consent of JHA. The Software or Services may not be used by Customer in a timesharing, rental, ASP/hosted or service bureau environment to provide access to the Software or Services to a third party, without the prior written consent of JHA. Customer shall be authorized to make a reasonable number of copies of the Software for its archival or back-up purposes only. Customer may print a reasonable number of hard copies of the online Documentation for the sole reference and use by individual users of the Software within Customer's organization. All authorized copies of the Software programs or Documentation made by Customer shall include all of the proprietary notices and legends included by JHA or its licensors on the original Software programs and Documentation.

4.7 Customer shall not disassemble, reverse engineer, decompile or perform any other action to determine the source code of the Solution except to the extent such action is authorized by applicable law, nor shall Customer create any derivative works from the Solution. Customer shall not remove or alter proprietary notices or legends placed by JHA or its licensors on any of the Solution or on other materials associated with the Solution.

4.8 If Customer wishes to provide access to any features or functions performed by the Software or Services to any third party provider in order to establish interoperability between JHA's Software or Services and the third party's products or services, Customer will first require the third party provider to sign JHA's standard confidentiality agreement provided by JHA for this purpose, authorizing the third party provider's use of and access to the Software or Services.

4.9 Customer covenants and warrants to JHA that all third parties granted access to or use of the Software or Services by Customer shall abide by and be bound to comply with the provisions of the Customer Agreement and these Standard Terms and Conditions as though they were the Customer. Customer accepts full responsibility and liability to JHA for any breach of the Customer Agreement or these Standard Terms and Conditions committed by the third party who is granted access to the Software by Customer. A breach of the Customer Agreement or these Standard Terms and Conditions committed by a third party granted access to the Software by Customer shall be deemed to be a breach committed by Customer. JHA and its licensors shall be deemed to be intended third party beneficiaries of any written agreement between Customer and a third party to whom Customer has granted access to the Software or Services, to enable JHA and its licensors at their election to enforce the terms of the Customer Agreement or these Standard Terms and Conditions and protect their rights to the Software and Services directly against the third party.

4.10 For any Third Party Software or Third Party Services identified in the Customer Agreement, the licenses and rights granted to Customer for use of the Third Party Software or Third Party Services will be specified in and governed by one of the following:

(a) Supplemental terms and conditions appended to the Customer Agreement or these Standard Terms and Conditions which apply solely to the Third Party Software or Third Party Services involved; or

(b) a separate software license agreement or services agreement provided by the owner of the Third Party Software or Third Party Services which the owner requires to be signed or acknowledged by Customer prior to being granted access to the Third Party Software or Third Party Services.

JHA makes no separate grant of licenses or rights or extends any product or services warranties, indemnities and liabilities for Third Party Software or Third Party Services to Customer. Any warranties or indemnities provided by the owner of the Third Party Software or Third Party Services in its standard software end-user license agreement or services agreement shall exclusively apply to the product or services. To the extent authorized by the owner of the Third Party Software or Third Party Services, JHA shall pass through to Customer for Customer's benefit all end-user software warranties and indemnities that the owner of the Third Party Software or Third Party Services provides directly to JHA.

4.11 Not more than once each calendar year during the term of the Customer Agreement, JHA or its audit representatives may at JHA's expense conduct an audit at Customer's site upon at least fifteen (15) days prior written notice to verify that Customer's use of the Solution conforms to the terms of the Customer Agreement and these Standard Terms and Conditions. If an audit uncovers wrongful use or copying of the Solution by Customer, Customer shall pay to JHA the then-current fees due for the additional copying and usage of the Software or Services. Further, if the additional fees associated with Customer's wrongful copying or usage of the Solution exceeds 120% of the fees paid by Customer for its licensed Solution installation, Customer shall reimburse JHA for its reasonable costs of performing the audit.

5. HARDWARE ACQUISITION TERMS

5.1 All Hardware sold by JHA to Customer under the Customer Agreement is manufactured by third parties. Upon mutual execution of the Customer Agreement, JHA will place an order for the Hardware with the third party manufacturer of the Hardware or its distributor or dealer for delivery of the Hardware to Customer. The Hardware will conform to the then-current published written technical specifications of the Hardware provided by JHA to Customer immediately prior to execution of the Customer Agreement. In the event that Customer requests a change in the order specifications or Hardware configuration details after JHA's placement of the order with the third party Hardware provider, Customer shall reimburse JHA for any rework charges levied by the third party Hardware provider. Customer acknowledges that a Hardware manufacturer may reserve the right to include new and used parts in its Hardware, and that a Hardware manufacturer or provider may provide Hardware that has been previously installed, but for which a full warranty is provided by the Hardware manufacturer or provider for the Hardware.

5.2 The Hardware will be delivered to Customer at the Customer location specified in the Customer Agreement, unless a different location has been agreed in writing between Customer and JHA. Unless otherwise indicated in the Customer Agreement, Customer will be responsible for performing the installation of the Hardware at Customer's location. If Customer has contracted with JHA to perform the installation, Customer will provide a suitable location, environment and equipment for the installation and will assist in unpacking, moving and locating the Hardware, as requested by the installer. Customer will pay JHA or the installer (as the case may be) its then current installation services fees and reimbursable reasonable out-of-pocket travel expenses.

5.3 Customer will be solely responsible for providing all components in its information technology environment necessary to install and operate the Hardware in accordance with its published technical specifications, including but not limited to WAN/LAN network connectivity and management, switches, Ethernet drops, patch cables, UPS and Surge Protection, Rack Units, Rack mounting, Virus and Firewall protection. Products and/or services associated with fulfillment of these responsibilities may be purchased separately from JHA. Microsoft may require Customer to acquire a Service Provider License Agreement for any Microsoft licensed products to be used for Commercial Hosting.

5.4 Customer accepts sole responsibility for (a) its selection and use of the Hardware and programming to be operated with the Hardware to achieve Customer's intended results and the results obtained therefrom; and (b) the selection and use of, and results obtained from, any other equipment, programs, or services used by Customer with the Machines and programming.

5.5 The prices shown in the Customer Agreement for Hardware are F.O.B. shipping point and do not include any transportation, packing, crating, rigging, storage, warehousing, unloading, or shipment insurance charges, if any, which will be payable separately by Customer. Upon delivery of the Hardware to Customer, JHA will invoice Customer for the Hardware and related transportation and shipment insurance charges, which will be due and payable within thirty (30) days following Customer's receipt of the correct and valid invoice.

5.6 The title and ownership of all Hardware transfers to Customer

when delivered by the Hardware provider to the transportation carrier; however, to the extent permitted by applicable law, JHA reserves a purchase money security interest in all Hardware delivered to Customer until the Hardware fees identified in Section 5.5 above are paid in full by Customer. If Customer fails to pay all Hardware fees in full when due, JHA shall have the right to take possession of the Hardware and remove it from Customer's location, at which event the title to the Hardware will automatically be transferred to JHA.

5.7 JHA will advise the Hardware manufacturer or provider of Customer's requested shipping dates, but Customer will accept and abide by any manufacturing or shipping date or sequence of Hardware units to be delivered as established or amended by the Hardware manufacturer or provider. If the scheduled delivery date is extended on request of, or by the action of Customer, then Customer will pay any additional fee or charge assessed by the Hardware manufacturer or provider for such delay as incurred by JHA, together with any warehouse charges and other related expense, if any, resulting from such delay. Customer accepts all risk of loss or damage of the Hardware from and after delivery to the transportation carrier. JHA or JHA's supplier will arrange for shipment insurance coverage against risk of loss or damage to the Hardware while it is in transit to Customer. Such coverage will be at Customer's expense.

5.8 Prices for the Hardware shall be as shown in the Customer Agreement, but are subject to price increases implemented by the Hardware manufacturer or provider prior to the scheduled shipment date of the Hardware. If a price increase is imposed by the Hardware manufacturer or provider prior to shipment of the Hardware, JHA will promptly give Customer written notice of the price increase. Customer may cancel its order for the affected Hardware units by written notice immediately delivered to JHA, otherwise the Hardware will remain on order but at the new increased sales price.

5.9 If any of the Hardware units are custom manufactured or configured in a nonstandard manner for Customer's order, Customer acknowledges that JHA may be unable to accept return of those Hardware units. Returns of any kind require prior approval by JHA and will not be accepted more than fifteen (15) days after shipment to Customer. Approved returns will only be accepted in the original, unopened, shipping container. All approved returns will be subject to a 20% restocking fee payable by Customer.

5.10 If a Hardware unit is determined to be defective upon delivery to the Customer location, Customer must notify JHA within ten (10) days of delivery and receive a defective machine return approval. Defective units may be repaired or replaced under the Hardware manufacturer's warranty or returned for credit at the discretion of JHA or the Hardware manufacturer. A restocking fee will not apply to returns of defective equipment approved by JHA.

5.11 The Hardware manufacturer or provider generally offers a separate Hardware maintenance contract for servicing the Hardware acquired by Customer, and in that case Customer shall have the option of acquiring this Hardware maintenance directly from the manufacturer or provider. JHA will have no liability or responsibility to Customer with regard to the separate Hardware maintenance contract between Customer and the manufacturer or provider, even if Customer acquires this Hardware maintenance contract from the Hardware manufacturer or provider through JHA under the Customer Agreement.

6. WARRANTIES

6.1 Software and Services. With respect to Software and Services provided by JHA to Customer under the Customer Agreement, JHA warrants to Customer that:

(a) For a period of ninety (90) days following JHA's initial delivery of the Software or Services to Customer (the "Warranty Period"), the unmodified Software programs or Services will operate in accordance with the Documentation in effect at the time of delivery. If Customer has contracted for JHA to perform the Software or Services installation, the Warranty Period will commence on the date that the Software or Services have been installed and tested by JHA and first made available to Customer for use in its production environment. Under this warranty, JHA will apply commercially reasonable efforts to correct Errors in the Software or Services reported by Customer during the Warranty Period at no extra charge to Customer. If JHA does not correct the Errors reported by Customer within thirty (30) days following the expiration of the Warranty Period, Customer may terminate this Agreement and receive a full refund of all fees paid by Customer to JHA for the affected Solution components under this Agreement. Errors reported by Customer after expiration of the Warranty Period will be addressed by JHA solely in accordance with the provisions of Section 7 (Software and Services Maintenance) below. JHA does not warrant that the Solution is Error-free or will operate in an uninterrupted manner.

(b) The Software and Services shall be provided by JHA free and clear of all liens and encumbrances. JHA further warrants that it has full power and authority to license and provide the Solution to Customer without the consent of any other person, or in the event such consent is required JHA has obtained all required consents.

(c) JHA will utilize commercially available virus protection software in order to ensure that the Software and Services will be free from known viruses, bombs and other destructive elements which negatively affect Customer's use and operation of the Software and Services.

(d) Maintenance of the Software and Services will be provided to Customer in a timely and professional manner consistent with technology industry standards for maintenance support of commercial software products and services comparable to the Software licensed and Services acquired by Customer under the Customer Agreement.

6.2 **Professional Services.** JHA warrants that the Professional Services provided by JHA to Customer under the Customer Agreement will be performed in a timely and professional manner consistent with technology industry standards and in accordance with the requirements and specifications identified in the Customer Agreement or a separate statement of work or services order negotiated and executed between the parties (as applicable).

6.3 **Third Party Software and Services.** JHA warrants that it has full power and authority to license and provide the Third Party Software and Third Party Services to Customer without the consent of any other party, or in the event such consent is required JHA has obtained all required consents.

6.4 **Hardware.** JHA warrants that (a) it has full power and authority to resell and deliver the Hardware to Customer without the consent of any other party, or in the event such consent is required JHA has obtained all required consents; and (b) Hardware installed by JHA will be properly installed in accordance with the Hardware manufacturer's installation instructions. JHA does not make any other warranties, indemnities or obligations for the Hardware and does not accept any liability for any warranties, indemnities or obligations which may be separately provided by the Hardware manufacturer or provider with respect to the Hardware acquired by Customer from JHA under the Customer Agreement.

6.5 THE WARRANTIES STATED IN THIS SECTION 6 ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. JHA MAKES NO WARRANTY THAT THE SOFTWARE OR SERVICES WILL BE ERROR FREE OR WILL OPERATE IN AN UNINTERRUPTED MANNER.

7. SOFTWARE AND SERVICES MAINTENANCE

7.1 During the term of the Customer Agreement, in consideration of Customer's full payment of the fees for the Software, Maintenance and/or the Services subscription fees applicable to the transactions entered into between JHA and Customer under the Customer Agreement, JHA will provide Customer with the following standard Maintenance for the Software and Services:

(a) Updates and Enhancements of the Software or Services which are provided by JHA to other then-current active Maintenance customers of the Software or Services.

(b) Customer support help-desk, for the reporting, handling and resolution of Software product errors discovered by Customer. Unless different help desk hours are shown in the Customer Agreement, JHA's standard customer support help desk hours are 8:00 am through 5:00 pm, Central US time zone, Monday through Friday, excluding standard US holidays published by the Federal Reserve System.

(c) Correction of Errors which prevent normal operation and use of the Software or Services, including the delivery of program error fix releases or PTF's.

7.2 Customer, at its expense, will provide JHA with remote VPN communication access (or comparable remote access technology) to its server on which the Software or Services have been installed to enable JHA to perform remote diagnosis and troubleshooting activities relating to the reported Error. If remote dial up access is provided, Customer shall initiate the call for the remote support session. JHA shall comply with all IT system access and security policies and procedures communicated by Customer regarding authorized access to its IT systems.

7.3 JHA's provision of standard Maintenance shall apply only to the then-current release of the Software or Services and the immediately preceding release of the Software or Services. Maintenance, if any, offered by JHA for older releases of the Software or Services shall be provided under a separate Professional Services purchase order negotiated and executed between JHA and Customer and subject to separate charges.

7.4 Standard Maintenance specifically excludes, and JHA will not be liable or responsible to perform Maintenance for, any problems caused or contributed to by the following:

(a) A Software program or service which was not originally provided by JHA, or

(b) An unauthorized alteration or revision to the Software or Services, or

(c) Errors that were previously corrected by JHA and delivered to Customer in an update release of the Software or Services which has not been installed by Customer, or

(d) Any problems with data on tape, disk or diskettes which have been caused by defects by hardware manufacturers programming, or

(e) Failure of Customer to load hardware manufacturers operational/system software new Releases and/or Program Temporary Fixes (PTFs), or

(f) Errors or problems which are the result of improper operator handling or use.

(g) As part of its provision of standard Maintenance, JHA will not provide retrofitting, reintegration, and recoding of any customization(s) which have been made to the Software or Services in order for the customizations to work with any then-current release version of the Software or Services. Any Professional Services to perform those activities which are agreed between JHA and Customer shall be documented in the Customer Agreement or a Statement of Work or services order executed between JHA and Customer which includes the project details, scope of services deliverables, and services fees applicable to the Professional Services.

8. OWNERSHIP

8.1 All Software and Services and other intellectual property provided by JHA to Customer shall be and remain the exclusive property of JHA and its licensors, subject to the licenses and rights granted to the Customer as defined in the Customer Agreement and these Standard Terms and Conditions. All Software provided by JHA to Customer under this Agreement is licensed and not sold.

8.2 All software programs, data, technology and any other intellectual property owned by Customer and its licensors and provided or made accessible to JHA under this Agreement shall be and remain the exclusive property of Customer and its licensors.

9. TRADE SECRETS

9.1 Customer hereby acknowledges that the Software provided by JHA under this Agreement incorporates trade secrets of JHA and its licensors, and as such is protected by civil and criminal law, is very valuable to JHA and its licensors, and that its use must be carefully and continuously controlled. Customer shall use the highest standard of diligence to protect the confidentiality of the Software, but in no event exercising not less than reasonable care, and shall prohibit the unauthorized access to, use or duplication of any of the Software in its possession. Customer shall keep all machine-readable Software in a secure place which is as secure as Customer provides for its most confidential materials of like nature and importance. Customer shall notify JHA immediately of any unauthorized disclosure, possession or use of any item supplied by JHA under the Customer Agreement by any person or organization not authorized by the Customer Agreement to have such possession or use. Customer shall promptly furnish JHA full details of such possession, use or knowledge, and shall cooperate fully with JHA in any litigation against third parties deemed necessary by JHA to protect its proprietary rights. Customer's compliance with the above shall not be construed in any way as a waiver of JHA's right to recover damages or obtain other relief against Customer for its negligent or intentional harm to the proprietary rights of JHA or its licensors or for Customer's breach of its contractual obligations to protect the confidentiality of the Software or Services.

9.2 If Customer attempts or allows others to attempt to use, copy, duplicate, transcribe or convey the items supplied by JHA pursuant to the Customer Agreement, in a manner contrary to the terms of the Customer Agreement or these Standard Terms and Conditions in derogation of JHA's proprietary rights, whether these rights are explicitly herein stated, determined by law, or otherwise, JHA shall have, in addition to any other remedies available to it at law or equity, the right to seek injunctive relief enjoining such actions. Customer acknowledges that in such instances irreparable harm will occur to JHA and its licensors and that other remedies are inadequate.

10. CONFIDENTIAL INFORMATION

10.1 All Information communicated by one party to the other party regardless of whether marked as confidential or not, including the terms and conditions of this Agreement ("Confidential Information"), whether before the effective date or during the term of this Agreement, shall be received in strict confidence and shall be used only for the purposes of this Agreement. Confidential Information shall not be disclosed by the recipient party, its agents or employees without prior written consent of the disclosing party. Each party agrees to take all reasonable precautions to prevent the disclosure to third parties of such information, except as may be necessary by reason of legal, accounting or regulatory requirements beyond the reasonable control of JHA or Customer, as the case may be. The receiving party shall apply the same standard of care with respect to the disclosing party's Confidential Information that it applies to its own Confidential Information of like nature and importance, but in no event applying less than a standard of reasonable care. If Third Party Software

or Third Party Services are specified in the Customer Agreement, then JHA shall be authorized to disclose the terms and conditions of the Customer Agreement to the owner of the Third Party Software or Third Party Services to fulfill its contract reporting obligations to the third party owner.

10.2 The receiving party shall be under no obligation with respect to Confidential Information which (a) was in the public domain prior to the receipt of the information by the receiving party, or subsequently becomes part of the public domain by publication or otherwise, except disclosure by or the wrongful act of the receiving party, its owners, officers, directors, employees, agents or representatives; (b) was in the lawful possession of the receiving party prior to its receipt from the disclosing party and was not acquired by the receiving party directly or indirectly from the disclosing party or any of disclosing party's Customers, and the sources of such information had not obtained the information wrongfully and had no obligations of confidentiality or secrecy with respect thereto; (c) was independently developed by the receiving party without access to the Confidential Information; (d) is provided by the disclosing party to another person or party without being subject to an obligation of confidentiality by the other person or party with respect to the information; or (e) is disclosed by the receiving party pursuant to a government or court order requiring such disclosure, provided that the receiving party has first notified the disclosing party of its receipt of the government or court order to disclose the disclosing party's Confidential Information and has given the disclosing party an opportunity to seek a protective order limiting such disclosure without confidentiality obligations. The receiving party has the burden of proving that the Confidential Information was subject to one or more of the above listed exceptions.

10.3 All information and materials disclosed to Customer at JHA's User Group conferences shall be treated as JHA's Confidential Information. Nothing in this Section shall be interpreted to preclude or impede Customer's participation in any User Group conference.

11. DATA PRIVACY AND SECURITY

11.1 In accordance with data privacy laws and regulations applicable to this Agreement, which may include but not be limited to the Gramm-Leach-Bliley Act ("GLBA") and the Health Insurance Portability and Accountability Act ("HIPAA"), JHA shall not disclose or permit access to or use of the non-public personal information of Customer or its consumers made available by Customer to JHA for any purposes other than those specifically required to fulfill JHA's contractual obligations with Customer. JHA shall not sell the information regarding Customer's consumers for any reason. In connection with providing services to Customer, JHA shall take all commercially reasonable steps to ensure the privacy and security of Customer's and its consumers' information and protect against anticipated threats and hazards to the security of such information. JHA shall take all commercially reasonable steps to prevent unauthorized access to or use of such information that could result in substantial harm or inconvenience to Customer or its consumers. JHA has implemented policies and procedures to ensure the proper disposal of consumer information in accordance with applicable Federal and State requirements. In the event any court or regulatory agency seeks to compel disclosure of the information, JHA shall, if legally permissible, promptly notify Customer of the disclosure requirement and will cooperate so that Customer may at its expense seek to legally prevent this disclosure of the information.

11.2 JHA has separately published its data privacy and security compliance commitment to its customers, which corresponds at a minimum to the provisions of this Section 11 as of the effective date of this Agreement. To the extent that additional commitments by JHA are reflected in future published versions of this policy, these additional commitments shall be incorporated as part of this Agreement without further actions by the parties. In no event shall a future published data privacy and security compliance statement issued by JHA lessen or eliminate any of the commitments by JHA stated in this Section 11.

11.3 If a breach of security results in an unauthorized intrusion into JHA's systems which directly and materially affects Customer or its consumers, JHA will take appropriate measures to stop the intrusion; report on the intrusion to Customer within a reasonable time after discovery of the intrusion; subsequently report the corrective action taken by JHA in response to the intrusion; and provide reasonable assistance to Customer to support any mandatory disclosures about the intrusion by Customer to its consumers required by law. If JHA has notified law enforcement agencies about the intrusion, JHA may delay its notification of the intrusion to Customer until authorized to do so by the law enforcement agencies.

12. DELIVERY OF SOFTWARE AND SERVICES

If Customer has not contracted with JHA to install the Software or Services at Customer's location, delivery of the Software or Services to Customer shall occur within thirty (30) days following (a) the execution of the Customer Agreement, with respect to the Software or Services initially licensed or acquired under the Customer Agreement, and (b) the execution of any follow-on addendum to the Customer Agreement, with respect to additional Software or Services licensed or acquired under the Customer Agreement.

13. PROFESSIONAL SERVICES

13.1 Installation Services. If Customer has contracted for JHA to install the Solution at Customer's location, JHA will install the Solution at Customer's designated data processing center or JHA's data processing or hosted service data center (as applicable) so that the Solution will properly operate as specified in the Customer Agreement. Prior to commencement of the project, JHA and Customer may enter into a separate Statement of Work document which describes the project details and the specifications and requirements applicable to JHA's professional services delivery. Customer shall be responsible for providing all hardware, other third party software, and internet/network/infrastructure components necessary to install and operate the Solution in its production environment, which shall be installed by Customer and operational as of the scheduled commencement date of the Solution installation project. Customer will furnish data needed and requested by JHA, and will co-operate with and assist JHA personnel in the installation and testing of the Solution.

13.2 Training Services. If Customer has contracted for JHA to perform training of Customer's personnel in the use and operation of the Solution, JHA will perform the training at the site indicated in the Customer Agreement. The training session will be scheduled to occur on a mutually agreeable date. If the training is to be conducted at Customer's location, Customer will provide JHA with the necessary space, equipment and a suitable training environment in which to perform the training session. For the training fee quoted to Customer, up to twelve (12) of Customer's personnel may attend a single training session conducted at Customer's location.

14. INVOICING AND PAYMENT TERMS

14.1 Unless different payment terms are specified in the Customer Agreement, JHA will invoice Customer for the Solution and Professional Services upon delivery, and Customer shall pay JHA for all amounts due under the Customer Agreement within thirty (30) days from the date of JHA's correct and valid invoice.

14.2 To the extent such charges are permitted under applicable law, if Customer becomes delinquent in the timely payment of a correct and valid invoice received from JHA, Customer will become liable to pay JHA an additional amount equal to the lower of (a) 1.5% interest per month (18% annually) or (b) the highest interest rate chargeable by applicable law, to be charged until the delinquent amount has been fully paid. JHA reserves the right to halt the delivery of any Solution, Maintenance or Professional Services if Customer becomes delinquent in the payment of any amounts due JHA, except where such amounts are legitimately being disputed in good faith by Customer.

15. LIMITATION OF LIABILITY

15.1 Neither party shall be liable to the other party or to any other person, firm or company, for failure to fulfill its obligations hereunder due to the occurrence of an event beyond its reasonable control, including but not limited to acts of God, public disaster, fire, flood, riot, war, terrorism, labor strikes/disputes involving its suppliers, judicial orders/decrees, government laws/regulations, or interruptions of communications, transportation or electricity.

15.2 Any liability of JHA for any loss, damage, or cost hereunder shall be limited to actual direct damages incurred by Customer, but in no event shall the aggregate of JHA's liability under the Customer Agreement exceed the cumulative amount of fees paid by Customer to JHA under the Customer Agreement during the preceding three (3) year period, nor shall any amount of the liability include any indirect, consequential, punitive or special damages incurred by Customer, to the extent that such limitation or exclusion of damages is permitted by applicable law.

16. TERMINATION

16.1 If Customer or JHA elects not to renew the license or usage right term of the Software or the subscription term of the Services as provided in Section 4 above, then the Software or Services subject to such non-renewal shall automatically terminate as of the expiration date of the then-current license, usage right or subscription term, without further action or notice required by either party.

16.2 Either party may terminate the Customer Agreement for cause by written notice to the other party, upon the occurrence of a breach of this Agreement which has not been cured by the other party following thirty (30) days prior written notice of such breach. If the breach is due to Customer's failure to pay a correct and valid invoice when due without legitimate dispute, this cure period shall be reduced to ten (10) days following receipt of notice of the delinquency from JHA.

16.3 Either party may terminate the Customer Agreement for cause upon written notice to the other party, in the event that the other party undergoes voluntary or involuntary bankruptcy.

16.4 Within ten (10) business days following the effective date of termination of the Customer Agreement, Customer shall cease using the Software and Services, uninstall the Software and Services from all locations, and return the Software copies to JHA or destroy the Software copies and certify this destruction to JHA in writing by an official or senior manager of Customer.

17. GENERAL PROVISIONS

17.1 Any notice under the Customer Agreement shall be in writing and shall be deemed delivered when actually received, or five days after it is sent by United States Postal Service certified mail, return receipt requested, or by overnight express mail, with proof of delivery retained, when addressed to the other party at its address shown in the Customer Agreement, which may be changed by written notice. A copy of any written notice of breach or termination of the Customer Agreement given by Customer to JHA shall be delivered to the attention of JHA's Legal Department at the JHA address identified in the Customer Agreement.

17.2 No action arising out of the Customer Agreement may be brought by a party against the other party more than two (2) years after the cause of action has accrued and the injured party has actual knowledge of the accrual. Unless otherwise prohibited by applicable law, the prevailing party in any litigation conducted in relation to the Customer Agreement shall be entitled to recover its reasonable attorneys' fees from the other party.

17.3 The Customer Agreement and these Standard Terms and Conditions contain the entire agreement between the parties with respect to the transactions contained herein. The Customer Agreement and these Standard Terms and Conditions shall be modified or altered only by a written instrument signed by authorized representatives of both parties.

17.4 The Customer Agreement shall be binding upon and inure to

the benefit of the parties and their respective assigns and successors.

17.5 Except as provided below, the Customer Agreement shall not be transferable or assignable by either party to a third party without the prior written consent by the non-assigning party. JHA may assign the Customer Agreement in its entirety to a successor entity which has acquired controlling ownership interest in JHA and is contractually bound to enjoy all of the rights and perform all of the liabilities and responsibilities of JHA under the Customer Agreement.

17.6 The Customer Agreement and these Standard Terms and Conditions shall be governed by and construed in accordance with the laws of the home state of Customer, without reference to its conflict of laws provisions, and applicable U.S. federal laws and regulations.

17.7 The provisions of Sections 5, 8, 10, 11, 14, 15, 16.4 and 17 shall survive the expiration or termination of the Customer Agreement.

17.8 If any of the provisions of the Customer Agreement or these Standard Terms and Conditions shall be ruled by a court of law with competent jurisdiction to be invalid under any applicable statute or rule of law, the affected provisions shall be, to that extent, be deemed to be omitted. Such omission shall not change the intent or binding nature of any or all of the rest of the Customer Agreement or these Standard Terms and Conditions.

<End of Standard Terms and Condition>

Treasury Management Services

All fees are per item unless otherwise noted
 Effective June 1st, 2015

LOCKBOX SERVICES

Setup Fee Per Lockbox	\$250.00
Annual P.O Box Rental (Standard) Per Box	\$100.00
Annual P.O Box Rental (Custom) Per Box	By Quote
Monthly Maintenance Per Lockbox	\$175.00
Additional Lockboxes Per Lockbox	\$50.00
Monthly Maintenance Multiple Account Lockbox	\$190.00
Lockbox Deposits Posted	\$1.20
Remittance Processed	\$0.40
Documents Scanned	\$0.07
Image Archived	\$0.05
Image Retrieved 1-500	\$0.00
Image Retrieved 501-3000	\$0.03
Imaged Retrieved 3001+	\$0.02
Remittance Reject	\$0.30
Remittance Returned	\$0.44
Image Paper Return	\$0.10
Data Capture Per Keystroke	\$0.02
Multiple Payee 10-39	\$0.14
Multiple Payee >40	\$0.16
Fine Sort > or = 5 Sorts	\$0.20
Rough Sort < 5 Sorts	\$0.16
Remit Process Foreign Check	\$14.00
Remit Process Cash	\$11.00
Document Re-association	\$0.09
Stop/Positive File Monthly Maintenance	\$125.00
Stop/Positive Account Lookup	\$50
Transmission Fee Per Month Per Box	\$125.00
Programming Fees Per Hour	\$250.00
Mail Forward (max 3 months) Per Box Per Month	\$75.00
Special Delivery	By Quote
Custom Processing	By Quote

Applicable Depository Services Fees:

LBX Credits Posted	\$1.20
Deposited Items On Us	\$0.09
LBX Deposited Items Not On Us	\$0.09

ONLINE BANKING SERVICES

Multi-User Monthly Maintenance 1-2 Users	No Charge
<i>Includes Premium Reporting</i>	
Multi-User Monthly Maintenance 3+ Users	\$20.00
<i>Includes Premium Reporting</i>	
ACH Origination	See ACH Origination
Electronic Report Delivery Per Report Type	\$20.00
Extended History – 12 Months	\$5.00
Extended History – 18 Months	\$20.00
Large Account Volume 50-200 Accounts	\$50.00
Large Account Volume 201+ Accounts	\$100.00
Stop Payments	\$18.00
Unlimited Business Bill Pay	No Charge
Wire Transfer	See Wire Transfer
Deposit Escrow Sub Accounting Reporting	\$50.00
Deposit Escrow Sub Accounting Transfers	\$20.00

PAYROLL CARD SERVICES

Set Up Fee	\$100.00
Company Monthly Maintenance	\$20.00
Company Per Card	\$0.00

REMOTE DEPOSIT CAPTURE SERVICES

Scanner	By Quote
Monthly Maintenance (Two Accounts/1 Location)	\$50.00
Additional Accounts	\$4.00
Additional Locations	\$4.00

REMOTE DEPOSIT IMAGE FILE SERVICES

Set Up Fee	\$250.00
Set Up Fee – Preferred Vendor	\$125.00
Remote Deposit Image File Monthly Maintenance	\$125.00
Remote Deposit Image File Monthly Maintenance – Preferred Vendor	\$40.00
RemitPlus Software	By Quote
RemitPlus Monthly Maintenance	\$125.00 ✓
RemitPlus or Upload Processing Items	\$0.05 ✓

SWEEP SERVICES

Loan Sweep

Monthly Maintenance Per Account	\$175.00
---------------------------------------	----------

Loan/Investment Sweep*

Monthly Maintenance Per Account	\$200.00
<i>*Other Investment Fees apply. Mutual Fund Sweep product is not FDIC Insured, is not backed or guaranteed by any bank and involves investment risk including possible loss of principal</i>	

Money Market Sweep

Monthly Maintenance Per Account	\$75.00
---------------------------------------	---------

Mutual Fund Sweep*

Monthly Maintenance Per Account	\$100.00
<i>*Other Investment Fees apply. Mutual Fund Sweep product is not FDIC Insured, is not backed or guaranteed by any bank and involves investment risk including possible loss of principal</i>	

Repurchase Agreement Sweep*

Monthly Maintenance Per Account	\$75.00
<i>*Repurchase Agreement Sweep product is not FDIC Insured, is not backed or guaranteed by any bank and involves investment risk including possible loss of principal</i>	



ITEM NO.: 12a

MEETING DATE: December 2nd 2015

AGENDA SUMMARY REPORT

SUBJECT: AWARD CONTRACT TO GREGG SIMPSON TRUCKING IN THE AMOUNT OF \$136,734.63 FOR THE CONSTRUCTION OF THE CROSSWALK AND PEDESTRIAN IMPROVEMENTS ON NORTH STATE STREET AT GARRETT DRIVE AND AUTHORIZE CORRESPONDING BUDGET AMENDMENT.

Summary: Council will consider the award of contract to Gregg Simpson Trucking in the amount of \$136,734.63 for the construction of the crosswalk and pedestrian improvements on North State Street at Garrett Drive and the authorization of the corresponding budget amendment.

Background: On July 1, 2015, Council received a report and recommendation from the City Engineer regarding pedestrian safety and improvements on North State Street at Garrett Drive. Staff presented several options for Council's consideration. Council directed staff to implement temporary measures until the construction of a permanent solution could occur. The permanent solution is a pedestrian refuge island with a lighted crosswalk and bulb-out on both sides of North State Street at Garrett Drive.

Staff prepared plans for the construction of these improvements and released them for bid. Since no bids were received, Council directed staff to negotiate a contract with a local contractor for the construction of this project.

Discussion: The Purchasing Supervisor contacted several local construction companies in Ukiah and received two proposals for the work. Gregg Simpson Trucking was the lowest proposal received and can complete the work in 6-8 weeks, depending on weather. This contractor also proposed the shortest timeline.

It is staff's recommendation to award a contract in the amount of \$136,734.63 to Gregg Simpson Trucking. In addition, a budget amendment is needed for this project. Funds are available in the Gas Tax 2107 Fund and will be expended from account 50124220.80230. The proposal tabulation is included as Attachment 1.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$0	Gas Tax 2107	50124220.80230	Yes ☒ No ☐	N/A

RECOMMENDED ACTION(S): Award contract to Gregg Simpson Trucking in the amount of \$136,734.63 for construction of the crosswalk and pedestrian improvements on North State Street at Garrett Drive and authorize corresponding budget amendment.

ALTERNATIVES: Do not award contract and provide direction to staff.

Citizens advised: N/A
Requested by: Sage Sangiacomo, City Manager.
Prepared by: Jarod Thiele, Public Works Project Analyst.
Coordinated with: Tim Eriksen, City Engineer and Public Works Director; Mary Horger, Purchasing Supervisor.
Presenter: Tim Eriksen, City Engineer and Public Works Director.
Attachment: 1) Proposal Tabulation

COUNCIL ACTION DATE: _____ : ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Approved: 
Sage Sangiacomo, City Manager

CITY OF UKIAH
DEPARTMENT OF PUBLIC WORKS

Attachment 1

Crosswalk at North State St. & Garrett Dr.
Specification No. 15-11
Proposal Tabulation

Prepared By: Mary Horger
Fund/Account No. 50124220.80230

ESTIMATE OF CONSTRUCTION COST		UNIT	ENGINEER'S ESTIMATE TOTALS			Gregg Simpson Trucking		Ferranti Construction	
						ADDRESS		ADDRESS	
ITEM	DESCRIPTION		QTY	UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST
1	TRAFFIC CONTROL	LS	1	\$ 4,000.00	\$4,000.00	\$ 8,500.00	\$8,500.00	\$ 11,632.00	\$11,632.00
2	MOBILIZATION	LS	1	\$ 4,000.00	\$4,000.00	\$ 5,500.00	\$5,500.00	\$ 6,400.00	\$6,400.00
3	SAWCUT CONCRETE	LF	16	\$ 10.75	\$172.00	\$ 12.00	\$192.00	\$ 15.00	\$240.00
4	SAWCUT ASPHALT	LF	214	\$ 4.25	\$909.50	\$ 6.00	\$1,284.00	\$ 7.00	\$1,498.00
5	REMOVE CURB & GUTTER	LF	85	\$ 23.67	\$2,011.95	\$ 15.00	\$1,275.00	\$ 24.00	\$2,040.00
6	REMOVE SIDEWALK	SF	572	\$ 12.50	\$7,150.00	\$ 10.50	\$6,006.00	\$ 16.00	\$9,152.00
7	REMOVE VALLEY GUTTER	SF	67	\$ 16.92	\$1,133.64	\$ 15.00	\$1,005.00	\$ 20.00	\$1,340.00
8	REMOVE AC PAVEMENT	SF	720	\$ 5.87	\$4,226.40	\$ 11.50	\$8,280.00	\$ 8.00	\$5,760.00
9	CONCRETE CURB & GUTTER	LF	108	\$ 65.17	\$7,038.36	\$ 69.00	\$7,452.00	\$ 66.00	\$7,128.00
10	CONCRETE VALLEY GUTTER	SF	19	\$ 28.17	\$535.23	\$ 46.00	\$874.00	\$ 38.00	\$722.00
11	CONCRETE SIDEWALK INCLUDING RAMPS	SF	862	\$ 19.67	\$16,955.54	\$ 20.50	\$17,671.00	\$ 38.00	\$32,756.00
12	CONCRETE SIDEWALK, REFUGE ISLAND	SF	179	\$ 12.50	\$2,237.50	\$ 21.00	\$3,759.00	\$ 18.00	\$3,222.00
13	CONCRETE CURB	LF	67	\$ 55.00	\$3,685.00	\$ 57.50	\$3,852.50	\$ 68.00	\$4,556.00
14	TYPE B AC PAVEMENT 4"	SF	380	\$ 8.25	\$3,135.00	\$ 18.00	\$6,840.00	\$ 20.00	\$7,600.00
15	RELOCATE FLAG POLE MOUNTING HOLES	EA	2	\$ 40.00	\$80.00	\$ 500.00	\$1,000.00	\$ 50.00	\$100.00
16	TRUNCATED DOME SURFACING	SF	114	\$ 44.33	\$5,053.62	\$ 46.00	\$5,244.00	\$ 56.00	\$6,384.00
17	PAINT REALIGNED LANE LINES	LF	353	\$ 0.50	\$176.50	\$ 4.80	\$1,694.40	\$ 2.00	\$706.00
18	REMOVE THERMOPLASTIC CROSSWALK STRIPING	LF	280	\$ 1.25	\$350.00	\$ 7.00	\$1,960.00	\$ 3.00	\$840.00
19	APPLY THERMOPLASTIC CROSSWALK STRIPING	LF	260	\$ 1.00	\$260.00	\$ 7.99	\$2,077.40	\$ 4.00	\$1,040.00
20	APPLY REFLECTIVE MARKERS WITH WHITE PAINT TO MEDIAN ISLAND AND CURBS PER DETAIL	LS	1	\$ 500.00	\$500.00	\$ 569.25	\$569.25	\$ 500.00	\$500.00
21	APPLY ADVANCED YIELD LINES (SHARK TEETH)	LS	1	\$ 750.00	\$750.00	\$ 1,834.25	\$1,834.25	\$ 750.00	\$750.00
22	INSTALL SINGLE POLE SIGNAGE	EA	6	\$ 150.00	\$900.00	\$ 1,168.93	\$7,013.58	\$ 450.00	\$2,700.00
23	INSTALL CLASS 1 PERMEABLE BASE, INCLUDE MOISTURE BARRIER	LS	1	\$ 5,000.00	\$5,000.00	\$ 5,189.00	\$5,189.00	\$ 6,980.00	\$6,980.00
24	LANDSCAPING	LS	1	\$ 1,000.00	\$1,000.00	\$ 4,047.00	\$4,047.00	\$ 1,434.00	\$1,434.00
25	INSTALL EMBEDDED CROSSWALK LIGHTING W/ PUSH BUTTON ACTIVATORS (CITY SPEC)	LS	1	\$ 22,000.00	\$22,000.00	\$ 33,615.25	\$33,615.25	\$ 31,272.00	\$31,272.00
ESTIMATED CONSTRUCTION COSTS			\$93,260.24			\$136,734.63		\$146,752.00	



ITEM NO.: 12b

MEETING DATE: December 2, 2015

AGENDA SUMMARY REPORT

SUBJECT: APPROVE PLANS AND SPECIFICATIONS FOR GRACE HUDSON MUSEUM OUTDOOR CLASSROOM AND BOARDWALK SPEC NO. 15-16.

Summary: Council will consider action to approve Specification No. 15-16 for the Grace Hudson Museum Outdoor Classroom and Boardwalk funded by Proposition 84 Nature Education Facility Grant.

Background: The City is currently facilitating design and construction of the Grace Hudson Nature Education Facility Project funded through Proposition 84 grant, in tandem with the Ts'iwish Storm Water Garden area funded by the Habitat Conservation Fund grant and the Cleveland Lane Drainage Special Project Reserve Fund. A project site-plan is included as Attachment #1.

Discussion: Specification 15-16 includes constructing the outdoor classroom, the boardwalk, a portion of the rain water cisterns and the concrete pad for the basketry circle. The scope of work area is demonstrated in Attachment #2. The engineers estimate for this work is \$297,000. This work is budgeted in fund 31022700.80230 for the Nature Education Facility Grant Project.

The Plans and Specification are posted and can be viewed at the following link:
<http://www.cityofukiah.com/purchasing/>.

Staff is recommending that Council approve Specification No. 15-16 for the Grace Hudson Museum Outdoor Classroom and Boardwalk. Following approval from City Council, this project will be advertised for bidding. Staff will return to City Council for award of bid in January 2016.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$1,803,412	Museum Grant Infrastructure	31022700.80230	Yes ☐ No ☒	N/A

RECOMMENDED ACTION(S): 1) Approve Plans and Specification for the Grace Hudson Museum Outdoor Classroom and Boardwalk Spec No. 15-16.

ALTERNATIVES: Remand to staff with direction.

Citizens advised: Sun House Guild, Museum Endowment.

Requested by: N/A

Prepared by: Katie Marsolan, Project Analyst; Sherrie Smith Ferri, Museum Director.

Coordinated with: Mary Horger, Purchasing Supervisor; Maya Simerson, Community Services Supervisor.

Presenter: Katie Marsolan, Project Analyst

Attachments: 1. Project Site Plan
2. Spec 15-16 Scope of Work

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted..

Approved: 
Sage Sangiacomo, City Manager



ANN BAKER
LANDSCAPE ARCHITECTURE
1016 McNear Ave.
Petaluma, CA 94952
tel 510.926.2557

CONSULTANT

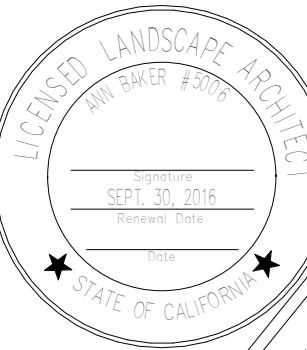
PGA design ^{INC}

LANDSCAPE ARCHITECTS
444 17th Street
Oakland CA 94612
tel 510.465.1284
fax 510.465.1256
pgadesign.com

CITY OF UKIAH



STAMP



GRACE HUDSON NATURE EDUCATION

PROJECT

Grace Hudson Museum
431 S Main Street
Ukiah, California

PROGRESS PRINT
DATE PLOTTED: _____
NOT FOR CONSTRUCTION

SUBMISSIONS

NO.	DATE	DESCRIPTION
1	10/30/14	DRB SUBMISSION
2	12/19/14	90% CD SUBMISSION
3	2/19/15	100% CD SUBMISSION

SHEET TITLE

3D VIEW OF THE
SITE

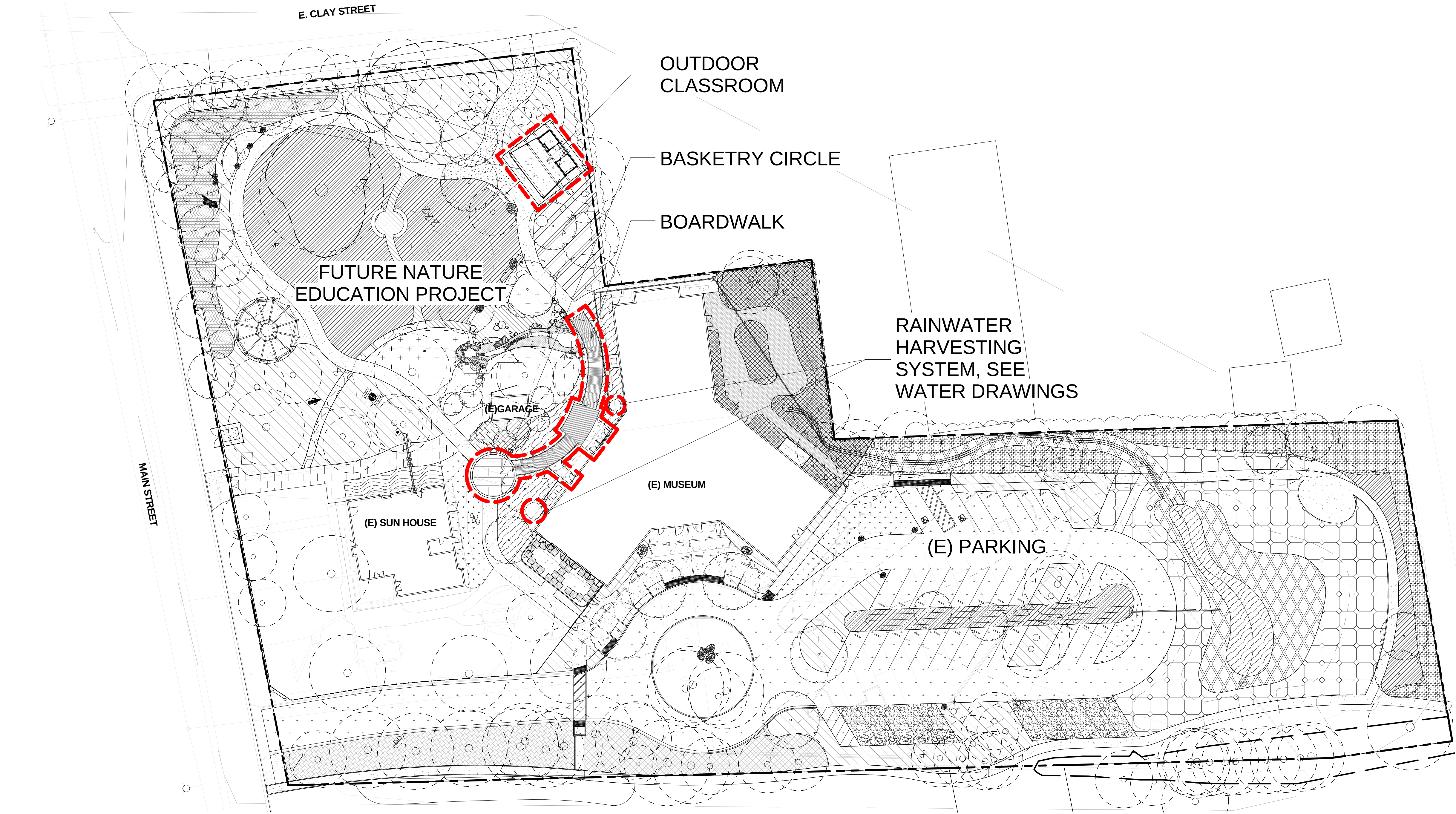
DATE
2/19/15

SCALE

DRAWN
AB, KK, KF

CHECKED
KK, AB

L6.00



GENERAL PROJECT NOTES

INFORMATIONAL NOTES

1. EXISTING SITE INFORMATION IS PROVIDED ON THE SURVEY PLAN BY OTHERS LANDSCAPE ARCHITECT ASSUMES NO RESPONSIBILITY OR LIABILITY FOR COMPLETENESS OR ACCURACY OF PLANS PROVIDED BY OTHERS.
2. VERIFY PROPERTY BOUNDARIES, LIMIT OF WORK, AND LOT LINES PRIOR TO COMMENCEMENT OF WORK.
3. "TYP." OR TYPICAL TO MEAN THAT THE CONDITION IS REPRESENTATIVE FOR SIMILAR CONDITIONS THROUGHOUT, UNLESS OTHERWISE NOTED. DETAILS ARE USUALLY NOTED "TYP." ONLY ONCE WHEN THEY FIRST OCCUR.
4. NOTES AND SYMBOLS ON ONE DRAWING APPLY TO OTHER SIMILAR DETAILS AND CONDITIONS.
5. QUANTITIES PROVIDED ARE FOR INFORMATION ONLY, VERIFY QUANTITIES AND NOTIFY OWNER OF DISCREPANCIES.
6. KEEP THE STAMPED SET OF PLANS AND SPECIFICATIONS, GEOTECH REPORT, AND STORM WATER POLLUTION PREVENTION PLAN ON THE JOB SITE AND AVAILABLE TO AUTHORIZED REPRESENTATIVES OF THE CITY OF UKIAH. THERE ARE TO BE NO DEVIATIONS FROM THE STAMPED PLANS AND SPECIFICATIONS WITHOUT APPROVAL IN WRITING BY THE OWNER'S REPRESENTATIVE.
7. VERIFY DIMENSIONS AND EXISTING CONDITIONS ON THE DRAWINGS AND NOTIFY THE OWNER OF DISCREPANCIES PRIOR TO STARTING WORK.
8. PRIOR TO BIDDING, VISIT AND INSPECT THE SITE AND BECOME FAMILIAR WITH THE EXISTING CONDITIONS AFFECTING THE NEW WORK. DISPUTE, COMPLAINT, OR ASSERTION THAT THERE IS A MISUNDERSTANDING IN REGARDS TO LOCATION, EXTENT, OR AMOUNT OF WORK TO BE PERFORMED UNDER THIS CONTRACT DUE TO THE CONTRACTOR'S FAILURE TO INSPECT THE SITE.

SITE WORK CONDITIONS NOTES

1. THE CONTRACTOR WILL BE HELD RESPONSIBLE FOR FIELD CHANGES MADE WITHOUT WRITTEN AUTHORIZATION FROM THE OWNER'S REPRESENTATIVE.
2. THE CONTRACTOR AGREES THAT, IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, THE CONTRACTOR WILL BE REQUIRED TO ASSUME COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THE PROJECT, INCLUDING SAFETY OF PERSONS AND PROPERTY, THAT THIS REQUIREMENT TO BE MADE TO APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS, AND THE CONTRACTOR FURTHER AGREES TO ACCEPT LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXEMPTING LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF LANDSCAPE ARCHITECT AND CITY.
3. PROVIDE FOR INGRESS AND EGRESS FOR PRIVATE PROPERTY ADJACENT TO THE WORK THROUGHOUT THE PERIOD OF CONSTRUCTION.
4. AT NO TIME ARE CAMPER, TRAILERS, MOTOR HOMES, OR ANY OTHER VEHICLES TO BE USED AS LIVING OR SLEEPING QUARTERS ON THE CONSTRUCTION SITE. OBTAIN APPROVAL FROM CITY OF UKIAH FOR LOCATION OF THE CONSTRUCTION TRAILER.
5. COMPLETE THE FOLLOWING PERMITS FROM THE FOLLOWING AGENCIES BEFORE STARTING WORK: SWPPP (CONTRACTOR WILL BE GIVEN A DRAFT TEMPLATE COMPLETED BY CITY AS A BASIS OF SWPPP). APPLICATION FEES TO BE PAID FOR BY CITY OF UKIAH.

UTILITY NOTES

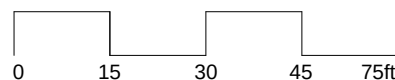
1. BECOME ACQUAINTED WITH UNDERGROUND UTILITIES, PIPES AND STRUCTURES. SHOULD UTILITIES OR OTHER WORK NOT SHOWN ON THE PLANS BE FOUND DURING EXCAVATIONS, PROMPTLY NOTIFY OWNER'S REPRESENTATIVE. FAILURE TO DO SO WILL MAKE CONTRACTOR LIABLE FOR DAMAGE ARISING FROM THEIR OPERATIONS SUBSEQUENT TO DISCOVERY OF SUCH UTILITIES NOT SHOWN ON PLANS.
2. APPROPRIATE CONNECTIONS TO UTILITIES REQUIRED TO SUPPORT THE WORK ARE TO BE COMPLETED.
3. WHERE PUBLIC UTILITY LINES OR EQUIPMENT MUST BE REMOVED OR RELOCATED, OBTAIN THE NECESSARY APPROVALS FROM THE APPROPRIATE UTILITY DEPARTMENT PRIOR TO STARTING WORK.
4. CONDITIONS ARISING WHERE THE INTENT OF THE DRAWINGS IS IN DOUBT OR WHERE THERE APPEARS TO BE A DISCREPANCY BETWEEN THE DRAWINGS AND FIELD CONDITIONS, NOTIFY THE OWNER'S REPRESENTATIVE AS SOON AS POSSIBLE FOR THE PROCEDURE TO BE FOLLOWED. IF THE CONTRACTOR PROCEEDS WITHOUT INSTRUCTIONS FROM THE OWNER'S REPRESENTATIVE, THE CONTRACTOR TO MAKE GOOD ANY RESULTING DAMAGE OR DEFECTS.

CODE PERMITTING NOTES

1. COMPLETE THE FOLLOWING PERMITS FROM THE FOLLOWING AGENCIES BEFORE STARTING WORK: SWPPP (CONTRACTOR WILL BE GIVEN A DRAFT TEMPLATE COMPLETED BY CITY AS A BASIS OF SWPPP.) APPLICATION FEES TO BE PAID FOR BY THE CITY OF UKIAH.

PROTECTION NOTES

1. PROTECT ADJACENT PROPERTIES, INCLUDING BUT NOT LIMITED TO POLLUTION, TRASH, OR DAMAGES DUE TO DEMOLITION, EXCAVATION, CONSTRUCTION, EROSION, OR FLOODING ORIGINATING ON THIS SITE
2. CAREFULLY EXAMINE THE CONDITIONS AFFECTING THE WORK BEFORE PROCEEDING, AND REPORT TO THE OWNER, CONDITIONS WHICH WOULD PREVENT THE PROPER AND LEGAL COMPLETION OF THE WORK. NOT REPORTING SUCH UNSUITABLE CONDITION WILL CONSTITUTE ACCEPTANCE BY THE CONTRACTOR.
3. THE AREA SURROUNDING THE SUN HOUSE IS A HISTORIC SITE ELIGIBLE FOR THE NATIONAL REGISTER OF HISTORIC PLACES (NRHP).
4. IF HISTORICAL MATERIALS ARE UNCOVERED DURING GRADING, TRENCHING, OR OTHER EXCAVATION, WORK IS TO BE STOPPED TO EVALUATE THE SIGNIFICANCE OF THE FINDS AND DETERMINE APPROPRIATE MITIGATION MEASURES BY OWNER'S REPRESENTATIVE.



ANN BAKER
LANDSCAPE ARCHITECTURE
625 2nd St., Ste. 110
Petaluma, CA 94952
tel 510.926.2557

CONSULTANT

PGA design^{INC}

LANDSCAPE ARCHITECT
444 17th Street
Oakland CA 94612
tel 510.465.1284
fax 510.465.1256
pgadesign.com

CITY OF UKIAH



STAMP



GRACE HUDSON NATURE EDUCATION:
PROJECT 3-Outdoor Classroom &
Boardwalk

Grace Hudson Museum
431 S Main Street, Ukiah, California

SUBMISSIONS

NO	DATE	DESCRIPTION

SHEET TITLE

PROJECT SCOPE

DATE 11/16/2015

SCALE As indicated

DRAWN AB, KK, KF	CHECKED AB, KK
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0.1

GRACE HUDSON NATURE EDUCATION:
PROJECT 3-Outdoor Classroom &
Boardwalk

Grace Hudson Museum
431 S Main Street, Ukiah, California

SUBMISSIONS

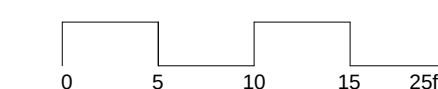
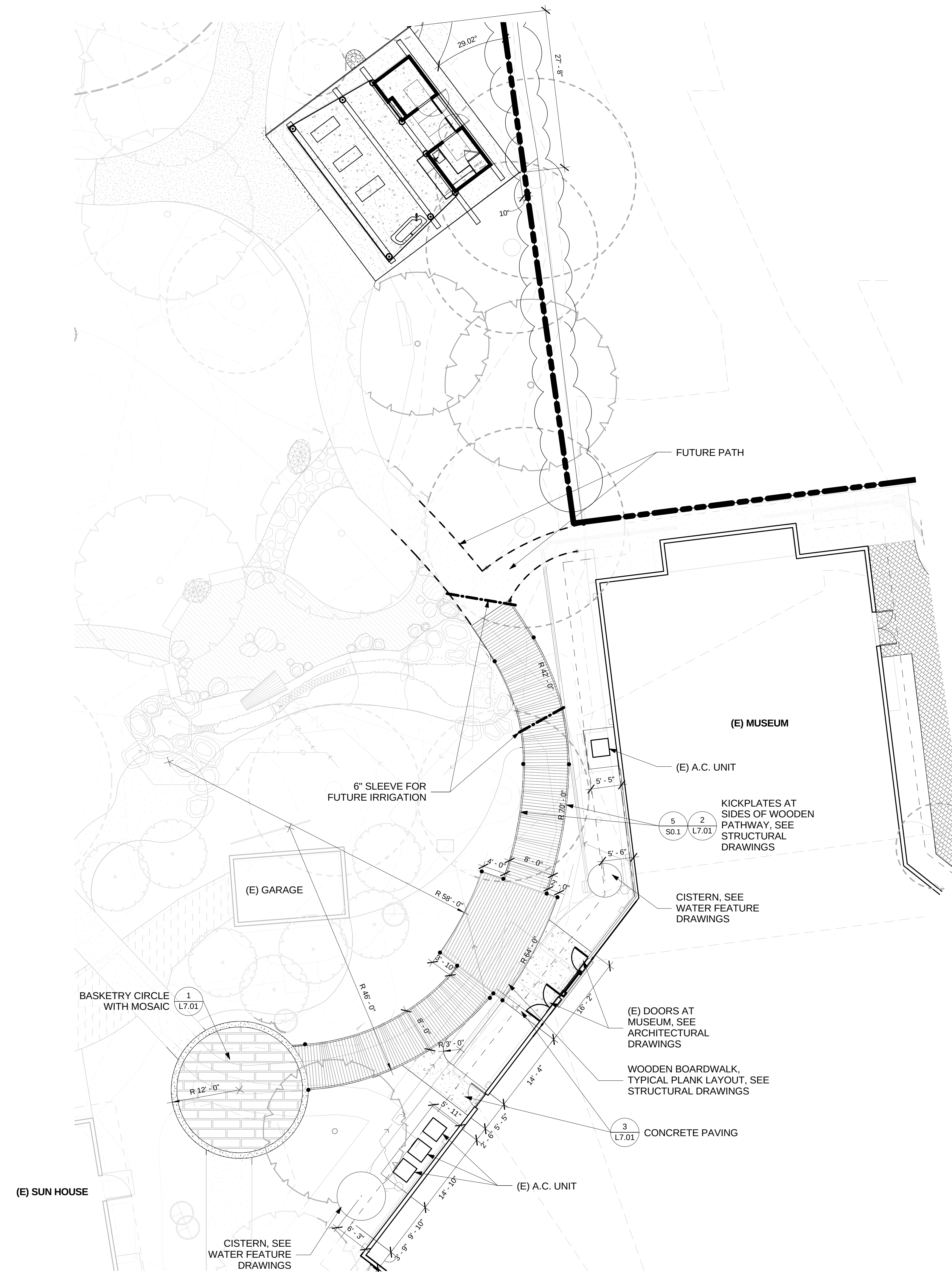
NO	DATE	DESCRIPTION

SHEET TITLE

BOARDWALK,
OUTDOOR
CLASSROOM, &
BASKETRY CIRCLE

DATE		11/16/2015	
SCALE		1" = 10'-0"	
RAWN		CHECKED	
AB, KK, KF		AB, KK	

L3.01





ITEM NO.: 12c

MEETING DATE: December 2nd 2015

AGENDA SUMMARY REPORT

SUBJECT: AWARD OF CONTRACT TO SHN ENGINEERS AND GEOLOGISTS FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE NORTH STATE SEWER MAIN IMPROVEMENT PROJECT IN THE AMOUNT OF \$29,815 AND APPROVE CORRESPONDING BUDGET AMENDMENT.

Summary: Council will consider awarding a contract to SHN Engineers and Geologists for construction management and inspection services for the North State Street Sewer Main Improvement Project.

Background: On October 7, 2015, Council awarded a contract to Team Ghilotti, Inc in the amount of \$512,326 for the construction of the North State Street Sewer Main Improvement Project. This project consists of the installation of a new sewer main, connection of all laterals and the abandonment of two existing sewer mains.

Discussion: It was originally the intent of the Public Works Director to utilize the Engineering Technician for the construction management and inspection of the project. This solution is no longer available as the person in that position has since resigned.

Staff released Request for Proposals for this project and received two responses. After review, staff is recommending the award of a contract to SHN Engineers and Geologists in the amount of \$29,815. The City has utilized this firm for many projects in the past and has always been pleased with their performance.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
\$0	City Sewer Capital	84424422.80230	Yes ☒ No ☐	N/A

RECOMMENDED ACTION(S): Award contract to SHN Engineers and Geologists for Construction Management and Inspection Services for the North State Sewer Main Improvement Project in the amount of \$29,815 and approve corresponding budget amendment.

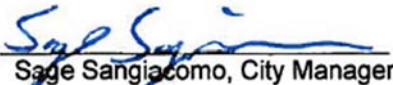
ALTERNATIVES: Do not award contract and provide direction to staff.

Citizens advised: N/A
Requested by: Tim Eriksen, City Engineer and Public Works Director.
Prepared by: Jarod Thiele, Public Works Project Analyst.
Coordinated with: N/A
Presenter: Tim Eriksen, City Engineer and Public Works Director.
Attachment: 1) Proposal received from SHN Engineers and Geologists

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted..

Approved: 
Sage Sangiacomo, City Manager

Prepared for

City of
Ukiah

Proposal for:

Construction Management & Inspection Services



Proposal for Construction
Management and
Inspection Services for
North State Street Sewer
Main Improvement Project
Specification No. 14-04



415000.085



Printed on Recycled Paper

Prepared by:

SHW

Engineers & Geologists



CONSULTING ENGINEERS & GEOLOGISTS, INC.

335 S. Main St. • Willits, CA 95490-3977 • 707/459-4518 • FAX: 707/459-1884 • willitsinfo@shn-engr.com

Reference: 415000.085

November 17, 2015

Mr. Jarod Thiele, Project Analyst
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Subject: Proposal to Provide Construction Management & Inspection Services for the North State Street Sewer Main Improvement Project-Specification, No. 14-04

Dear Mr. Thiele:

Thank you for this opportunity for SHN Consulting Engineers & Geologists, Inc. (SHN), to offer the following proposal to the City of Ukiah (City) to provide Construction Management and Inspection Services for the North State Street Sewer Main Improvement Project (Project).

SHN will utilize the same staff that is currently working with City and design team staff on the Grace Hudson Nature Education Project which is proceeding on schedule and budget. In addition SHN's engineers, surveyors and construction inspectors have provided cost effective services leading to the completion of many improvement projects for the City. SHN has a proven track record of working successfully with the City.

For this Project SHN will provide a full time highly experienced construction inspector that will report directly to our Project Engineer/Project Manager and City staff on a daily basis. This will facilitate timely communications and solutions to potential changes in the Project. In addition our construction inspector will perform on site construction materials testing and daily transport of construction materials for testing in our Willits accredited laboratory. Our inspector will also insure that the contractor maintains the required project traffic control facilities and will monitor the contractor's health and safety compliance.

SHN appreciates the opportunity to provide these services for the City and we look forward to assisting you with the completion of the Project. Should you have any questions, or need additional information please do not hesitate to call.

Again, thank you for this opportunity to be of service.

Sincerely,

SHN Consulting Engineers & Geologists, Inc.

Thomas M. Herman
Principal

TMH:alh

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- A - Resumes
- B - Fee Schedule

Firm Qualifications and Experience

SHN's construction management/inspection staff is comprised of civil engineers, geotechnical engineers, certified construction inspectors/material testers, and labor compliance specialists. Our construction inspectors are certified by Caltrans, American Concrete Institute, California Division of the State Architect, International Code Council and others. Our Willits construction materials testing laboratory is certified by the same agencies and uses state of the art equipment to provide accurate and timely construction materials compliance analysis.

SHN has provided construction management/inspection services for the City of Ukiah, Mendocino County, County of Lake, City of Fort Bragg, City of Willits, Frank R. Howard Memorial Hospital, and Mendocino Coast District Hospital among others. Our recent construction management/inspection services projects include:

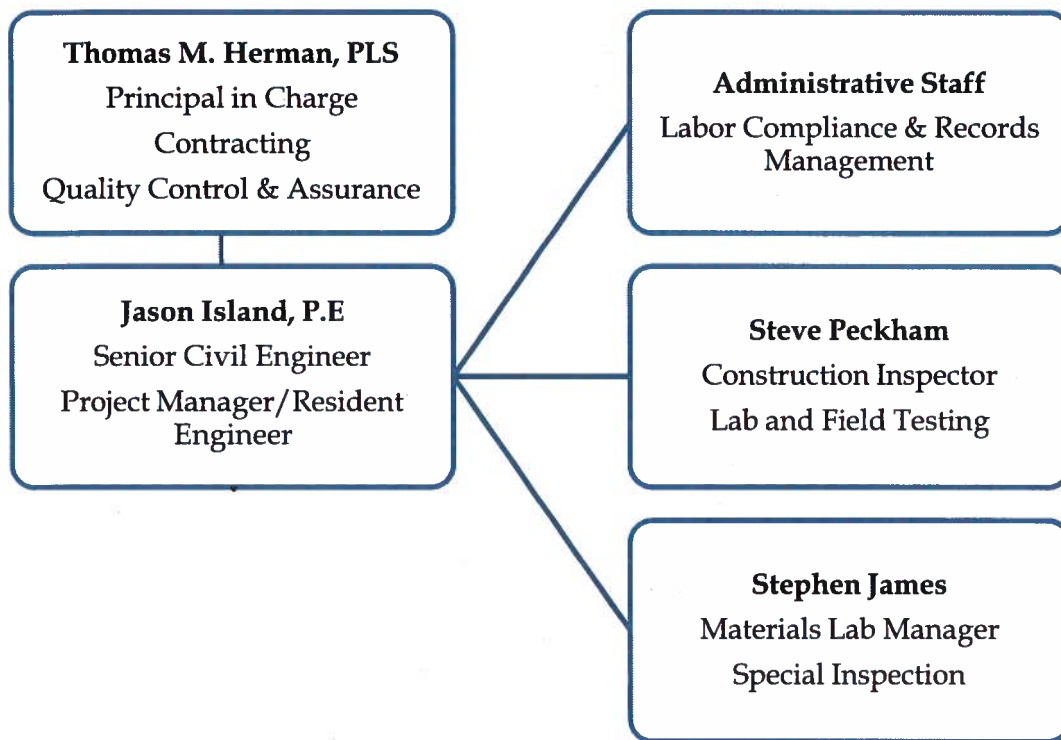
- ❖ City of Ukiah - Grace Hudson Museum Nature Education Center;
- ❖ City of Willits - Wastewater Treatment Project Stage 1 - Headworks, Influent Pump Structure and Plant Electrical Service (\$4 million), Stages 2 & 3-Secondary Treatment and Enhancement Wetlands (a \$15 million, two year project) and West Commercial Street Rehabilitation;
- ❖ City of Ukiah - Orchard Avenue Bridge, Civic Center Roof Rehabilitation, Ukiah Skate Park, Anton Stadium and Fish Hatchery Road Repairs;
- ❖ City of Ukiah - Oak Manor Trail
- ❖ City of Ukiah - Riverside Park;
- ❖ Mendocino County - North State Street Rehabilitation and on call services for various county projects;
- ❖ County of Lake - Soda Bay Road Realignment and on call services for various county projects;
- ❖ City of Fort Bragg - Pudding Creek Road, Dana and Harold Streets and Fort Bragg Skate Park.
- ❖ Noyo Harbor District - Harbor Dredging and Disposal



SHN provided construction management and material testing services for the Civic Center Roof Rehabilitation, Skate Park, and Anton Stadium Repair projects. SHN has a proven track record of working successfully with the City of Ukiah

Project Team

SHN's Construction Management Team is comprised of Registered Civil and Geotechnical Engineers, Certified Construction Inspectors and Materials Testing Technicians. Our team has extensive experience managing construction projects from small road construction projects to complex utility facilities. Below is an organization chart depicting the key personnel identified for the City's project. Resumes of these staff members are in Attachment A.



Project Approach

Our project understanding and scope of work is based upon a review of the Project plans and specifications and the specific items of work identified in the Request for Proposal (RFP) *Construction Management and Inspection Services for North State Street Sewer Main Improvement Project – Specification No. 14-04*. Following is a discussion of SHN's approach to providing the specific construction management/inspection services outlined in the RFP.

Resident Engineer Duties

We are prepared to offer Resident Engineering services for the successful completion of the Project. The Resident Engineer services will include review and response to Requests for Information in a timely manner, review of construction inspector's daily reports and the review and verification of Contractor's Pay Requests.

Daily Construction Inspection / Testing as Required by the Plans and Specifications

We propose to provide 30 calendar days (assume 22 working days) of on-site construction inspection services for the Project from our Willits office. In addition to the on-site inspection services, our construction inspector will attend the project kickoff meeting and will maintain as built conditions for final reporting. The construction inspector will monitor quality assurance, Contractor compliance with the Project plans and specifications, compliance with safety and environmental standards, and provide daily reporting to the City and the resident engineer. Our construction inspector will also provide subgrade, native fill and aggregate base compaction testing and sampling and asphalt concrete compaction testing and sampling using Caltrans Standard Test Methods. Our inspectors are Caltrans certified to provide these services while providing daily inspection, thereby saving the City and the Project the cost of having an additional technician on call for the testing. Having the construction inspector perform construction materials compliance testing will not only save the cost of an additional technician, but will avoid potential delays to the Project while awaiting a separate testing technician. The construction inspector will collect construction materials samples as required in the Project specifications and take them to our Caltrans certified Willits laboratory for testing and analysis. The construction inspector will be paid prevailing wage rates as required by the California Department of Industrial Relations. No travel time, mileage or per diem will be charged for the construction inspector.



SHN provided construction staking, materials testing, and daily field inspection during construction of the half mile long Riverside Park Trail.

Review and Response to Requests for Information

Our Resident Engineer will review all Contractor questions and requests for information. Questions and requests for information will be answered by an inspection of the Project plans and specifications, review of adopted testing procedures and review of generally accepted industry standards. Because of our extensive experience with similar projects, our staff will provide prompt responses to requests for information. Our resident engineer will also review and respond to Contractor's submittals. SHN staff will work closely and cooperatively with the Contractor, Project Engineer and the City to respond to construction issues to avoid delays to the construction schedule.

Review and Verification of Contractor's Pay Requests

Based on the construction schedule SHN staff envisions processing one pay request with the Contractor. SHN will check the submitted invoice, and forward it for approvals and processing by the City. We are proficient in obtaining and maintaining the records necessary for the Project closure reporting.

Review and Verification of Contractor's Prevailing Wage Payroll Reports

Our staff will review Contractor's Certified Payrolls to assure that they are in compliance with State and Federal labor laws. At the preconstruction meeting, SHN staff will review certified payroll and submittal requirements, apprentice requirements including checking apprentice/trainee registrations, procedures for payment suspension, underpayment penalties, debarment issues, licensing requirements, and respond to inquiries from Contractor and Subcontractors. At the conclusion of the project, the City will be provided with the complete prevailing wage payroll reports and documentation for the project file.

Compiling As-Built Information

- A. Maintain 1 set of as-built drawings using an unaltered set of original project plans to show all as-constructed information, including:
 1. Any plan clarification or Change Order changes.
 2. Location of any underground utilities
 3. Location, size, type, and manufacturer of major products or components used in the work.
- B. Neatly prepare as -build drawings as follows:
 1. Place markings on the project record drawings using red ink or red pencil.
 2. Do not eradicate or write over original figures.
 3. Line out superseded material.
 4. Submit additional drawings if the required information cannot be clearly shown on the original set of project plans. The additional drawings must be at least 11 by 17 inches and at most 24 by 36 inches.
- C. Review the as-built drawings with the design firm at the completion of the project to assure that all changes and other required information are being recorded.



SHN provided Resident Engineering, Environmental Engineering and Construction Inspection Services for the construction of the Orchard Avenue Bridge. The Project was completed ahead of schedule and below the estimated construction management budget.

Project Schedule

Every project is unique with its challenges and opportunities and the execution must be planned carefully. SHN will monitor the contractor's progress in relation to the construction schedule on an ongoing basis. It is important to identify upcoming activities which require attention, and to recognize events which have the potential to delay the execution of the project work. Together with knowledge of the associated cost of delays, the City can make the best decisions.

References

Katie Marsolan, Community Services Supervisor City of Ukiah 300 Seminary Ave. Ukiah, CA 707-463-6237	Adrienne Moore, City Manager City of Willits 111 E. Commercial St., Willits, CA 707-459-4601	Jere Kleinbach, Harbor Master Noyo Harbor District 19101 S. Harbor Dr. Fort Bragg, CA 707-964-4719
--	--	--

Exceptions

SHN has no exceptions to the terms and conditions described in the Scope of Services.

Proposed Fee

We understand that the Project is projected to have a construction period of twenty two working days. Because construction projects often proceed on a schedule that is unforeseeable, we have estimated our costs based upon an assumption that the project will be completed in the projected twenty two working day period. However, it is our experience with projects similar to this one that the actual construction duration is often shorter than what was scheduled. Because the project is located in a heavily traveled city street, our estimated fees are based on the full number of working days for the Project for eight hours a day regular time (second shift night work will include a premium as required by the Department of Industrial Relations). In the event that the project is completed in a shorter time frame, the City will be invoiced only for those hours actually spent to complete the Project construction management and inspection. We propose to provide the required services on accrued time and expenses as set forth below and the final cost will not exceed \$29,815. SHN's itemized hourly rate fee schedule can be found in Appendix B.

Item	Task	Staff	Cost
1.	Contracting, Quality Control & Assurance <i>Assumes 4 hours</i>	Principal in Charge \$145 per hour	\$ 580
2.	Daily Construction Inspection <i>Assumes 185 hours</i>	Construction Inspector \$115 per hour-prevailing wage	21,275
3.	Resident Engineer <i>Assumes 50 hours</i>	Resident Engineer - \$100 per hour	5,000
4.	Review and verify Contractor's Certified Payroll Reports <i>Assumes 4 weekly reviews</i>	Assistant - \$80 per hour	960
5.	Materials Testing: <i>Compaction testing of existing subgrade, native backfill, aggregate base, and AC paving. Estimate includes three compaction curves, sieve analysis, SE, gage usage.</i>		2,000
		Total	\$29,815

A

Resumes

Distinguishing Qualifications

- Over 40 years engineering and survey experience
- Land Surveying, Municipal Engineering, and Utility Engineering
- Project and Construction Management
- Environmental Permitting
- Construction Materials Quality Assurance

Years of Experience: 43

Years with SHN: 12

Education

San Diego State University,
Business Administration

Santa Rosa Junior College, AA,
Civil Engineering Technology.

Professional Registrations

March 1980, California
Registered Professional Land
Surveyor #4805

Professional Affiliations

California Land Surveyors
Association

American Council of
Engineering Companies

Public Service

Volunteer Firefighter & Director /
Little Lake Fire Protection
District, 25 yrs

Three-term director, Willits
Chamber of Commerce

Local Agency Formation
Commission of Mendocino
County Executive Committee for
Special Districts

Revitalization / Economic
Development Committee, City of
Willits

Citizen member, steering
committee for Mendocino
County and City of Willits
General Plan Updates

Howard Hospital Foundation
Board Member

Thomas M. Herman, PLS

Principal Surveyor, Regional Manager

Relevant Experience

Mr. Herman has over 40 years of experience providing professional land surveying, engineering and surveying project development, construction and project management, and environmental permitting services throughout northern California. He specializes in the development and management of large scale public works projects including wastewater treatment and collection, roadway route location and development, utility infrastructure analysis and development and project coordination with environmental resources agencies. Because of Mr. Herman's extensive experience in professional land surveying, construction and project management, infrastructure development and environmental permitting he has served several municipalities as City Surveyor and City Engineering Director. Mr. Herman is highly experienced in working with multiple agencies and stake holders to coordinate and facilitate the timely completion of complex projects. Mr. Herman is also frequently called upon to be an expert witness in the legal aspects of land surveying.

Project Management, Coordination and Oversight

Grace Hudson Nature Education Program Project, Ukiah, California. Mr. Herman worked closely with city staff and the Project design team to establish construction management and administration protocols. During construction he has provided review of construction scheduling, compliance with the Project plans and specifications and quality control/quality assurance.

New Frank R. Howard Memorial Hospital, Willits, California. At the request of the Frank R. Howard Foundation (Foundation) and Adventist Health, Mr. Herman directed the General Plan Amendment, Rezoning and Parcel Mapping for the new Howard Hospital Campus. In addition, he directed SHN's civil and geotechnical engineers, geologists and surveyors during the pre construction phase of the project. SHN is the geotechnical engineer of record for the new fifty eight million dollar hospital and provides geotechnical oversight, construction materials testing and construction surveying for which Mr. Herman is the primary client contact and the project manager. Mr. Herman is continuing to work with the Foundation as it develops the master plan and pre construction activities for the remainder of the thirty acre hospital campus.

Noyo Harbor Tsunami Damage Repair, Fort Bragg, California. In March of 2011 Noyo Harbor experienced over two million dollars of damage to its docks and related facilities as a result of a tsunami. The Noyo Harbor District (District) contracted with SHN to facilitate emergency repairs, coordinate with regulatory and emergency assistance agencies and develop an analysis of the extent of the damage to the harbor as a result of the tsunami. Mr. Herman served as the project manager and coordinated the emergency assistance efforts, arranged for SHN staff and various sub contractors to assess the damage and negotiated directly with the District's insurance carrier to achieve

Mendocino Community College
Foundation Board Member

Rotary International

a reasonable settlement for the damage. During the repairs to the Harbor, he observed the contractor's compliance with the Project plans and specifications, and provided construction administration and management.

Wastewater Treatment and Water Reclamation Project, City of Willits; California. Project and permitting manager for this 25 million dollar project and arranged for the aerial mapping and site-specific field surveying for a 300-acre site incorporating a mechanical and wetlands treatment system. Developed mapping of the entire north end of the Little Lake Valley for use in modeling the flood plain and areas for constructed replacement seasonal wetlands. The project mapping was also used to calculate mass grading volumes for nearly 75,000 yards of earth moving. Coordinated the environmental analysis and permitting, extensive hydrological analysis of flooding impacts and the detailed geotechnical study of the project design criteria. Provided oversight for design and construction management.

Eastside Road Housing Project, Northern Circle Indian Housing Authority, Willits, California. Project manager for a \$2.7 million housing project for the Northern Circle Indian Housing Authority on behalf of the Sherwood Valley Band of Pomo Indians. The project consisted of extensive excavation to construct roads and building pads, on-site wastewater collection and treatment system and on-site water supply, treatment and distribution system. Mr. Herman provided project coordination with the Bureau of Indian Affairs, the County of Mendocino, the Department of Housing and Urban Development, the Environmental Protection Agency and the Housing Authority over a five year project development period. During construction, Mr. Herman provided construction quality assurance and worked directly with SHN's geotechnical staff to solve difficult grading and erosion control conditions.

Distinguishing Qualifications

- Experienced in site development, project teamwork and agency coordination.
- Broad ("hands-on") experience in residential architectural design and structural engineering.

Years of Experience: 15

Years with SHN: 2

Education

BS, Civil Engineering
University of Colorado 1998

Professional Registrations

Registered Professional
Engineer (Civil), CA;
RCE #64809

Qualified Stormwater
Practitioner and Developer
(CASQUA registered)

Jason Island, PE, QSP/D Civil Engineer

Relevant Experience

Mr. Island has over 15 years of experience in professional engineering services. He has worked on large development projects and small residential projects. His broad range of experience has led to proficiency in being part of a larger project team as well as managing entire projects start-to-finish. He has "hands-on" experience in construction and landscaping giving him practical insights throughout the design process.

Representative Projects

Grace Hudson Museum Nature Education Center, Ukiah, CA. Mr. Island was both Design Engineer and Project Engineer for this public project. His role in the project included solving design related problems and integrating low impact development storm water features in the planning stage as well as providing comprehensive construction management for the client.

Design Engineer, Atherton Ranch Residential Development, Novato, CA. A 118 unit subdivision in Marin County that included affordable and senior housing. Mr. Island served as the design engineer responsible for the preparation of grading and drainage plans, utilities plans, and site plans. Coordination with other team members and City agencies was a large component of the project.

Project Designer, Architectural Elements Retail and Office Building, Anderson Valley, CA. A 6,000 square ft. office building and retail space for I & E Lath Mill to be utilized for direct sales and product development using recycled timber. Mr. Island designed the building and acted as project manager throughout construction.

Consulting Engineer, Mendocino Solar Service, Mendocino, CA. Mr. Island acted as consulting engineer for Mendocino Solar Service providing structural analysis and plans for rooftop solar panel installations.

Project Engineer, Lacey Residence, Navarro, CA. A 2,000 sq. ft addition to a small family cabin overlooking Anderson Valley. Mr. Island worked with the Lacey family to design and provide engineered plans for an expansion to the existing structure. Care was taken to preserve the feel of the original structure and provide a functional and architecturally pleasing space consistent with the local vernacular.

Project Engineer, Leggett Valley School District Water System, Leggett, CA. The design of a new water system including new wells, waterlines and treatment facilities. Mr. Island is serving as the project engineer on this highly constrained project.

Project Engineer, Heritage House, Little River, CA. Hydrology study and drainage system. Mr. Island worked with the project manager and SHN hydrologists to develop a practical solution to stormwater runoff issues while considering the sensitive nature of the site.

Areas of Expertise

- Project Management
- Special Inspection
- Construction Materials Testing

Years of Experience: 15
Years with SHN: 5

Registrations and Certifications

Caltrans Certificate of Proficiency

American Concrete Institute – Concrete Field Testing Technician – Grade 1 ID# 00030068

ICC Certified Structural Masonry, Reinforced Concrete, and Structural Steel & High Strength Bolting Special Inspector

NICET Level 2 Asphalt, Soils, and Concrete #123262

TxDOT Hot Mix Asphalt Center – Superpave Training Program

AWS Certified Welding Inspector #09021121

Magnetic Particle Level 2 NDT Inspector

Ultrasonic Level 2 NDT Inspector

Sharp Industrial Radiation Safety Training Certified

Radiation Safety Officer Training

24 Hour Hazwoper Training

Stephen James

Laboratory and Inspections Manager
Certified Special Inspector

Relevant Experience

Mr. James has over 14 years of experience providing special inspections including structural steel welding, structural concrete, structural masonry, hot mix asphalt and other construction materials. In addition to a long list of special inspection certifications, Mr. James provides effective and timely project management for all types of public and private sector projects. Mr. James also provides a wide range of construction materials laboratory testing experience and certifications as well as the educational background to provide Quality Assurance and Quality Control for all field inspections and laboratory testing procedures. As a Certified Welding Inspector, Mr. James is competent in visual weld inspections, nondestructive testing, and evaluation, writing welding procedure specifications (WPS), and qualifying welders and welding operators.

Representative Special Inspection Experience

Mendocino Transit Authority, New Maintenance Facility, Ukiah, CA.

The project consisted of the construction of a fabricated steel building capable of housing the MTA bus fleet for maintenance. The project was funded by grants from the Federal Transit Administration. The inspections consisted of structural steel fabrication shop inspections, nondestructive testing of complete joint penetration welds (CJP), visual inspection of all shop and field welding, high strength bolt testing and inspections, concrete and reinforcing steel placement inspections, Reinforcing steel shop fabrication inspections and sampling, concrete sampling and testing, post installed anchor inspection and testing, masonry construction inspections and testing, and asphalt paving compaction testing(2011-2012).

Hildebrand Bridge Replacement Project, Lake County, CA

The project consisted of replacing the existing bridge on Hilderbrand Drive (CR 125) crossing St. Helena Creek. The new bridge is a 100-foot long, 21.5-foot wide, single span precast pre-stressed concrete girder bridge with reinforced concrete wall abutments. Quality control testing including: concrete sampling, batch plant inspection, source quality control sampling, earthwork compaction testing, asphalt pavement compaction testing and sampling, laboratory testing of embankment fill, subgrade, aggregate base & HMA.

Feliz Creek Bridge Replacement, Mendocino County, CA

The Project consisted of the replacement of the existing bridge with the installation of a new bridge and realigning the County road. The materials testing included compaction testing for new roadway embankment and road base, concrete sampling and testing for drilled, cast-in-place piers, abutments, and bridge deck and structure backfill testing. All testing was performed in accordance with Caltrans test methods.

Waugh Lane Bridge, City of Ukiah, CA Provided field weld inspection for the City of Ukiah during construction of the new Waugh Lane Bridge.

Anton Stadium, Ukiah, CA Performed shop and field welding inspections for the new seat brackets for the new stadium seating.

Skate Park Project, City of Ukiah, CA. Construction Materials Testing and Inspection of concrete placement and structural excavation, compaction testing, and laboratory testing. (2010)

Skate Park Project, City of Fort Bragg, CA. Construction Materials Testing and Inspection of concrete placement and structural excavation, compaction testing, and laboratory testing. (2010)

Big Valley Rancheria Roads Project, Soda Bay Road Realignment, County of Lake, CA. This project consisted of construction materials acceptance testing in accordance with the Federal Highway Administration for Granite Construction and the Bureau of Indian Affairs. Our scope of work for the project included laboratory testing and field compaction testing on embankment fill, lime/cement stabilized subgrade, aggregate base, hot mixed asphalt and sampling and testing concrete. (2010)

North State Street Improvements, County of Mendocino, CA. Construction Materials Testing for asphalt placement and bridge construction. Testing on this project was in accordance with Caltrans test methods (2010).

Distinguishing Qualifications

- Construction materials
- Construction Materials Testing – Field and Soils Laboratory
- Project Scheduling
- Reading and interpreting plans and specifications

Years of Experience: 37

Years w/ SHN: 7

Professional Registrations

ACI Int'l. Concrete Field Testing Technician Grade I

ACI Int'l. Concrete Strength Testing Technician

Caltrans Proficiency Certificate
CT105, 125, 201, 202, 216, 217,
226, 231, 375, 504, 518, 521,
533, 539, 540, 556, 557.

Hazwoper Certified

Continued Studies

Various Institute of
Transportation Studies
courses.

Steven L. Peckham

Civil Engineering Technician/ Construction Inspector

Relevant Experience

Mr. Peckham has more than 36 years of construction experience including installation of utilities, supervising construction crews and inspection of public works projects. Steve's areas of inspection expertise are underground water and sewer system projects, repair and re-construction of roadways and sidewalks. Mr. Peckham has a strong background in construction materials such as gravel, concrete, and asphalt experience and is proficient in reading plans and specifications.

Representative Construction Inspection Experience

Mr. Peckham has provided construction inspection services and support for the following projects:

Public Works:

- Resident Inspector for the Grace Hudson Museum Nature Education Center. Mr. Peckham provided daily inspection to assure compliance with the Project plans and specifications and construction materials testing.
- Resident Inspector for City of Ukiah's Oak Manor Trail Project. Responsible for inspections, materials testing and reviewing progress payments for accuracy. Provided daily construction reports and photos for the project. Acted as liaison between the contractor and engineer to resolve construction problems.
- Resident Inspector for City of Ukiah's Orchard Avenue Bridge and Related Street Improvements Project. Provided complete inspection services for re-enforcing steel, concrete placement, and construction observation. Acted as liaison between engineering staff and contractor. Provided daily reporting and construction photos for the project.
- Resident Project Representative for the City of Willits Wastewater Treatment Project Phase 2 & 3. Responsible for inspection, material testing and reporting for Phase 2 & 3 mitigated enhanced wetlands, irrigation pump station/outfall, aeration basins and clarifiers. Mr. Peckham reviewed monthly progress billing for accuracy and assisted engineering staff in the completion of the Project.
- Inspector for street and sidewalk improvements for the Point Arena Safe Routes to Schools Project
- Construction materials testing for various phases of the Fort Bragg Unified School District Modernization Projects.
- Resident Project Representative for the City of Willits Wastewater Treatment Project Phase I. Responsible for inspection, testing, and reporting for Stage I Headworks, Influent Pump Structure and plant electrical service. Mr. Peckham reviewed progress billing for accuracy and assisted engineering staff in problem solving.

B

Fee Schedule



Consulting Engineers & Geologists, Inc.

Fee Schedule January 1, 2015

When accurate definition of the proposed work is not possible, an hourly charge out rate for determining compensation shall be used. Hourly charge rates include payroll costs, overhead, and profit. Hourly services are billed portal to portal and are subject to a 2-hour minimum. Current rates are as follows:

Hourly Charge Rates			
Position ¹	Hourly Rates		
Principal Engineer	\$ 130.00	-	\$175.00
Principal Engineering Geologist	\$ 120.00	-	\$150.00
Principal Surveyor	\$ 120.00	-	\$150.00
Project Manager	\$ 80.00	-	\$150.00
Senior Planner	\$ 95.00	-	\$135.00
Senior Engineer	\$ 110.00	-	\$145.00
Senior Geotechnical Engineer	\$ 120.00	-	\$150.00
Senior Geologist	\$ 110.00	-	\$140.00
Senior Surveyor	\$ 100.00	-	\$130.00
Engineer	\$ 80.00	-	\$115.00
Traffic Engineer	\$ 80.00	-	\$135.00
Geologist	\$ 80.00	-	\$110.00
Certified Industrial Hygienist	\$ 90.00	-	\$135.00
Environmental Specialist	\$ 70.00	-	\$125.00
Environmental Planner	\$ 70.00	-	\$110.00
Staff Surveyor ³	\$ 70.00	-	\$100.00
Assistant Engineer	\$ 70.00	-	\$115.00
Survey Party Chief ³	\$ 70.00	-	\$100.00
Junior Engineer	\$ 60.00	-	\$ 85.00
Engineering Technician/Draftsperson ³	\$ 60.00	-	\$ 85.00
Lab/Field Technician ³	\$ 60.00	-	\$ 95.00
Survey Technician ³	\$ 60.00	-	\$ 85.00
Technical Writer	\$ 50.00	-	\$ 65.00
Clerical	\$ 45.00	-	\$ 65.00
Expert Witness ^{2,4}	\$150.00	-	\$250.00

1 Incidental expenses, i.e., lodging, meals, airplane tickets, etc., are billed at cost plus 15%.
2 Minimum daily charge is four hours.
3 Rates depend on the specific personnel assigned and if prevailing wage rates are required in the area of work.
4 Rates for Expert Witness are charged for preparation and testimony for both deposition(s) and trial(s).

Reimbursables

The following direct charges are charged in addition to the hourly charge rates set forth above.

Direct Charges:

CADD plots (black & white)	\$ 4.00/ea.
CADD plots (color)	\$ 20.00/ea.
Copies	\$.15/ea.
Equipment and other expenditures (required for projects)	Cost + 15%
FAX	\$ 2.00/sheet
Field office	Cost + 15%
Filing fees, telephone expense, etc.	Cost + 15%
Iron pipe, monuments, flagging, etc.	Cost + 15%
Mylars	\$ 2.50/sq. ft.
Services of other consultants	Cost + 15%
Stakes, hubs, lath, etc.	Cost + 15%
Subsistence, air travel, etc.	Cost + 15%
Vehicles	\$ 12.00/day plus \$ 0.80/mile

Field Testing and Equipment:

Anchor bolt tension testing	\$ 80.00/day plus operator
CO ₂ Meter	\$ 10.00/day
Concrete Compression Impact Hammer	\$ 25.00/day**
Core Drilling Machine	\$ 75.00/day + \$3.00/inch cored
Dissolved Oxygen Meter	\$ 53.00/day**
Expendable Supplies	\$ 40.00/day**
Fyrite Meter	\$ 33.00/day**
Generator	\$ 53.00/day**
Geophysical Equipment	By Quotation
Grundfos Controller & Pump	\$275.00/day
Hand Auger	\$ 33.00/day
Health & Safety Level D	\$ 35.00/day**
Health & Safety Level C	\$ 60.00/day**
High Pressure Controller	\$ 60.00/day**
Inclinometer	\$200.00/day*
LEL Meter	\$ 66.00/day**
Nuclear Density Testing	\$ 25.00/hour plus operator
Other equipment including drill rigs, backhoes, etc.	Cost + 15%
ORP Meter	\$ 15.00/day
OVA	\$132.00/day**
Ozone Sparge Trailer	\$2,000.00/day
Peristaltic Pump	\$ 50.00/day**
pH/Conductivity Meter	\$ 53.00/day**
Power Auger	\$100.00/day**
Pumps	\$ 45.00/day**
Quad (ATV)	\$150.00/day
Rebar Locating Device	\$ 40.00/day plus operator

* 1/2 Day Minimum Charge.

+ 25% Weekly Discount, 40% Monthly Discount.

(1) If concrete is sampled and delivered to SHN lab by outside contractor, add \$5.00/ea. for processing and curing per ASTM C-31.

Reimbursables, Continued

Field Testing and Equipment, Continued:

Roto-hammer	\$ 50.00/day**
Skidmore-Wilhelm Bolt Tension Calibration	\$ 50.00/day
Soil/Gas Purge Pumps	\$ 30.00/day**
Soil Gas Probes	\$200.00/day**
Torque Wrench (0 to 250 ft lbs)	\$ 25.00/day
Torque Wrench (250 to 1,000 ft lbs)	\$ 50.00/day
Turbidity Meter	\$ 26.00/day**
Ultrasonic Test Device	\$ 20.00/hour plus operator
Vapor Extraction System	\$500.00/day**
Water Level Data Logger	\$ 60.00/day**
Water Level Meter	\$ 33.00/day**
Well Point	\$ 50.00/day
Well Wizard	\$100.00/day**

Survey Equipment:

Data Collector	\$ 5.00/hour
GPS Station	\$300.00/day*
Level	\$ 25.00/day*
Robotic Total Station	\$ 200.00/day
Total Station	\$ 7.50/hour
Total Station w/Data Collector	\$ 12.50/hour

Laboratory Tests:

Asphalt Briquette Compaction	\$ 50.00/ea. ⁽¹⁾
Asphalt Bulk Specific Gravity	\$ 30.00/ea.
Asphalt Content by Nuclear Method	\$ 75.00/test
Asphalt Content Gauge Calibration	\$190.00/ea.
Asphalt Extraction (% Bitumen)	On Request
Asphalt (Hveem) Mix Design	On Request
Brass Tube (Liner)	\$ 5.00/ea.
Cleanness Value (CT 227)	\$ 75.00/ea.
Compaction Curves (ASTM D 1557 or Caltrans CT216):	
4-inch Mold	\$150.00/ea.
6-inch Mold	\$150.00/ea.
Check Point	\$ 50.00/ea.
Concrete Compressive Strength (CT 521 or ASTM C39)	\$ 25.00/ea. ⁽²⁾
Concrete Linear Shrinkage (3 Bars)	\$200.00
Concrete Moisture	\$ 25.00/test (floor test)
Consolidation Test	\$300.00/ea.
Direct Shear, per point: (ASTM D3080)	
Consolidated-Drained (CD)	\$130.00/point
Unconsolidated-Undrained (UU) (Modified ASTM)	\$100.00/point
Consolidated-Undrained (CU) (Modified ASTM)	\$115.00/point
Additional cycles (each)	\$ 50.00/ea.
Disposable Concrete Molds	\$ 2.00/ea.

* 1/2 Day Minimum Charge.

+ 25% Weekly Discount, 40% Monthly Discount.

(1) If asphalt is delivered to SHN lab unmixed, add \$75.00/ea. for processing and mixing per Caltrans CT304.

(2) If concrete is sampled and delivered to SHN lab by outside contractor, add \$5.00/ea. for processing and curing per ASTM C-31.

Reimbursables, Continued

Laboratory Tests, Continued:

Durability Index	\$ 75.00/ea.
Expansion Index	\$150.00/test
Fireproofing Density	\$ 50.00/ea.
Grout Compressive Strength	\$ 40.00/ea.
LA Rattler (abrasion resistance)	\$150.00/test
Liquid Limit	\$ 75.00/ea.
Masonry Block Compressive Strength	\$ 65.00/ea.
Masonry Block Absorption & Moisture	\$ 50.00/ea.
Masonry Block Linear Shrinkage	\$ 85.00/ea.
Masonry Block Prism Compressive Strength	\$125.00/ea.
Masonry Core Shear Test	\$ 50.00/core
Moisture Content	\$ 15.00/ea.
Moisture-Density Test	\$ 25.00/ea.
Particle Size Analysis (ASTM 422)	\$100.00/ea.
Percent Crushed Particles	\$125.00/ea.
Percent Entrained Air In Concrete	\$ 10.00/ea.
Percent Organics	\$ 50.00/ea.
Plastic Limit	\$ 50.00/ea.
Plasticity Index	\$125.00/ea.
R-Value	\$250.00/ea.
Rice Specific Gravity of Asphalt (ASTM D2041)	\$ 70.00/ea.
Sample Preparation	\$ 40.00/hour
Sand Equivalent	\$ 50.00/ea.
Sawing Rocks and Concrete Cores	\$ 30.00/unit
Sieve Analysis--Coarse	\$ 45.00/ea.
Sieve Analysis--Fine	\$ 55.00/ea.
Sieve Analysis--Passing 200	\$ 45.00/ea.
Specific Gravity, Rock	\$ 45.00/ea.
Stabilometer of Premixed AC	\$ 75.00/ea.
Sulfate Soundness	\$ 80.00/cycle
Swell Test	\$ 55.00/point
Triaxial Compression	
Unconsolidated Undrained (TXUU) (ASTM D2850)	\$115.00/point
Consolidated Undrained (TXCU) (ASTM D4767)	\$385.00/point
Consolidated Drained (TXCD) (ACOE)	\$500.00/point
Consolidated Undrained (TXCU-3 stage) (ASTM D4767)	\$810.00/test
Consolidated Drained (TXCD-3 stage) (ACOE)	\$860.00/test
USDA Bulk Density Test	\$ 20.00/ea.
USDA Textural Suitability Test	\$ 50.00/ea.
Unconfined Compression	\$ 50.00/ea.
Unit Weight of Lightweight Concrete	\$ 50.00/unit

Notes:

All samples of soil or rock from physical testing are discarded 30 days after submission of final report unless prior arrangements are made. Samples of soil or rock submitted for testing for hazardous substances will be returned to the Client, who is responsible for proper disposal.

This fee schedule is subject to review and adjustment, as required.

Certain services may require prevailing wages or overtime at premium pay to SHN employees. In such circumstances, fees will be adjusted to reflect increased labor costs.



335 S. Main St., Willits, CA
(P) 707-459-4518 • www.shn-engr.com



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ITEM NO.: 13a

MEETING DATE: December 2, 2015

AGENDA SUMMARY REPORT

SUBJECT: APPOINTMENT OF NEW MAYOR AND VICE MAYOR

Summary: Council will appoint a new Mayor and Vice Mayor with the assistance of Resolution No. 2011-44, which gives guidelines for the annual rotation and seating arrangement.

Background:

In December 2006, the City Council established a seniority-based rotation appointment of the Mayor and Vice Mayor. In September 2011, the Mayoral Rotation and Seating Arrangement for Council was updated and Resolution 2011-44 outlining the changes was adopted on November 2, 2011 (Attachment No. 1).

The naming of the Mayor and Vice Mayor traditionally takes place annually at the first regular December meeting, with installation and the new seating arrangements at the second regular December meeting. Currently, Mayor Crane and Vice Mayor Scalmanini were appointed in December 2014 to their respective positions.

Discussion: Using the table below,

CITY COUNCIL	Elected	Votes	Expires	Last Term as Mayor
Douglas Crane	11/2012	N/A	11/2016	2015
Steve Scalmanini	12/2013	N/A	11/2016	None
Jim O. Brown	11/2014	1,791	11/2018	None
Kevin Doble	11/2014	1,561	11/2018	None
Maureen Mulheren	11/2014	1,368	11/2018	None

Resolution 2011-44 (Attachment 1) provides for the following rotations:

Vice Mayor Scalmanini to Mayor – *as the Vice Mayor shall replace the outgoing Mayor.*

Councilmember Jim O. Brown to Vice Mayor – *as the councilmember who received the most votes at their initial election, who has not previously served as Mayor, and has served at least one year as a member of the City Council.*

Continued on Page 2

RECOMMENDED ACTION(S): 1. Nominate and appoint the positions of Mayor and Vice Mayor for 2016 for seating at the December 16, 2015, Regular Council Meeting.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: Annual Procedures
Prepared by: Kristine Lawler, City Clerk
Coordinated with: N/A
Presenters: Kristine Lawler, City Clerk.
Attachments: 1. Resolution 2011-44

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

Councilmembers Doble and Mulheren to move one seat to their left – as the remaining councilmembers shall move one seat to their left.

This leaves the one remaining seat on the far south of the Dias for outgoing Mayor Crane to rotate into as Councilmember.

Having stated the above provisions, Resolution 2011-44 also asserts that the Council has the ultimate discretion to elect or not elect any Councilmember for any office at the December meeting.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A

RESOLUTION NO. 2011-44

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING RULES GOVERNING COUNCIL MEETINGS

WHEREAS,

1. The City Council has adopted by resolution Procedures of Conduct for City Council Meetings, last revised on July 20, 2005 ("Procedures"); and
2. The City Council has determined to revise the rules governing the Mayoral Rotation and Seating Arrangement for Council.

NOW, THEREFORE, BE IT RESOLVED that the title and Section 7 of the Procedures are amended as follows:

TITLE: City of Ukiah City Council Meeting Procedures

SECTION 7. VOTING PROCEDURE

I. Mayoral Rotation and Seating Arrangement for Council

It is the policy of the City Council that the office of Mayor be rotated insofar as possible among the members of the City Council and that the Mayor shall serve a term of one year or until a successor is appointed. The rotation is based on seniority. The Vice Mayor shall replace the outgoing Mayor. It is the intent and desire of the City Council to allow every member the opportunity to serve as Mayor, and consideration is given to those members of the Council who have not previously served as Mayor unless all members have so served.

The City Council shall, at its first regular meeting in the month of December, meet and choose one of its members as Mayor, and one of its members as Vice Mayor. The Mayor's seat shall be filled by the most senior member in length of uninterrupted service who has not previously served as Mayor. The Councilmember selected as Mayor, however, shall have served at least one year as a member of the City Council.

Where all Councilmembers have served a term as Mayor, the person to be selected as Mayor shall be the person who has not served as Mayor for the longest period of time. If the person who has not served as Mayor for the longest period of time declines the position, then the person who has not served as Mayor for the longest period of time other than the declining Councilmember or Councilmembers shall be selected.

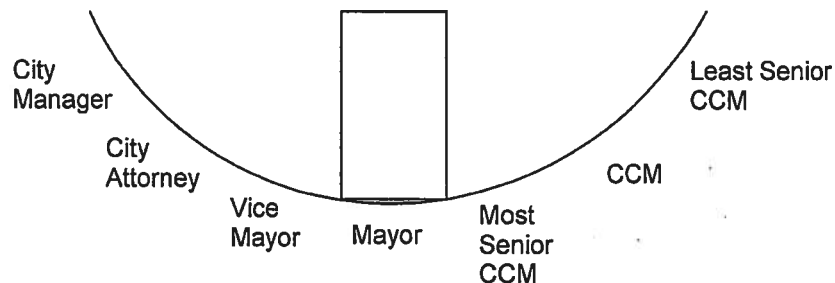
When a selection of Mayor is to be made from a Councilmember who has not yet served as Mayor, the person who is otherwise qualified and has served on the Council the longest without being Mayor shall be selected as Mayor. In the case where two or more persons qualified to be selected as Mayor have served the same amount of time as a Councilmember without being Mayor, the person selected shall be the person who received the most votes at their initial election.

At the time of selection of the Mayor in any given year, the individual who would qualify to be selected as Mayor in the next following year, using the criteria above, shall be named Vice Mayor for the current year.

If a Councilmember declines to serve as Vice Mayor, the Council will decide by formal action where the member will fit into the rotation at the December meeting. The Council has the ultimate discretion to elect or not elect any Councilmember for any office at the December meeting.

The Mayor and Councilmembers shall be seated as follows, seating assignments given from the perspective facing the audience:

- A. The Mayor and Councilmembers shall sit in the five of seven furthest rightward positions on the dais.
- B. The Mayor's position shall be the fourth from the right or center of the dais.
- C. The Vice Mayor shall be seated immediately to the Mayor's left or left hand side.
- D. Following the installation of new Councilmembers into office, Councilmembers leaving office shall immediately step down from the dais. Incumbent Councilmembers shall ~~then assume any positions vacated to their left. Newly elected or appointed~~ Councilmembers shall be seated at the far right of the dais. If more than one Councilmember is newly elected, they shall be seated in order of votes cast, with the lowest vote getter being seated furthest right and the highest vote getter being seated to the left.
- E. Except as described in subsection F below, following the annual rotation of the Vice Mayor, the exiting Vice Mayor shall move right to the Mayor's position in the center of the dais, the newly selected Vice Mayor shall move to the Mayor's left hand side, and the remaining Councilmembers shall move one seat to their left.
- F. Following the annual rotation of the Vice Mayor during general election years, the newly elected Councilmembers shall remain in the furthest right seats and only incumbent Councilmembers shall rotate positions as described in subsection E above.
- G. To the extent that the foregoing rules do not address Councilmember seating changes or rotations, the City Council shall determine the seating location by formal action of the same at a regular, special, or adjourned meeting.



BE IT FURTHER RESOLVED that the amended version of Section 7 as contained in this Resolution shall replace Section 7 in the City Council Meeting Procedures as it read prior to the adoption of this Resolution.

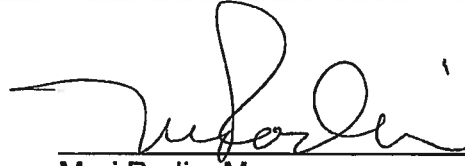
PASSED AND ADOPTED this 2nd day of November, 2011, by the following roll call vote:

AYES: Councilmember Landis, Thomas, Crane, Baldwin, and Mayor Rodin

NOES: None

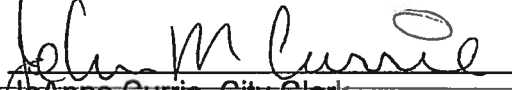
ABSTAIN: None

ABSENT: None



Mari Rodin, Mayor

ATTEST:



JoAnne Currie, City Clerk



ITEM NO.: 13b

MEETING DATE: December 2, 2015

AGENDA SUMMARY REPORT

SUBJECT: STATUS REPORT AND CONSIDERATION OF DISBANDMENT OF THE SHOPPING CART AD HOC COMMITTEE

Summary: Council will receive a status report and consider disbandment of the Shopping Cart Ad Hoc.

Background and Discussion: The Shopping Cart Ad Hoc Committee led by Councilmembers Mulheren and Brown met during July of 2015 to discuss alternatives for addressing the stray shopping cart issues in the community. A "pilot" program designed to work directly with business owners was developed by the Ukiah Police Department as an alternative to adopting new City Code regulations. The program has been successfully implemented over the past three months by the Police Department which has resulted in a reduction of stray shopping carts in the City.

The Committee is satisfied with the program and the Police Department will continue to implement it and monitor its success. Accordingly, the Ad Hoc is prepared to provide a final status report and recommend the City Council disband the Ad Hoc Committee.

FISCAL IMPACT:			
Budgeted Amount in Current FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required
N/A	N/A	N/A	Yes ☐ No ☒

■ **RECOMMENDED ACTION(s):** Receive report and approve disbandment of the Shopping Cart Ad Hoc.

■ **ALTERNATIVES:** 1) Provide alternative direction to Staff.

Citizens advised: N/A
Requested by: Shopping Cart Ad-Hoc Committee
Prepared by: Charley Stump, Community Development Director
Coordinated with: Sage Sangiacomo, City Manager
Presenter: Councilmembers Mulheren and Brown
Attachments: 1. Police Shopping Cart Intervention Plan

COUNCIL ACTION DATE: _____ : ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Approved: 
Sage Sangiacomo, City Manager



Ukiah Police Department
Safety, Professionalism, Community Service

Chris Dewey
Chief of Police

UKIAH POLICE DEPARTMENT SHOPPING CART INTERVENTION PLAN

The Police Department, through our Crime Prevention Program and Senior Volunteer Program, managed by Community Services Officer Nancy Sawyer, proposes the following pilot program in an effort to reduce the blight of shopping carts abandoned within our community. It is our intent to seek and gain voluntary compliance in shopping cart retention from our merchants in lieu of enacting a burdensome city ordinance mandating compliance. If successful, this intervention strategy will remain an active part of the Police Department's Crime Prevention Program. If we see no measurable difference as a result of our efforts in the next 6 months (by February 1, 2016) we will recommend that the subcommittee bring the proposed shopping cart ordinance to the Council for enactment.

- * Our Crime Prevention Program will research trends and resources for shopping cart retention and network with others specific to our community issues related to shopping cart retention. We will collect data specific to our community and continue to develop and modify our strategy based on observed trends. (currently being done)
- * We will provide outreach and education, by way of personal contact with each business that owns shopping carts, on available resources, trends, recovery methods, on-property cart retention methods and the pros and cons of voluntary compliance or mandated compliance. We would immediately share the draft ordinance we have during our contacts. We would encourage voluntary compliance by either using available recovery services, their own in-house recovery or on property cart retention methods to keep carts on property. (our goal is to complete all initial contacts by September 15, 2015)
- * We will prepare print information to be disseminated and post information and resources using our social media and business watch forum on options for reporting abandoned carts and we will develop a method of tracking calls/reports and assure they are followed up on. (To be completed within the next 30 days)
- * We will develop a program having our Senior Volunteers drive City streets periodically to report any locations, hot spots where carts are abandoned and will report our findings to businesses and their recovery resources. We will then monitor to make sure businesses and recovery resources are recovering carts in a reasonable amount of time. (To begin immediately)
- * We will work with the Public Works Department to develop a method of city recovery and disposal of unidentifiable abandoned carts that are encroachments subject to the provisions of 5602 D., of the Ukiah City Code. (see attached Code) (To be completed within the next 30 days)

Ukiah Retailer Shopping Cart Tracking/ 8-5 thru 11-10-15			
STORE	ADDRESS	Carts reported	
Beverly's Fabrics	728 S. State St.	0	During 4 month period, Average per month: <u>58</u> Average per week: <u>14</u> Total: <u>230</u>
Big Lots	225 S. Orchard Ave.	6	
CVS	155 S. Orchard Ave.	5	
Friedman's	1255 Airport Park Blvd.	0	Note : 115 carts were reported to CSCRC and the balance of 115 were reported to the retailers not using the service by phone or e-mail.
Food Maxx	1235 Airport Park Blvd.	5	
Grocery Outlet	1203 N. State St.	1	
Home Depot	350 N. Orchard Ave.	31	
Kohl's	437 N. Orchard Ave.	0	Numbers represent carts logged and reported by City Streets, C11&VIPS, Council Member Mo, Seanor and MSWMA
Lucky's	504 E. Perkins St.	82	
Michael's	1215 Airport Park Blvd.	2	
Rainbow Ag	235 E. Perkins St.	0	Note : CSCRC reported for month of October, they picked up <u>71</u> carts.
Raley's	1315 N. State St.	2	
Rite Aid	680 S. State St.	4	
Ross	550 E. Perkins St.	0	
Safeway	653 S. State St.	5	
Staples	1225 Airport Park Blvd.	2	
Tractor Supply	1248 Airport Park Blvd.	0	
Ukiah Co-op	721 S. State St.	2	
Walgreens	308 E. Perkins St.	6	
Walmart	1155 Airport Park Blvd.	71	
NO ID	for recycle	3	
Dollar Tree	in county/MSWMA	1	
Goodwill Store	N. State	2	
TOTAL:		230	



ITEM NO.: 13c

MEETING DATE: December 2, 2015

AGENDA SUMMARY REPORT

SUBJECT: UPDATE AND PROVIDE DIRECTION REGARDING REFINANCING 2005 WATER BONDS.

Summary: Council will receive an update on refinancing the 2005 water bonds. Through a refinancing, the City's water enterprise is anticipated to save approximately \$37,000 annually through 2035 from lower interest rates. This represents present value savings of approximately \$543,800.

Background: Staff has been working with Bob Gamble at Public Financial Management Inc. (PFM) to provide an analysis regarding the refinancing of the City's 2005 Water Bonds (\$11,485,000 outstanding). PFM has reviewed this opportunity and provided an analysis and preliminary schedule which are provided as attachments 1 and 2. The schedule is very condensed and time sensitive. Documents would need to be approved by Council on December 16, 2015, in order to meet the February deadline for refunding.

Discussion: Based on current market conditions, the potential to refinance appears to be economically advantageous to the City and its rate payers. Through a refinancing, the City is anticipated to save approximately \$37,000 per year from lower interest rates through the final maturity in 2035.

Due to terms of the outstanding 2005 Bonds, if a refinancing is to occur by March, an expedited process to document and sell to investors would need to be pursued. Based upon the volatility in the financial markets, City Staff believes that this is the preferred path to avoid the risk, to the extent possible, of interest rates rising during the latter part of this year. To that end, City Staff has requested that PFM help coordinate a team which includes Bond Counsel to review and develop the documentation necessary and provide underwriting services. City Staff has issued a request for proposals for these services. Next steps, Council will be asked to approve contracts for Bond Counsel and underwriting services at the December 16, 2015, meeting. The attached calendar outlines the next steps in this process.

After Bond Counsel and an underwriter are selected, this expedited process will develop the necessary financing and investor disclosure documentation and proceed towards presenting the credit of the water enterprise to Standard & Poor's. As outlined upon the attached schedule, resolutions, financing and investor disclosure documentation would be brought to the City Council for approval at the February 17th meeting. Assuming City Council approval, the bond issuance would be finalized and bonds would be marketed to investors. Once acceptable rates, terms, and conditions are secured and a bond purchase agreement signed between the City and underwriter, a notice of redemption will be sent to the 2005

Continued on Page 2

RECOMMENDED ACTION(S): Provide direction to staff on whether or not to proceed with the refinancing of the 2005 water bonds.

ALTERNATIVES: N/A

Citizens advised: N/A
Requested by: N/A
Prepared by: Karen Scalabrini, Finance Director
Coordinated with: Sean White, Water and Sewer Director
Presenters: Sean White, Water and Sewer Director
Attachments: 1. Preliminary Financing Schedule
2. Preliminary Refunding Analysis

COUNCIL ACTION DATE: _____: ☐ Approved ☐ Continued to _____ ☐ Other _____

RECORDS APPROVED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____

Approved: 
Sage Sangiacomo, City Manager

Bonds' bondholders notifying them of intent to redeem. This redemption notice must occur prior to February 13th. Since this is a Saturday, notice can be no later than Friday, February 12th. At this point the bonds issue would be finalized with an expected closing on or about March 14, 2016.

Through a refinancing, the City's water enterprise is anticipated to save approximately \$37,000 annually through 2035 from lower interest rates. This represents present value savings of approximately \$543,800. The savings will improve the City's water bond coverage ratio and improve the annual cash flow for additional capital projects. As all costs related to a refinancing are contingent upon a successful closing, with the exception of a credit rating review by Standard & Poor's, no financial risk will accrue should refinancing meeting the City's requirements not occur.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes ☐ No ☒	N/A



City of Ukiah

Water Revenue Refunding Bonds, Series 2016

FINANCING SCHEDULE

As of November 17, 2015

NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7	1 2 3 4 5	1 2	1 2 3 4 5 6	1 2 3 4 5
8 9 10 11 12 13 14	6 7 8 9 10 11 12	3 4 5 6 7 8 9	7 8 9 10 11 12 13	6 7 8 9 10 11 12
15 16 17 18 19 20 21	13 14 15 16 17 18 19	10 11 12 13 14 15 16	14 15 16 17 18 19 20	13 14 15 16 17 18 19
22 23 24 25 26 27 28	20 21 22 23 24 25 26	17 18 19 20 21 22 23	21 22 23 24 25 26 27	20 21 22 23 24 25 26
29 30	27 28 29 30 31	24 25 26 27 28 29 30	28 29	27 28 29 30 31
		31		

City Council Meeting
 Holiday

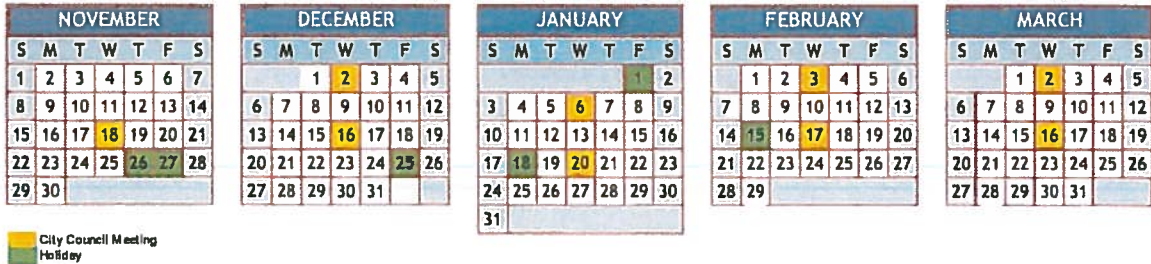
Date	Activity	Responsible Party
Wednesday, November 18	Send Bond Counsel RFP	FA
Wednesday, November 25	Receive Bond Counsel Proposals	FA, City
Week of November 23	Distribute Underwriter Proposal Summary	FA
Week of November 30	Meeting or Conference Call to review Bond Counsel and Underwriter Proposals	FA, City
Week of December 7	Finalize Bond Counsel and Underwriter	FA, City
Wednesday, December 16	City of Ukiah Council Meeting to approve new Bond Counsel and Underwriter	City
Week of January 4	Circulate 1 st draft of Bond Documents and POS	BC/DC
Week of January 11	Conference Call to review Bond Documents and POS	ALL
	Circulate 1 st draft of credit presentation	FA/UW
Week of January 18	Circulate 2 nd draft of Bond Documents and POS	BC/DC
	Conference Call to review 1 st draft of credit presentation	ALL
Week of January 25	Conference Call to review Bond Documents and POS	ALL
	Circulate 2 nd draft of credit presentation	FA/UW
	Conference Call to review 2 nd draft of credit presentation	ALL
Week of February 1	Distribute final drafts of Bond Documents and POS	BC/DC
	Submit credit package to rating agency	FA/UW
	Credit Rating Meetings/Calls	City/FA/UW
Week of February 8	Submit Bond Documents and POS to City for City Council meeting	BC/DC/City
Friday, February 12	Receive ratings	
Tuesday, February 16	Final comments due on POS for posting	ALL



City of Ukiah

Water Revenue Refunding Bonds, Series 2016

FINANCING SCHEDULE As of November 17, 2015



Date	Activity	Responsible Party
Wednesday, February 17	City of Ukiah Council Meeting to approve POS and bond documents	City/BC/DC
Tuesday, February 18	Print and post POS	DC/P
Week of February 22/29	Marketing	UW
Week of February 29	Pricing	City/FA/UW
Week of March 7	Print and post final OS Circulate closing documents for review	BC/DC/P
Week of March 14	Pre-Closing	ALL
	Closing and delivery of the Bonds	ALL

Role	Participant	Abbreviation
Issuer	City of Ukiah	City
Financial Advisor	Public Financial Management, Inc.	FA
Bond Counsel	TBD	BC
Disclosure Counsel	TBD	DC
Underwriter	TBD	UW
Underwriter's Counsel	TBD	UC
Trustee/Escrow Agent	TBD	T
Printer	TBD	P

SOURCES AND USES OF FUNDS

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Sources:

Bond Proceeds:

Par Amount	12,050,000.00
Premium	1,536,881.80

13,586,881.80

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.64
SLGS Purchases	13,326,412.00
	13,326,412.64

Delivery Date Expenses:

Cost of Issuance	200,000.00
Underwriter's Discount	60,250.00
	260,250.00

Other Uses of Funds:

Additional Proceeds	219.16
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13,586,881.80

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

SUMMARY OF REFUNDING RESULTS

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Dated Date	04/01/2016
Delivery Date	04/01/2016
Arbitrage yield	3.107523%
Escrow yield	0.241471%
Value of Negative Arbitrage	156,892.90
Bond Par Amount	12,050,000.00
True Interest Cost	3.576402%
Net Interest Cost	3.877307%
All-In TIC	3.755548%
Average Coupon	5.000000%
Average Life	10.915
Par amount of refunded bonds	13,055,000.00
Average coupon of refunded bonds	4.432273%
Average life of refunded bonds	10.815
PV of prior debt to 04/01/2016 @ 3.107523%	14,614,944.25
Net PV Savings	543,800.00
Percentage savings of refunded bonds	4.165454%
Percentage savings of refunding bonds	4.512863%

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

SAVINGS

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/01/2016 @ 3.1075232%
09/01/2016	284,819.38	266,041.67	18,777.71	18,537.99
09/01/2017	1,139,638.76	1,101,750.00	37,888.76	36,030.43
09/01/2018	1,141,268.76	1,101,750.00	39,518.76	36,461.04
09/01/2019	1,141,873.76	1,105,500.00	36,373.76	32,536.34
09/01/2020	1,136,453.76	1,097,750.00	38,703.76	33,597.47
09/01/2021	1,139,573.76	1,104,000.00	35,573.76	29,941.03
09/01/2022	1,141,098.76	1,103,500.00	37,598.76	30,706.23
09/01/2023	1,141,348.76	1,101,500.00	39,848.76	31,577.74
09/01/2024	1,145,323.76	1,108,000.00	37,323.76	28,685.89
09/01/2025	1,141,855.00	1,102,500.00	39,355.00	29,345.96
09/01/2026	876,875.00	840,500.00	36,375.00	26,304.93
09/01/2027	877,015.00	839,750.00	37,265.00	26,136.91
09/01/2028	881,055.00	842,750.00	38,305.00	26,057.92
09/01/2029	878,775.00	839,250.00	39,525.00	26,079.57
09/01/2030	879,750.00	844,500.00	35,250.00	22,550.52
09/01/2031	879,375.00	843,000.00	36,375.00	22,570.53
09/01/2032	882,650.00	845,000.00	37,650.00	22,659.66
09/01/2033	884,350.00	845,250.00	39,100.00	22,825.63
09/01/2034	884,475.00	848,750.00	35,725.00	20,227.01
09/01/2035	883,025.00	845,250.00	37,775.00	20,748.04
	19,360,599.46	18,626,291.67	734,307.79	543,580.84

Savings Summary

PV of savings from cash flow	543,580.84
Plus: Refunding funds on hand	219.16
Net PV Savings	543,800.00

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

BOND SUMMARY STATISTICS

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Dated Date	04/01/2016
Delivery Date	04/01/2016
Last Maturity	09/01/2035
Arbitrage Yield	3.107523%
True Interest Cost (TIC)	3.576402%
Net Interest Cost (NIC)	3.877307%
All-In TIC	3.755548%
Average Coupon	5.000000%
Average Life (years)	10.915
Duration of Issue (years)	8.493
Par Amount	12,050,000.00
Bond Proceeds	13,586,881.80
Total Interest	6,576,291.67
Net Interest	5,099,659.87
Total Debt Service	18,626,291.67
Maximum Annual Debt Service	1,108,000.00
Average Annual Debt Service	959,293.99
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	112.254206

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	12,050,000.00	112.754	5.000%	10.915
	12,050,000.00			10.915

	TIC	All-In TIC	Arbitrage Yield
Par Value	12,050,000.00	12,050,000.00	12,050,000.00
+ Accrued Interest			
+ Premium (Discount)	1,536,881.80	1,536,881.80	1,536,881.80
- Underwriter's Discount	-60,250.00	-60,250.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts			
Target Value	13,526,631.80	13,326,631.80	13,586,881.80
Target Date	04/01/2016	04/01/2016	04/01/2016
Yield	3.576402%	3.755548%	3.107523%

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

BOND PRICING

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	09/01/2016	15,000	5.000%	0.720%	101.776
	09/01/2017	500,000	5.000%	1.180%	105.350
	09/01/2018	525,000	5.000%	1.440%	108.424
	09/01/2019	555,000	5.000%	1.720%	110.837
	09/01/2020	575,000	5.000%	1.990%	112.664
	09/01/2021	610,000	5.000%	2.220%	114.112
	09/01/2022	640,000	5.000%	2.420%	115.246
	09/01/2023	670,000	5.000%	2.640%	115.799
	09/01/2024	710,000	5.000%	2.800%	116.392
	09/01/2025	740,000	5.000%	2.940%	116.834
	09/01/2026	515,000	5.000%	3.080%	115.588 C
	09/01/2027	540,000	5.000%	3.180%	114.707 C
	09/01/2028	570,000	5.000%	3.270%	113.921 C
	09/01/2029	595,000	5.000%	3.360%	113.142 C
	09/01/2030	630,000	5.000%	3.440%	112.454 C
	09/01/2031	660,000	5.000%	3.500%	111.942 C
	09/01/2032	695,000	5.000%	3.550%	111.517 C
	09/01/2033	730,000	5.000%	3.590%	111.178 C
	09/01/2034	770,000	5.000%	3.640%	110.757 C
	09/01/2035	805,000	5.000%	3.690%	110.338 C
		12,050,000			

Dated Date	04/01/2016	
Delivery Date	04/01/2016	
First Coupon	09/01/2016	
Par Amount	12,050,000.00	
Premium	1,536,881.80	
Production	13,586,881.80	112.754206%
Underwriter's Discount	-60,250.00	-0.500000%
Purchase Price	13,526,631.80	112.254206%
Accrued Interest		
Net Proceeds	13,526,631.80	

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

SUMMARY OF BONDS REFUNDED

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2005A Water (ABAG), 2005A_W:					
SERIAL	09/01/2017	4.100%	570,000.00	09/01/2016	100.000
	09/01/2018	4.100%	595,000.00	09/01/2016	100.000
	09/01/2019	4.100%	620,000.00	09/01/2016	100.000
	09/01/2020	4.200%	640,000.00	09/01/2016	100.000
	09/01/2021	4.250%	670,000.00	09/01/2016	100.000
	09/01/2022	4.250%	700,000.00	09/01/2016	100.000
	09/01/2023	4.250%	730,000.00	09/01/2016	100.000
	09/01/2024	4.375%	765,000.00	09/01/2016	100.000
	09/01/2025	4.400%	795,000.00	09/01/2016	100.000
	09/01/2026	4.400%	565,000.00	09/01/2016	100.000
	09/01/2027	4.400%	590,000.00	09/01/2016	100.000
	09/01/2028	4.400%	620,000.00	09/01/2016	100.000
	09/01/2029	4.500%	645,000.00	09/01/2016	100.000
TERM2035	09/01/2035	4.500%	4,550,000.00	09/01/2016	100.000
			13,055,000.00		

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

BOND DEBT SERVICE

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2016	15,000	5.000%	251,041.67	266,041.67
09/01/2017	500,000	5.000%	601,750.00	1,101,750.00
09/01/2018	525,000	5.000%	576,750.00	1,101,750.00
09/01/2019	555,000	5.000%	550,500.00	1,105,500.00
09/01/2020	575,000	5.000%	522,750.00	1,097,750.00
09/01/2021	610,000	5.000%	494,000.00	1,104,000.00
09/01/2022	640,000	5.000%	463,500.00	1,103,500.00
09/01/2023	670,000	5.000%	431,500.00	1,101,500.00
09/01/2024	710,000	5.000%	398,000.00	1,108,000.00
09/01/2025	740,000	5.000%	362,500.00	1,102,500.00
09/01/2026	515,000	5.000%	325,500.00	840,500.00
09/01/2027	540,000	5.000%	299,750.00	839,750.00
09/01/2028	570,000	5.000%	272,750.00	842,750.00
09/01/2029	595,000	5.000%	244,250.00	839,250.00
09/01/2030	630,000	5.000%	214,500.00	844,500.00
09/01/2031	660,000	5.000%	183,000.00	843,000.00
09/01/2032	695,000	5.000%	150,000.00	845,000.00
09/01/2033	730,000	5.000%	115,250.00	845,250.00
09/01/2034	770,000	5.000%	78,750.00	848,750.00
09/01/2035	805,000	5.000%	40,250.00	845,250.00
	12,050,000		6,576,291.67	18,626,291.67

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

ESCROW REQUIREMENTS

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Period Ending	Interest	Principal Redeemed	Total
09/01/2016	284,819.38	13,055,000.00	13,339,819.38
	284,819.38	13,055,000.00	13,339,819.38

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)

ESCROW SUFFICIENCY

City of Ukiah, CA
Refunding of 2005A Water Revenue Bonds

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/01/2016		0.64	0.64	0.64
09/01/2016	13,339,819.38	13,339,818.74	-0.64	
	13,339,819.38	13,339,819.38	0.00	

Note: Preliminary scale assuming A rated plus 25 basis points cushion (MMD as of 11/20/2015)



AGENDA SUMMARY REPORT

SUBJECT: ADOPTION OF RESOLUTION APPROVING MEMORANDA OF UNDERSTANDING FOR EMPLOYEE BARGAINING UNITS – MISCELLANEOUS, WATER UTILITIES/MECHANICS AND DEPARTMENT HEAD UNITS.

Summary: The City has now completed negotiations with three bargaining units for restoration of the ongoing 5% reductions to compensation that were made in 2013. While labor negotiations are continuing with several groups, three labor groups, comprised of the Miscellaneous, Water Utilities/Mechanics and Department Head Units, have successfully reached agreement for three-year successor contracts.

Background: In the Fall of 2012, the City Council faced the necessity of having to reduce General Fund expenditures in order to bring expenditures in line with forecasted revenues for not only 2013, but for several years beyond 2013. The City Council, working together with city staff has, over the course of the last five years, significantly reduced expenditures in city operations including reducing staff to its lowest level since the mid 1990's. These reductions were made without sacrificing services to the public, though additional reductions in the labor force would have lead to service reductions in some form. In order to preserve services rather than conduct additional lay-offs of personnel, the City Council entered negotiations with all seven labor groups having open contracts for a 5% permanent reduction in compensation to help address the deficit issue.

Discussion: Negotiations for ongoing reductions in compensation were difficult for both the City Council and for employee labor groups. City employees are receiving compensation based largely on agreements that were negotiated before the economic downturn in 2006 and 2007. The last raises for employees under these contracts were in 2009. Employees have taken temporary compensation reductions since 2009. Depending upon the labor unit, employees have had their pay reduced for periods up to 33 months by 5%, or their work hours reduced by 10%, and/or they have had a period of furloughs. In addition to outright compensation reductions, city employees have absorbed their portion of additional cost increases for retirement contributions and health care that has occurred over the course of the last five years, amounting to further reduction of their individual paychecks.

Recommended Action(s):

Adopt Resolution approving 2015-2018 Memoranda of Understanding for the Miscellaneous, Water Utilities/Mechanics, and Department Head Bargaining Units.

Alternative Council Option(s):

1. Do not adopt Resolution.
2. Refer to Staff for Amendment.

Citizens advised: N/A
Requested by: N/A
Prepared by: Sage Sangiacomo, City Manager and Melody Harris, Human Resources Director.
Coordinated with: City Bargaining Unit Representatives.
Presented by: Melody Harris, Human Resources Director.
Attachments: 1. Resolution for Adoption of MOUs for the Miscellaneous, Water Utilities/Mechanics and Department Head bargaining units with Exhibits A, B, and C: 2015-2018 Memoranda of Understanding for each bargaining unit.

Approved: 
Sage Sangiacomo, City Manager

Subject: ADOPTION OF RESOLUTION APPROVING MEMORANDA OF UNDERSTANDING FOR EMPLOYEE BARGAINING UNITS – MISCELLANEOUS, WATER UTILITIES/MECHANICS, AND DEPARTMENT HEAD UNITS

Over the course of decades, compensation for City employees has been bargained through the various labor groups representing City employees. Bargaining for pay and benefits reflected the City's fiscal conditions at the time. As a small, rural city, Ukiah has always faced the challenge of attracting and retaining a talented and skilled labor force for the funding available. Over the course of many years, the various labor agreements tended to exchange outright pay raises in favor of other types of benefits. These other benefits were less costly to the City than base salary pay raises. Some of these benefits applied to future retirement benefits, and some assisted with payment for health care costs. These types of benefits have now become cost centers for the City, because the conditions, regulations, and economic factors that once saved the City money, have now changed to make such agreements more costly to the City.

During the course of the 2013-2015 compensation reduction negotiations, an effort was made by all parties to address those contract provisions with the highest cost factors in each labor group's agreements. The agreements that were reached reflected compensation savings that began to achieve more uniformity among the units with regard to health care and retirement contributions, as well as to reduce the highest growth rate cost centers for the City of Ukiah.

The City Manager, Human Resources Director and representatives of the Miscellaneous, Water Utilities/Mechanics, and Department Head bargaining units have met over the past several months to discuss negotiation items. Each three-year Memorandum of Understanding (MOU) attached has been ratified by the respective bargaining unit members. The proposed restoration of the 2013 salary concessions will be retroactive to the first full pay period following September 19, 2015, or to the expiration of the last labor contract.

Staff recommends adoption of the Resolution Approving the Memoranda of Understanding for the Miscellaneous, Water Utilities/Mechanics, and Department Head Units. A Closed Session has been added to the agenda, should Council need additional discussion before adopting the Resolution.

FISCAL IMPACT:				
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required	Previous Contract or Purchase Order No.
N/A	Adjustments to incorporate the 5% restoration in FY 15/16 will be made during Council's mid-year budget review.	Various	Yes ☒ No ☐	N/A

RESOLUTION NO. 2015-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH ADOPTING COMPREHENSIVE MEMORANDA OF UNDERSTANDING BETWEEN THE CITY OF UKIAH AND THE MISCELLANEOUS, WATER UTILITIES/MECHANICS, AND DEPARTMENT HEAD UNITS

WHEREAS, the Employee/Employer Relations Officer and Human Resources Director have met and conferred in good faith with representatives of the Miscellaneous, Water Utilities/Mechanics and Department Head Units; and

WHEREAS, Memoranda of Understanding for the term of September 19, 2015, through September 18, 2018, have been arrived at and agreed to by the parties; and

WHEREAS, said Memoranda of Understanding have been presented to the City Council for its consideration.

NOW, THEREFORE, BE IT RESOLVED that the Memoranda of Understanding for the Miscellaneous, Water Utilities/Mechanics and Department Head Units attached in substantial form as Exhibits A, B, and C are hereby adopted and the Employee/Employer Relations Officer is authorized to enter into these agreements.

PASSED AND ADOPTED this 2nd day of December 2015, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Douglas F. Crane, Mayor

ATTEST:

Kristine Lawler, City Clerk

3:mou\resmou2015

MEMORANDUM OF UNDERSTANDING
Miscellaneous Unit
2015 - 2018

This Memorandum of Understanding is entered into pursuant to the Meyers-Millias-Brown Act (California Government Code Section 3500, et. seq.) and applicable ordinances and resolutions of the City of Ukiah, between the City of Ukiah (hereinafter "City") and the **Miscellaneous Unit** (hereinafter "Unit"). As a result of meet and confer sessions, the City and Unit have agreed to the following understandings:

1. TERM

The term of this Agreement shall be three (3) years, effective September 19, 2015, through September 18, 2018.

2. SALARY

YEAR 1: Effective retroactive to the first full pay period following September 19, 2015, restoration of the 4-hour pay deduction each pay period, which was equivalent to the value of the 13 annual holidays granted to employees in this Unit.

YEAR 2: 2.5% increase to base salary effective the first full pay period following September 19, 2016, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

YEAR 3: 2.5% increase to base salary effective the first full pay period following September 19, 2017, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

3. HEALTH BENEFIT ADVISORY COMMITTEE

Should the City Manager, during the term of this agreement, convene the Health Benefit Advisory Committee, this Unit shall send two members and Union staff to participate provided 1) this process does not fulfill the requirement to bargain; 2) the committee may make either consensus recommendations, alternative minority recommendations, or no recommendations; 3) all bargaining units are invited to participate.

4. BOOT ALLOWANCE

The City agrees to pay up to \$150 boot allowance, which will be reimbursed one-time per year upon submission of a receipt for appropriate classifications, in addition to the currently provided rain gear.

5. RE-OPENER

Either party may re-open the contract to bargain over up to two (2) non-economic issues in October of 2016 and October of 2017.

6. BARGAINING UNIT NAME CHANGE

The City and the Union agree to change the designation of "Miscellaneous Unit" to "Administrative & Maintenance Unit", effective upon approval of this Agreement.

7. CONTINUATION

The City and the Unit agree that all conditions of employment established by City policy, including all conditions affecting wages, hours, and working conditions that are not specifically addressed in this Memorandum of Understanding, shall continue in effect and shall not be affected by the terms of this Memorandum of Understanding.

The value or availability of the benefits provided in the Memorandum of Understanding as originally worded or as amended from time to time may depend on their tax treatment by the state or federal government or the decisions of other government agencies or departments, such as, but not limited to, the Public Employees Retirement System. The City will endeavor to obtain the most favorable treatment legally possible from these other governmental entities. However, the City makes no representation concerning the value of such benefits to unit members or how they will be taxed or otherwise treated by other agencies or departments. The City's obligations under this Memorandum of Understanding are limited to the direct cost of providing the salary and benefits as described in the Memorandum of Understanding. The City shall have no additional financial obligation, even if the tax or other treatment of such salary or benefits by other agencies or departments reduces or eliminates their value to the employee.

This Memorandum of Understanding is ratified and adopted pursuant to the recommendations of the following representatives this ____ day of December, 2015.

CITY OF UKIAH

Sage Sangiacomo

MISCELLANEOUS UNIT

Don O'Hara, Parks Service Worker

Jarod Thiele, Public Works Project Analyst

Jeff Walker, Meter Reader

OPERATING ENGINEERS LOCAL NO. 3

Joe Louis Wildman, Business Representative

MEMORANDUM OF UNDERSTANDING
Water Utilities/Mechanics Unit
2015 - 2018

This Memorandum of Understanding is entered into pursuant to the Meyers-Millias-Brown Act (California Government Code Section 3500, et. seq.) and applicable ordinances and resolutions of the City of Ukiah, between the City of Ukiah (hereinafter "City") and the **Water Utilities/Mechanics Unit** (hereinafter "Unit"). As a result of meet and confer sessions, the City and Unit have agreed to the following understandings:

1. TERM

The term of this Agreement shall be three (3) years, effective September 19, 2015, through September 18, 2018.

2. SALARY

YEAR 1: Effective retroactive to the first full pay period following September 19, 2015, restoration of the 4-hour pay deduction each pay period, which was equivalent to the value of the 13 annual holidays granted to employees in this Unit.

YEAR 2: 2.5% increase to base salary effective the first full pay period following September 19, 2016, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

YEAR 3: 2.5% increase to base salary effective the first full pay period following September 19, 2017, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

3. HEALTH BENEFIT ADVISORY COMMITTEE

Should the City Manager, during the term of this agreement, convene the Health Benefit Advisory Committee, this Unit shall send two members and Union staff to participate provided 1) this process does not fulfill the requirement to bargain; 2) the committee may make either consensus recommendations, alternative minority recommendations, or no recommendations; 3) all bargaining units are invited to participate.

4. BOOT ALLOWANCE

For appropriate classifications, the City will pay up to \$150 boot allowance to be reimbursed one time per year upon submission of receipt, in addition to the currently City-provided rain gear and other personal protective equipment necessary for job performance.

5. RE-OPENER

During the term of this Agreement, either party may re-open the contract to bargain over up to two (2) non-economic issues in October of 2016 and October of 2017.

6. CONTINUATION

The City and the Unit agree that all conditions of employment established by City policy, including all conditions affecting wages, hours, and working conditions that are not specifically addressed in this Memorandum of Understanding, shall continue in effect and shall not be affected by the terms of this Memorandum of Understanding.

The value or availability of the benefits provided in the Memorandum of Understanding as originally worded or as amended from time to time may depend on their tax treatment by the state or federal government or the decisions of other government agencies or departments, such as, but not limited to, the Public Employees Retirement System. The City will endeavor to obtain the most favorable treatment legally possible from these other governmental entities. However, the City makes no representation concerning the value of such benefits to unit members or how they will be taxed or otherwise treated by other agencies or departments. The City's obligations under this Memorandum of Understanding are limited to the direct cost of providing the salary and benefits as described in the Memorandum of Understanding. The City shall have no additional financial obligation, even if the tax or other treatment of such salary or benefits by other agencies or departments reduces or eliminates their value to the employee.

This Memorandum of Understanding is ratified and adopted pursuant to the recommendations of the following representatives this ____ day of December, 2015.

CITY OF UKIAH

Sage Sangiacomo
City Manager

WATER UTILITIES/MECHANICS UNIT

Dave Kirch, Lead Equipment Mechanic

Jeff Basili, Water/Sewer Service Attendant

Gary Smith, Sr. WWTP Operator Mechanic

OPERATING ENGINEERS LOCAL NO. 3

Joe Louis Wildman, Business Representative

MEMORANDUM OF UNDERSTANDING
Department Head Unit
2015 - 2018

This Memorandum of Understanding is entered into pursuant to the Meyers-Millias-Brown Act (California Government Code Section 3500, et. seq.) and applicable ordinances and resolutions of the City of Ukiah, between the City of Ukiah (hereinafter City) and the **Department Head Unit** (hereinafter Unit). As a result of meet and confer sessions, the City and Unit have agreed to the following understandings:

1. TERM OF AGREEMENT

The Term of this Agreement begins on September 19, 2015, and continues for three (3) years, or September 18, 2018.

2. SALARY

YEAR 1: Restoration of the 5% concession taken in 2013-15 to base salary, retroactive to the first full pay period following September 19, 2015.

YEAR 2: 2.5% increase to base salary effective the first full pay period following September 19, 2016, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

YEAR 3: 2.5% increase to base salary effective the first full pay period following September 19, 2017, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

3. RE-OPENER FOR HEALTH, VISION, & DENTAL CONTRIBUTIONS FOR NEW HIRES:

During the term of the Agreement, by mutual consent, the City and the Unit may explore standardizing health, dental, and vision contributions for new hires.

4. CONTINUATION

The City and the Unit agree that all conditions of employment established by City policy, including all conditions affecting wages, hours, and working conditions that are not specifically addressed in this Memorandum of Understanding shall continue in effect and shall not be affected by the terms of this Memorandum of Understanding.

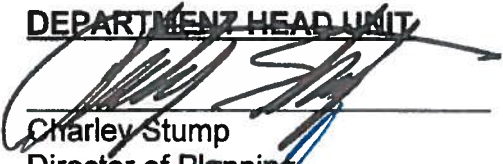
The value or availability of the benefits provided in the Memorandum of Understanding as originally worded or as amended from time to time may depend on their tax treatment by the state or federal government or the decisions of other government agencies or departments, such as, but not limited to, the Public Employees Retirement System. The City will endeavor to obtain the most favorable treatment legally possible from these other governmental entities. However, the City makes no representation concerning the value of such benefits to unit members or how they will be taxed or otherwise treated by other agencies or departments. The City's obligations under this Memorandum of Understanding are limited to the direct cost of providing the salary and benefits as described in the Memorandum of Understanding. The City shall have no additional financial obligation, even if the tax or other treatment of such salary or benefits by other agencies or departments reduces or eliminates their value to the employee.

This Memorandum of Understanding is ratified and adopted pursuant to the recommendations of the following representatives this ____ day of December, 2015.

CITY OF UKIAH

Sage Sangiacomo
City Manager

DEPARTMENT HEAD UNIT



Charley Stump
Director of Planning



Tim Eriksen
Director of Public Works/City Engineer