



City Council Regular Meeting
AGENDA

Civic Center Council Chamber ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482
October 3, 2018 - 6:00 PM

1 ROLL CALL

2 PLEDGE OF ALLEGIANCE

3 PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

- 3.a. [Proclamation Declaring the Month of October as National Disability Employment Awareness Month.](#)

Recommended Action: Mayor to read and present the Proclamation.

[Attachment 1 - ADA Timeline Alternative _ U.S. Department of Labor](#)

[Attachment 2 - Proclamation - Disability Awareness](#)

- 3.b. [Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System.](#)

Recommended Action: Receive status report. If desired, discuss and provide direction to Staff and/or consider any action(s) related to the matter.

[Attachment 1 - UVSD Litigation Update Box Files location](#)

4 PETITIONS AND COMMUNICATIONS

5 APPROVAL OF MINUTES

- 5.a. [Approval of the September 19, 2018, Regular Meeting Minutes](#)

Recommended Action: Approve the Minutes of September 19, 2018, a Regular Meeting, as submitted.

[Attachment 1 - Draft Minutes of September 19, 2018](#)

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.

- 7.a. [Authorize City Manager to Negotiate and Execute Month to Month Lease Agreement at Airport with Northern Sky RV for a Building and Vehicle Storage Yard.](#)
Recommended Action: Authorize City Manager to negotiate and execute month to month lease agreement with Northern Sky RV for building and vehicle storage yard.
[Attachment 1 - Northern Sky Rv Lease](#)
[Attachment 2 - Northern Sky RV Draft Lease](#)
- 7.b. [Approval of Airport Office Space Lease Renewal with the Federal Aviation Administration.](#)
Recommended Action: Approve the renewal of the Federal Aviation Administration Lease.
[Attachment 1 - FAA Lease DTFANM-09-L-00020_1](#)
[Attachment 2 lease No. DTFAWN-17-L-00180](#)
- 7.c. [Consideration of Approving One Landmark Tree Nomination, a Tulip Tree Located on Gobbi Street.](#)
Recommended Action: Approve one Landmark Tree nomination, a Tulip Tree located on Gobbi Street for Landmark Tree Status.
[Attachment 1 - Landmark Tree Nomination](#)
[Attachement 2 Tulip Tree](#)
[Attachment 3 Tulip Tree](#)
- 7.d. [Approve the Amendment of the Microsoft Enterprise License Agreement, to Include Microsoft365 Licenses in the Amount of \\$49,062.75.](#)
Recommended Action: Approve the Amendment of the Microsoft Enterprise License Agreement, to include Microsoft365 Licenses in the Amount of \$49,062.75.
[Attachment 1 - Microsoft365 License Cost](#)
- 7.e. [Adopt a Resolution Approving the Delegation of Claims Administration and Authorize Redwood Empire Municipal Insurance Fund \(REMIF\) and the Third Party Administrator to Accept or Reject Claims Filed Against the City of Ukiah.](#)
Recommended Action: Adopt resolution approving the delegation of claims administration and authorize Redwood Municipal Insurance Fund (REMIF) and the third party administrator on behalf of REMIF to accept or reject claims filed against the City of Ukiah.
[Attachment 1 - Resolution Delegating Claims Admin](#)
- 7.f. [Report of Purchase and Consideration and Possible Approval of Budget Amendment for Purchase and Installation of New Lighting at the Aquatics Facility in the Amount of \\$9,316.](#)
Recommended Action: Approve Budget Amendment in the amount of \$9,318 for the purchase and installation of new LED lighting at the City of Ukiah Aquatics Facility.
[Attachment 1- Intercounty Mechanical Pool Light Invoice and Specs](#)

- 7.g. [Adopt Resolution to Extend Local Preference Purchasing Policy.](#)
Recommended Action: Adopt resolution to extend the local preference purchasing policy.
[Attachment 1 - Draft Bidding Preference Resolution for 2018](#)

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

13 NEW BUSINESS

- 13.a. [Discussion Regarding Possible Cancellation of the November 21, 2018, and January 2, 2019, Regular Council Meetings, with the Option for the Mayor and/or City Manager to Call for a Special Meeting on an Alternate Date if Time Sensitive Business Arises.](#)

Recommended Action: 1) Approve the cancellation of the November 21, 2018, and January 2, 2019, Regular City Council meeting(s), with the option for the Mayor and/or City Manager to call for a special meeting on an alternate date if time sensitive business arises, and direct the City Clerk to post the Notice of Cancellation(s) accordingly.

[Attachment 1 - Holiday Calendar 2018](#)

- 13.b. [Receive Updates on City Council Committee and Ad Hoc Assignments and if necessary, Consider Modifications to Assignments and/or the Creation/Elimination of Ad hoc\(s\).](#)

Recommended Action: Receive report(s). The Council may also consider modifications to committee and ad hoc assignments along with the creation/elimination ad hoc(s).

[Attachment 1 - 2018 City Council Special Assignments & Ad Hocs](#)

- 13.c. [Adoption of Resolution\(s\) Approving Successor Memoranda of Understanding for Employee Bargaining Units.](#)

Recommended Action: Adopt a resolution(s) approving the successor Memoranda of Understanding between the City of Ukiah and employee bargaining units.

[Attachment 1 - Resolution and Agreements - Will Be Forthcoming.pdf](#)

14 CLOSED SESSION – CLOSED SESSION MAY BE HELD AT ANY TIME DURING THE MEETING.

- 14.a. [Conference with Legal Counsel – Existing Litigation](#)
[\(Government Code Section 54956.9\(d\)\(1\)\)](#)

Name of case: Vichy Springs Resort v. City of Ukiah, Et Al; Case No. SCUk-CVPT-2018-70200

Recommended Action: Confer in Closed Session

14.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, Sonoma County Superior Court, Case No. SCV 256737 (UVSD)

Recommended Action: Confer in Closed Session

14.c. Conference with Labor Negotiator

(Government Code Section 54957.6)

Agency Representative: Sage Sangiacomo, City Manager

Employee Organizations: All Bargaining Units

Recommended Action: Confer in Closed Session

14.d. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: APN Nos: 157-050-03, 157-060-02, 157-050-04, 157-050-03, 157-030-02, 157-050-01, 157-050-02, 157-050-10, 157-050-09, 157-070-01, 157-070-02, 003-190-01

Negotiator: Sage Sangiacomo, City Manager;

Negotiating Parties: Dave Hull and Ric Piffero

Under Negotiation: Price & Terms of Payment

Recommended Action: Confer in Closed Session

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.

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Proclamation Declaring the Month of October as National Disability Employment Awareness Month.

DEPARTMENT: Administration

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - ADA Timeline Alternative _ U.S. Department of Labor](#)

[Attachment 2 - Proclamation - Disability Awareness](#)

Summary: Council will present a Proclamation declaring October 2018 as National Disability Employment Awareness Month.

Background: National Disability Employment Awareness Month dates back to 1945, when Congress declared the first week in October as "National Employ the Physically Handicapped Week." See Attachment 1 for a full history.

Discussion: The Mayor may read and present the Proclamation (Attachment 2) declaring October 2018 as National Disability Employment Awareness Month. The Proclamation will be received by Pam Jensen, Ukiah Valley Association for Habilitation.

RECOMMENDED ACTION: Mayor to read and present the Proclamation.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

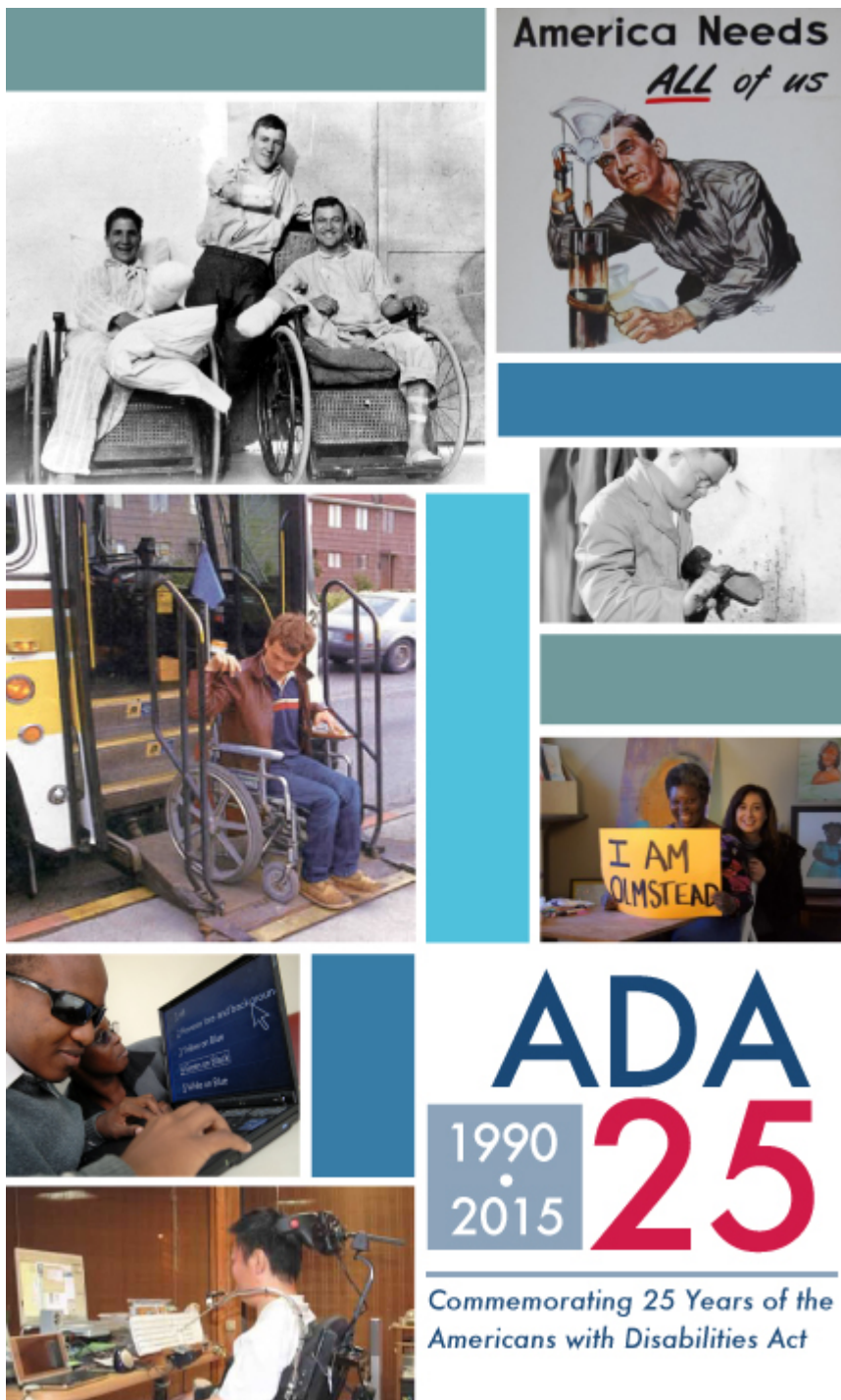
FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Councilmember Jim O. Brown

Approved: _____


Sage Sangiacomo, City Manager



The Smith-Fess Act

6/2/1920

Signed into law by President Woodrow Wilson, the Smith-Fess Act (also known as the Civilian Vocational Rehabilitation Act) establishes the Vocational Rehabilitation program for Americans with disabilities. It is modeled on an earlier law that provided for the rehabilitation of World War I veterans with disabilities. At this point, only individuals with physical disabilities are eligible for services.



American World War I veterans. — *National Library of Medicine*

Works Progress Administration Protests

1935

A group in New York City called the League for the Physically Handicapped formed to protest discrimination by the Works Progress Administration (WPA). The league's 300 people—most living with polio and cerebral palsy—had all been turned down for WPA jobs after the city's Home Relief Bureau stamped their applications "PH" for "physically handicapped." Members of the league stage sit-ins, first at the bureau and later WPA headquarters. These and other efforts eventually generate a few thousand jobs nationwide and draw attention to the issue of employment for people with disabilities.



Protesting the WPA. — *National Library of Medicine*

Social Security Act

8/14/1935

The Social Security Act of 1935 establishes an income maintenance system for those unable to work by providing benefits to unemployed individuals and retirees. The Act also outlines assistance to aged individuals, blind individuals, and dependent and “crippled” children, and it includes provisions for maternal and child health and welfare and the permanent function of Vocational Rehabilitation services in the United States.

TO AID THE NEEDY BLIND

For blind people who are in need, State and Federal funds provide cash allowances.

Most States also offer other services, including medical care, which help blind people to live as normally as possible.

SOCIAL SECURITY BOARD

E.S. 3

INFORMATIONAL SERVICE

Vintage poster from the Social Security Administration advertising its benefits. — *Social Security Administration*

Randolph-Sheppard Act

6/20/1936

Signed by President Franklin D. Roosevelt in 1936, the Randolph-Sheppard Act mandates a priority to people who are blind to operate vending facilities on federal property.



Fair Labor Standards Act Section 14(c)

6/25/1938

The Fair Labor Standards Act (FLSA) establishes a national minimum wage. Through Section 14(c), it also allows employers, after receiving a certificate from the U.S. Department of Labor's Wage and Hour Division, to pay subminimum wages to workers who have disabilities for the work being performed. At the time, the floor is set at 75 percent of the national minimum wage. In 1966, it is lowered to 50 percent. However, it does not apply in "work activity centers," also known as sheltered

workshops, resulting in segregated work environments for many people with disabilities. In 1986, the floor is eliminated altogether. Rather, workers are to be paid wages commensurate with their productivity based on prevailing wages.



Contemporary photo of a sheltered workshop employee, c. 1966. — *The Denver Post*

Wagner-O'Day Act

6/25/1938

The Wagner-O'Day Act is passed, requiring all federal agencies to purchase specified products made by people who are blind. In 1971, the Javits-Wagner O'Day Act expands the program to include services as well as supplies and incorporate people with other significant disabilities. In 2006, the program is renamed AbilityOne.



Person making brooms, c. 1940. — *Lighthouse for the Blind*

Declaration of “National Employ the Physically Handicapped Week”

8/11/1945

The return of service members with disabilities from World War II sparks public interest in the contributions of people with disabilities in the workplace. On August 11, 1945, President Harry S. Truman approves a Congressional resolution declaring the first week in October “National Employ the Physically Handicapped Week.” In 1962, the word "physically" is removed to acknowledge the employment needs and contributions of individuals with all types of disabilities.



Vintage poster commissioned by the President's Committee on National Employ the Physically Handicapped Week. — *National Archives*

President's Committee on "National Employ the Physically Handicapped Week"

1947

President Harry S. Truman assembles a committee to manage “National Employ the Physically Handicapped Week.” State and local committees coordinate publicity campaigns consisting of movie trailers, billboards, and radio and television ads to convince the public that it is good business to hire people with disabilities.



Beginning of National Barrier-Free Standards

1950

In the 1950s, disabled veterans and other people with disabilities begin the barrier-free movement. The combined efforts of the U.S. Veterans Administration, the President's Committee on Employment of the Handicapped and the National Easter Seals Society, among others, result in the development of national standards for "barrier-free" buildings.



UNIVERSITY OF ILLINOIS ARCHIVES 0002551.TIF

A wooden wheelchair ramp, 1952. The University of Illinois was the first university to provide wheelchair access for disabled World War II veterans. — *University of Illinois*

Vocational Rehabilitation Gains Momentum

8/3/1954

Congress passes the Vocational Rehabilitation Amendments of 1954, increasing the scope of the VR system. Targeting people who could proceed or return to work with assistance, VR helps thousands of people obtain employment. Mary Switzer, Director of the Office of Vocational Rehabilitation at the time, uses this authority to fund more than 100 university-based rehabilitation programs. The Act also initiates funding for research, eventually leading to the National Institute on Disability and Rehabilitation Research.

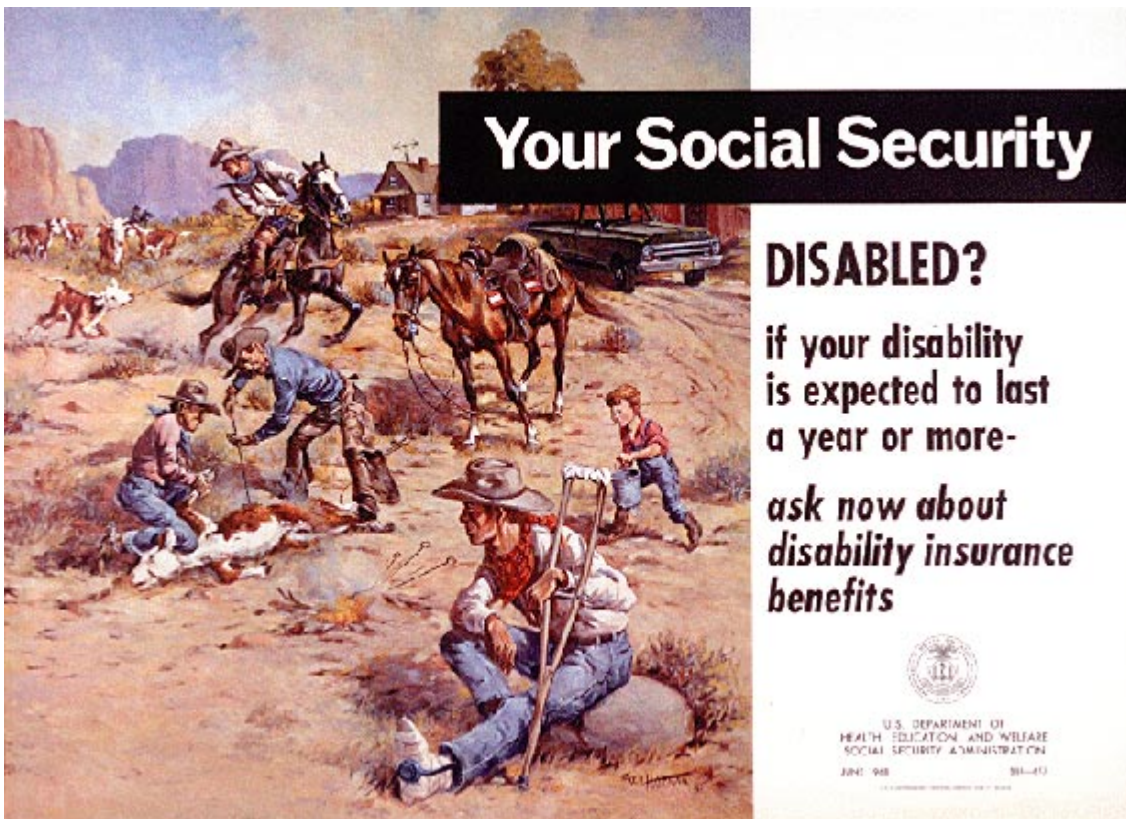


Mary Switzer — *Smithsonian Institution*

Creation of Social Security Disability Insurance

8/1/1956

Congress passes the Social Security Amendments of 1956, which create a Social Security Disability Insurance (SSDI) program for workers with disabilities aged 50 to 64. Additional amendments two years later extend SSDI benefits to the dependents of workers with disabilities.



1956 poster from the U.S. Department of Health, Education and Welfare, advertising Social Security disability benefits. — *National Archives*

President's Panel on Mental Retardation

1961

President John F. Kennedy creates the President's Panel on Mental Retardation and calls upon America to address the significant needs of people with intellectual disabilities and their desire to be a part of everyday life in America. Future administrations continue the effort, expanding its goals to include training in academic, vocational and social skills to enable children with intellectual disabilities to reach their potential. In 2003, President George W. Bush renames the committee the "President's Committee for People with Intellectual Disabilities."



A 1961 photo showing JFK visiting at the White House with members of the President's Panel on Mental Retardation. — *John F. Kennedy Presidential Library and Museum*

Architectural Barriers Act

1968

The Architectural Barriers Act mandates the removal of what is perceived to be the most significant obstacle to employment for people with disabilities—the physical design of the buildings and facilities—by requiring that all buildings designed, constructed, altered or leased with federal funds be made accessible.

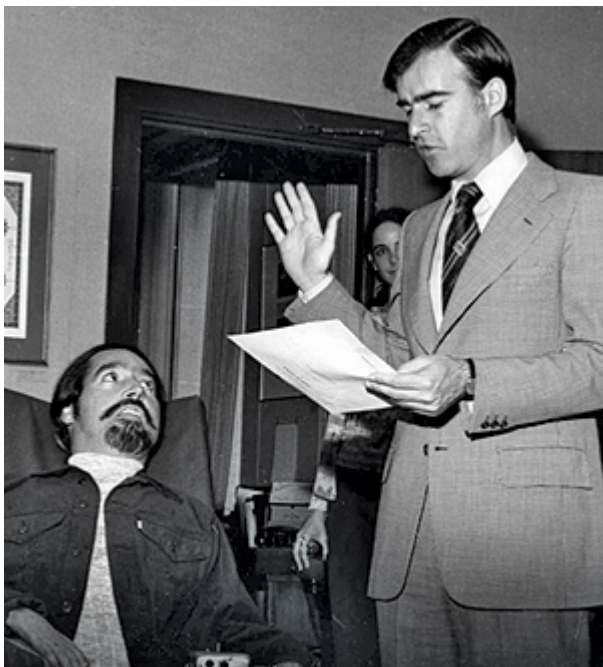


Elevator with braille signage. — *Wikipedia*

Independent Living Movement

1972

Ed Roberts and other University of California, Berkeley, students found the Berkeley Center for Independent Living. The concept—an advocacy and service organization governed by and for people with disabilities—is revolutionary at the time. Related are efforts by other groups to protest President Richard Nixon’s veto of early versions of the Rehabilitation Act. Together, these actions garner national attention around issues facing people with disabilities, including employment and employment supports, including transportation.



Governor Jerry Brown swears Ed Roberts in as director of the California Department of Rehabilitation in 1975. — *Oakland, California, Metropolitan Transportation Commission*

The Rehabilitation Act

9/26/1973

The Rehabilitation Act of 1973 marks a major step forward in legislation impacting the employment of people with disabilities, extending and revising state Vocational Rehabilitation services and prohibiting discrimination on the basis of disability by federally funded and assisted programs, federal employers and federal contractors.



Commuting to work, c. 1970. — *Kaiser Permanente Historical Archives*

Education for All Handicapped Children Act/Individuals with Disabilities Education Act

11/30/1975

President Ford signs the Education for All Handicapped Children Act (EAHCA), which requires public schools to provide a “free appropriate public education” to all students, including those with disabilities. The Act is renamed the Individuals with Disabilities Education Act (IDEA) in 1990, and amendments in 1997 add a focus on transition outcomes for students with disabilities exiting high school and pursuing post-secondary options, including employment.



A student with visual impairment and her teacher, c. 1970s. — *History of Blindness in Iowa archives*

Section 504 of Rehabilitation Act

4/28/1977

After major demonstrations in 10 U.S. cities on April 5, including a 150-person sit-in in San Francisco led by Judith Heumann and Kitty Cone lasting 28 days, U.S. Secretary of Health, Education and Welfare Joseph Califano signs regulations implementing Section 504 of the Rehabilitation Act. These regulations extend civil rights to people with disabilities, covering any program or activity, including employment services, receiving federal financial assistance.

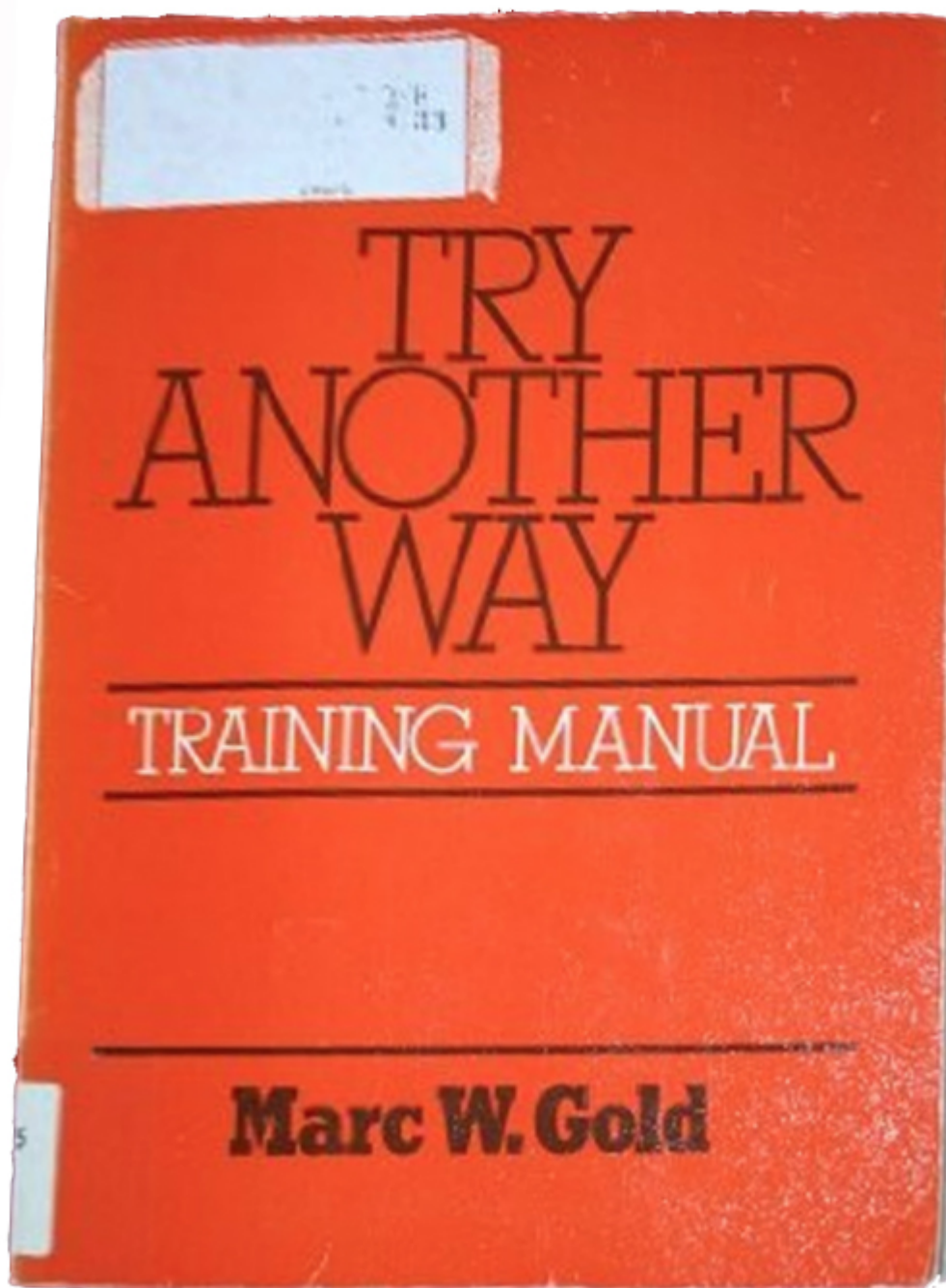


Protesters at San Francisco sit-in, c. 1977. — *Anthony Tusler*

“Try Another Way” and Supported Employment

1978

The “Try Another Way” system, pioneered by special education teacher, Marc Gold, seeks to teach persons with intellectual disabilities to perform complex tasks. This provides the instructional foundation for the concept of Supported Employment, a model for people with disabilities to participate in the competitive labor market, helping them find meaningful jobs and providing ongoing support from a team of professionals.



Job Training Partnership Act of 1982

10/13/1982

The Job Training Partnership Act of 1982 establishes federal assistance programs to prepare youth and unskilled adults for entry into the labor force and provides job training to economically disadvantaged and other individuals facing serious barriers to employment, including those with disabilities.

21



Workers at a bookbindery. — *David Torres*

Transportation as an Employment Support

1983

Across the nation, disability advocates draw attention to the importance of transportation as a critical link to employment as well as education, recreation and all other aspects of community life. A leading player in this movement is ADAPT (originally American Disabled for Accessible Public Transit), a grassroots activist organization that takes action in cities across the United States to bring attention to barriers to transportation, with a focus on the need for lifts on buses.



ADAPT protests Greyhound, c. 1980s. — *DisabilityRights.org*

Job Accommodation Network

1983

The Job Accommodation Network (JAN) opens. This first-of-its-kind technical assistance center provides free, expert and confidential guidance on workplace accommodations and disability employment issues. The service begins with two consultants at West Virginia University providing accommodation information to employers over two telephone lines. It soon expands to serve private employers of all sizes, government agencies, employee representatives and service providers, as well as people with disabilities and their families.



— JAN

Employment Opportunities for Disabled Americans Act of 1986

11/10/1986

The Employment Opportunities for Disabled Americans Act enhances work incentives for people with disabilities under the Supplemental Security Income (SSI) program by making permanent section 1619 of the Social Security Act, which provides for special SSI payments and Medicaid coverage while eligible individuals make attempts to work.



Man using wheelchair lift to access a public bus. — *National Archives*

President's Committee on the Employment of People with Disabilities

1988

The "President's Committee on the Employment of the Handicapped" becomes the "President's Committee on the Employment of People with Disabilities." A year later, President George H.W. Bush appoints Justin W. Dart Jr. as its chairman. Congress also expands "National Employ the Handicapped Week" to "National Disability Employment Awareness Month," which is recognized now each October.



Justin W. Dart Jr.

Americans with Disabilities Act

7/26/1990

President George H. W. Bush signs the Americans with Disabilities Act (ADA) into law. Modeled on the Civil Rights Act and Section 504 of the Rehabilitation Act, the ADA stems from collective efforts by advocates in the preceding decades and is the most comprehensive disability rights legislation in history. Its employment provisions prohibit discrimination in job application procedures, hiring, advancement and termination and provide for equal access to workers' compensation; job training; and other terms, conditions and privileges of employment.



Rehabilitation Act Amendments

10/29/1992

Amendments to the Rehabilitation Act emphasize employment as the primary goal of vocational rehabilitation (VR). Specifically, they mandate presumptive employability, meaning applicants should be presumed to be employable unless proven otherwise, and state that eligible individuals must be provided choice and increased control in determining VR goals and objectives, determining services, service providers and methods of service provision.



Job seeker meeting with employment service provider. — *North Carolina Division of Vocational Rehabilitation*

California Hosts First Youth Leadership Forum

1992

The California Governor's Committee for Employment of Disabled Persons holds the first Youth Leadership Forum for youth with disabilities. The U.S. Department of Labor soon begins funding other states to develop similar forums in recognition of the important role youth leadership opportunities play in promoting positive employment outcomes for youth with disabilities. By 2007, 23 states have them.



Delegates at the Forum. — *California Youth Leadership Forum*

Disability In the Context of Diversity

1992

A growing number of leading businesses recognize disability as a key part of diversity and incorporate it into their workplace inclusion initiatives. Reflecting this, many join forces to establish state and local business leadership networks—groups of business leaders and human resource executives focused on increasing disability inclusion, from both an employment and consumer perspective. An umbrella organization, the U.S. Business Leadership Network, is formed to serve as the collective voice for this movement nationally.



U.S. Department of Labor employees bring their diverse perspectives to the conference table. — *U.S. Department of Labor*

Workforce Recruitment Program

1995

The Workforce Recruitment Program (WRP) for College Students with Disabilities is established as a partnership between the U.S. Departments of Labor and Defense. This referral program connects public- and private-sector employers nationwide with highly motivated postsecondary students and recent graduates with disabilities who are eager to prove their talents and skills in the workplace through summer or permanent jobs.



WRP alumni meet with Assistant Secretary of Labor Kathy Martinez in 2011. — *U.S. Department of Labor*

Telecommunications Act

2/8/1996

This Act—the first revision of telecommunications law since the 1930s—requires telecommunications manufacturers and service providers to ensure that equipment is designed, developed and fabricated to be accessible to and usable by individuals with disabilities, if readily achievable. At its signing, President Bill Clinton addresses technology's growing role in all aspects of life, including employment.

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Testing adaptive equipment. — *U.S. Department of Labor*

Work Opportunity Tax Credit

8/20/1996

The Small Business Job Protection Act of 1996 creates the Work Opportunity Tax Credit (WOTC) program, which provides a federal tax credit to companies that hire workers from populations that face high rates of unemployment, including people with certain disabilities.



A "Come In - We're Hiring" sign signaling a welcoming and inclusive workplace. — *Thinkstock Photos*

Mental Health Parity Act of 1996

9/26/1996

President Bill Clinton signs the Mental Health Parity Act of 1996, which requires group health plans and health insurance issuers to provide annual or lifetime dollar limits on mental health benefits on par with such limits on medical and surgical benefits. It applies to employers with more than 50 employees. In 2008, the Mental Health Parity and Addiction Equity Act expands the law's scope.



Alan heads a team of three. He is dyslexic.

Presidential Task Force on Employment of Adults with Disabilities

3/18/1998

Through Executive Order 13078, President Bill Clinton establishes the Presidential Task Force on Employment of Adults with Disabilities. The Task Force is directed to evaluate existing federal programs to determine the changes, modifications and innovations needed to remove barriers to employment faced by adults with disabilities. A few months later, U.S. Secretary of Labor Alexis Herman appoints Becky Ogle as its Executive Director.

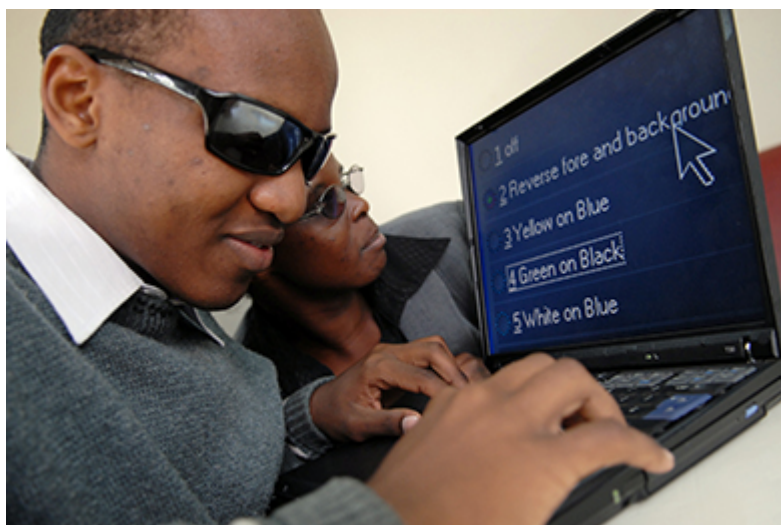


Becky Ogle, Executive Director, Presidential Task Force on Employment of Adults with Disabilities (1998-2001).

Workforce Investment Act of 1998

8/7/1998

The Workforce Investment Act of 1998 (WIA) is passed to integrate various federal education, training and employment services for job seekers and employers. It has a number of disability-related provisions. Its Section 188 specifically mandates equal opportunity to apply for and participate in WIA-funded activities and services; it reauthorizes Rehabilitation Act programs through Fiscal Year 2003 and links them to state and local workforce development systems; and it expands Section 508 of the Rehabilitation Act to ensure that federal departments and agencies procure, use and maintain accessible electronic and information technology.



Employee using accessible technology. — *The Independence Center*

Section 508

8/7/1998

Amendments to the Rehabilitation Act of 1973 require federal agencies to make their electronic and information technology accessible to people with disabilities. Under the new rules, which comprise Section 508 of the law, agencies must provide members of the public, as well as employees with disabilities, access to information comparable to that afforded those without disabilities.



Section508.gov opening doors logo.

Olmstead Decision

7/22/1999

The U.S. Supreme Court issues the landmark *Olmstead v. L.C.* decision, which declares segregation of people with disabilities, when integrated, community-based settings are an option, a form of discrimination under the Americans with Disabilities Act. Through this decision, the Court sends a simple, yet profound, message that long-term services and supports for people with disabilities of all ages, including participation in community living or employment, must reflect what is appropriate for and desired by the individual.



Lois Curtis, holding sign, an artist and one of the two women with disabilities who filed the lawsuit that resulted in the 1999 U.S. Supreme Court *Olmstead v. L.C.* decision. — *@I_am_Olmstead*

Ticket to Work and Work Incentives Improvement Act

12/17/1999

President Bill Clinton signs the Ticket to Work and Work Incentives Improvement Act, which aims to create a more secure financial and healthcare framework so that more Social Security Disability Insurance and Supplemental Security Income beneficiaries can move toward financial independence through work without fear of losing needed supports.



Developmental Disabilities Assistance and Bill of Rights Act

10/30/2000

The Developmental Disabilities Assistance and Bill of Rights Act of 2000 builds upon legislation from earlier decades to improve services for people with developmental disabilities in a number of areas, including employment. Specifically, its employment-related provisions support people with developmental disabilities in pursuing paid work experiences in integrated, community-based settings and acknowledge the importance of technology in increasing such opportunities.



Kirsten Davidson, clerical assistant, Consumer Products Safety Commission. You can read her story here: <https://www.dol.gov/odep/profiles/KirstenDavidson.htm>. — *U.S. Department of Labor*

Office of Disability Employment Policy

2001

Following a 1999 recommendation from the Presidential Task Force on Employment of Adults with Disabilities, Congress establishes the Office of Disability Employment Policy (ODEP), a sub-cabinet level agency within the U.S. Department of Labor. This landmark occasion created, for the first time ever, a permanent entity to focus on disability within the context of federal labor policy.



ODEP

Office of Disability Employment Policy

ODEP's official logo.

Section 508 Self-Evaluation Survey and Report

2001

A self-evaluation survey is administered and analyzed to determine status of compliance with Section 508 of the Rehabilitation Act, which mandates that electronic and information technology administered through federal funding be accessible to all members of the public, including people with disabilities.



A graphic symbol illustrating Section 508, which ensures the accessibility of electronic and information technology administered through federal funding.

Ticket to Work Program

2001

The Social Security Administration launches the Ticket to Work and Self-Sufficiency program—the centerpiece of the Ticket to Work and Work Incentives Improvement Act passed two years earlier. The voluntary program aims to increase the financial independence of Social Security Disability Insurance and Supplemental Security Income beneficiaries ages 18 – 64 by providing improved options for receiving employment services and maintaining publicly funded healthcare. In 2008, the regulations implementing the program are altered to revise the payment structure available to employment service providers participating in the program, called Employment Networks.



Two workers, one of whom is visually impaired and uses a cane, walking in an office. — *John Minchillo*

Assistive Technology Act of 2004

10/25/2004

The Assistive Technology Act of 2004 amends previous iterations to reflect developments in technology in all aspects of community life, including employment. Among other things, it requires states to provide direct aid to people with disabilities to ensure they have access to the technology they need, at both home and work, and authorizes the development of alternative financing mechanisms to help in doing so.



Man works from home with the aid of assistive technology. — *The Independence Center*

The ADA Amendments Act of 2008

9/25/2008

The ADA Amendments Act of 2008 makes important changes to the definition of the term “disability” under the ADA, reversing previous U.S. Supreme Court decisions in favor of broad and inclusive interpretation. These changes make it easier for a person seeking protection under the law to establish eligibility under it and require courts to focus more on assessing the extent of discriminatory practices than the technical definition of the term.



Regular Reporting of Disability Employment Statistics

2/5/2009

The U.S. Department of Labor's Bureau of Labor Statistics adds disability to the monthly Current Population Survey (CPS), marking the first time for which official government data on the employment status of people with disabilities is available.

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UNITED STATES DEPARTMENT OF LABOR

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Economic News Release

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Table A-6. Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted

HOUSEHOLD DATA

Table A-6. Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted

[Numbers in thousands]

Employment status, sex, and age	Persons with a disability		Persons with no disability	
	Feb. 2014	Feb. 2015	Feb. 2014	Feb. 2015
TOTAL, 16 years and over				
Civilian noninstitutional population	28,970	29,316	218,116	220,584
Civilian labor force	5,537	5,806	149,490	150,407
Participation rate	19.1	19.8	68.5	68.2
Employed	4,746	5,153	139,388	141,965
Employment-population ratio	16.4	17.6	63.9	64.4
Unemployed	792	653	10,102	8,442
Unemployment rate	14.3	11.2	6.8	5.6
Not in labor force	23,433	23,510	68,626	70,177
Men, 16 to 64 years				
Civilian labor force	2,454	2,637	74,918	75,718
Participation rate	32.2	34.3	81.4	81.8
Employed	2,042	2,321	69,248	71,047
Employment-population ratio	26.8	30.1	75.3	76.8
Unemployed	412	316	5,670	4,671
Unemployment rate	16.8	12.0	7.6	6.2
Not in labor force	5,173	5,061	17,082	16,820
Women, 16 to 64 years				
Civilian labor force	2,097	2,201	67,167	66,993
Participation rate	26.8	28.0	70.5	69.9
Employed	1,762	1,925	63,048	63,564
Employment-population ratio	22.6	24.5	66.2	66.3
Unemployed	334	276	4,119	3,429
Unemployment rate	15.9	12.5	6.1	5.1
Not in labor force	5,719	5,647	28,074	28,886
Both sexes, 65 years and over				
Civilian labor force	986	967	7,405	7,696
Participation rate	7.3	7.0	24.0	23.9
Employed	941	907	7,092	7,354
Employment-population ratio	7.0	6.6	23.0	22.9
Unemployed	45	60	313	342
Unemployment rate	4.6	6.2	4.2	4.4
Not in labor force	12,541	12,802	23,470	24,471

NOTE: A person with a disability has at least one of the following conditions: is deaf or has serious difficulty hearing; is blind or has serious difficulty seeing even when wearing glasses; has serious difficulty concentrating, remembering, or making decisions because of a physical, mental, or emotional condition; has serious difficulty walking or climbing stairs; has difficulty dressing or bathing; or has difficulty doing errands alone such as visiting a doctor's office or shopping because of a physical, mental, or emotional condition. Updated population controls are introduced annually with the release of January data.

A Bureau of Labor Statistics web page illustrating data on the employment status of people with disabilities. — *Bureau of Labor Statistics*

The American Recovery and Reinvestment Act of 2009

2/17/2009

The American Recovery and Reinvestment Act of 2009 substantially increases funding for the Individuals with Disabilities Education Act and provides more than \$500 million for vocational rehabilitation services, including job training, education and placement.



President Barack Obama signs The American Recovery and Reinvestment Act. — *Wikipedia*

Campaign for Disability Employment

9/18/2009

The Campaign for Disability Employment is launched. Funded by the U.S. Department of Labor's Office of Disability Employment Policy, this multi-organization initiative uses positive messages and images to encourage employers and others to recognize the value and talent people with disabilities bring to America's workplaces and economy. The centerpiece of the campaign is the "I Can" public service announcement, which receives significant airings on television and radio stations nationwide.



Executive Order 13548—Increasing Federal Employment of Individuals with Disabilities

7/26/2010

On the 20th anniversary of the signing of the Americans with Disabilities Act, President Barack Obama signs Executive Order 13548 – Increasing Federal Employment of Individuals with Disabilities. This directive calls on federal departments and agencies to increase the recruitment, hiring and retention of people with disabilities.



Learn how you can take the right steps toward recruiting, hiring and retaining people with disabilities in your federal workplace at <https://www.dol.gov/odep/federal-hire/>. — *U.S. Department of Labor*

Induction of Justin W. Dart Jr. and Helen Keller into Labor Hall of Honor

7/26/2010

In celebration of the 20th anniversary of the Americans with Disabilities Act, the U.S. Department of Labor inducts disability activists Justin W. Dart Jr. and Helen Keller into the Labor Hall of Honor.

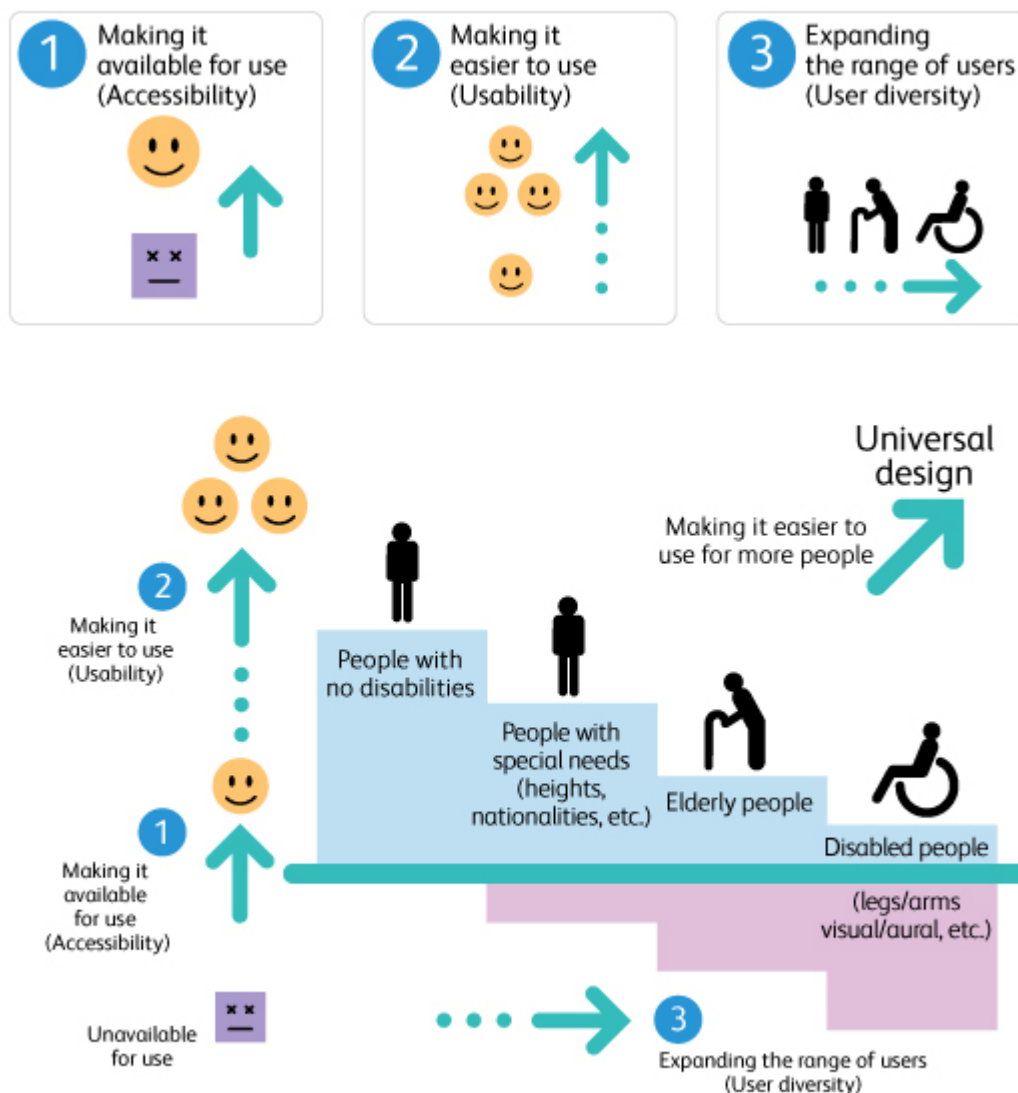


Justin W. Dart Jr. with President Bill Clinton, left; Helen Keller, right.

ADA Standards for Accessible Design

9/15/2010

The U.S. Department of Justice publishes revised regulations for Titles II and III of the Americans with Disabilities Act. These regulations adopt revised, enforceable accessibility standards called the 2010 ADA Standards for Accessible Design, which set minimum requirements—both scoping and technical—for newly designed and constructed or altered state and local government facilities, public accommodations and commercial facilities to be readily accessible to and usable by individuals with disabilities.



Graphic flowchart illustrating principles of universal design, which aims to make facilities, products and services accessible to the widest range of people possible. — *National Association of Home Builders*

Disability Employment Initiative

9/29/2010

The U.S. Department of Labor's Office of Disability Employment Policy and Employment and Training Administration jointly fund and administer the first round of Disability Employment Initiative cooperative agreements, providing funds to nine states to improve education, training and employment opportunities and outcomes for youth and adults with disabilities who are unemployed or receiving Social Security disability benefits.



A graduate of East Peoria High School in Illinois who has a developmental disability participates in job training. — *Life Academy*

Publication of Final Regulations under the Americans with Disabilities Amendments Act of 2008

3/25/2011

The final regulations associated with The ADA Amendments Act of 2008 are approved by a bipartisan vote and published in the Federal Register. The amendments makes important changes to the definition of the term “disability” under the ADA, and make it easier for a person seeking protection under the law to establish eligibility under it.



Photo courtesy of Georgia State University. Read the Regulations under the Americans with Disabilities Amendments Act here: <https://www.ada.gov/regs2010/ADAregs2010.htm>.

Updates to Section 503 of the Rehabilitation Act

8/27/2013

The U.S. Department of Labor's Office of Federal Contract Compliance Programs updates regulations implementing Section 503 of the Rehabilitation Act, which prohibits federal contractors and subcontractors from discriminating in employment against people with disabilities and requires them to take affirmative action to recruit, hire, promote and retain people with disabilities. The updates strengthen these affirmative action provisions.

OFFICE OF FEDERAL CONTRACT
COMPLIANCE PROGRAMS



U.S. DEPARTMENT OF LABOR

Read the updated regulations here: <https://www.dol.gov/ofccp/regs/compliance/section503.htm>.

Workforce Innovation and Opportunity Act

7/22/2014

The first update to the nation's workforce development system since 1998, the Workforce Innovation and Opportunity Act (WIOA) reauthorizes and amends crucial programs to help job seekers access the services they need to succeed in employment and match employers with skilled workers. The law includes a specific focus on improving employment opportunities for people with disabilities, and it sets out a number of provisions to facilitate doing so.



Brendan O'Neill, medical center clerk. You can read his story here:

<https://www.dol.gov/odep/profiles/BrendanONeill.htm>. — *U.S. Department of Labor*

Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities

1/5/2015

The U.S. Department of Labor announces the public members of the Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities—a key provision of the Workforce Innovation and Opportunity Act. Reflecting the movement toward an “Employment First” philosophy, this committee is charged with making recommendations to the Secretary of Labor on ways to increase opportunities for competitive integrated employment for individuals with disabilities. This includes recommendations on the use of, and ways to improve oversight of, section 14(c) of the Fair Labor Standards Act.



Members of the Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities pose with U.S. Labor Secretary Thomas Perez. You can read about the Committee's mission and membership here: <https://www.dol.gov/odep/topics/WIOA.htm>. — *U.S. Department of Labor*

PROCLAMATION

OF THE
UKIAH CITY COUNCIL

Recognizing October 2018 as

National Disability Employment Awareness Month

WHEREAS, California is recognizing National Disability Employment Awareness Month this October to raise awareness about disability employment issues and celebrate the many and varied contributions of people with disabilities; and

WHEREAS, activities during this month will reinforce the value and talent people with disabilities add to our workplaces and communities and affirm Mendocino County's commitment to an inclusive community; and

WHEREAS, workplaces welcoming of the talents of all people, including people with disabilities, are a critical part of our efforts to build an inclusive community and strong economy.

NOW, THEREFORE, I, Kevin Doble, Mayor of the City of Ukiah, on behalf of my fellow City Councilmembers, Maureen Mulheren, Douglas Crane, Steve G. Scalmanini and Jim O. Brown do hereby proclaim October 2018 as

National Disability Employment Awareness Month

In so doing, we strongly encourage employers, schools and other community organizations in Ukiah to observe this month with appropriate programs and activities, and to advance its important message that people with disabilities are equal to the task throughout the year.

Signed and sealed, this 3rd day of October, in the year Two Thousand Eighteen.

Kevin Doble, Mayor



AGENDA SUMMARY REPORT

SUBJECT: Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System.

DEPARTMENT: Administration

PREPARED BY: Sage Sangiacomo

ATTACHMENTS:

[Attachment 1 - UVSD Litigation Update Box Files location](#)

Summary: Staff will provide the latest status report on the Ukiah Valley Sanitation District's Litigation against the City of Ukiah related to the operation of the sanitary sewer system.

The City of Ukiah continues to request that the District consider a change in process outside of litigation to resolve the dispute and restore a working relationship, recognizing there is simply too much at stake for the ratepayers, system operations, and the community.

Background: Chronological History of Recent Correspondence and Activity:

In September 2013, the Ukiah Valley Sanitation District (UVSD) filed a claim for damages with the City, and one month later filed its lawsuit. In its lawsuit, the District seeks damages for alleged breaches of the various agreements between the City and the District related to the operation of the sanitary sewer system, starting with the original 1955 agreement.

RECOMMENDED ACTION: Receive status report. If desired, discuss and provide direction to Staff and/or consider any action(s) related to the matter.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved: _____


Sage Sangiacomo, City Manager

The lawsuit will have significant adverse financial impacts to both agencies, as well as the ratepayers and the community, and the City is seeking an alternative to litigation to resolve this dispute. Attached is the letter that was sent on September 14, 2016, by the City Council to the District Board, formally requesting that the District drop the lawsuit with terms that would allow the District to refile if agreement cannot be reached (UVSD Litigation Update Box File #1), as well as an informational piece that details the background/impacts (UVSD Litigation Update Box File #2).

On September 21, 2016, the City Council received a presentation (UVSD Litigation Update Box File #3) from staff that explained the relationship between the two agencies and provided responses to some of the most frequently asked questions about this matter to better inform the public about the consequences of the litigation. This information along with a video link to the September 21st presentation/discussion are accessible at <http://www.cityofukiah.com/projects/uvsd-vs-cou/>.

The UVSD submitted a letter dated September 20, 2016, (UVSD Litigation Update Box File #4) which inaccurately asserts that the City's request is for the District to drop the lawsuit until after the recycled water project funding is received. In fact, the City's request is for the District to dismiss its lawsuit and that the City and District devote their time, money and resources to solving the costly issues confronting the sewer system and improving their working relationship. The City's goal is to eliminate the lawsuit altogether. The City has offered to include terms that would allow the District to refile the lawsuit if the parties fail to reach agreement, but the City never suggested that the District would simply refile the lawsuit once State funding was obtained. Also, the City never suggested that dismissing the lawsuit is all that would be necessary to obtain State funding. In addition to dismissal of the lawsuit, there would have to be an agreement between the City and the District regarding the recycled water project that would satisfy the State Water Resources Control Board.

At the conclusion of the September 21st discussion, the Council directed the City Manager to contact the UVSD District Manager to explore possible alternatives. The City Manager attempted to contact the District Manager by email, but due to a reported medical leave, Mr. McMichael was not available to provide a timely/detailed response. On October 5th, the City Attorney received an email correspondence from Duncan James (Attorney representing the District) responding to the City Manager's email to Mr. McMichael. Mr. James indicated in the email that the District had accepted the City's request to meet and formed a committee consisting of Frank McMichael, District Manager; Jim Ronco, Board Chair; Bob Page, Board Member; and legal counsel. The City Manager issued a supplemental memo to the City Council for the October 5th City Council meeting regarding this email exchange and included a recommendation to Council for the formation of a City Council ad hoc committee to meet with the District (UVSD Litigation Update Box File #5). At the City Council meeting, Mr. Doug Losak with the Law Offices of Duncan James delivered and read aloud a letter containing some additional allegations, but in the end, agreed to meet with the City. The City Council formed an ad hoc committee consisting of Councilmembers Crane and Doble. The City immediately made efforts to schedule the first meeting between the District's committee and the City's ad hoc.

At the October 19, 2016, meeting, the City Council discussed the latest correspondence from the District including the District's request to hold the ad hoc meetings in private and require the City to consent to a confidentiality agreement. The City Manager provided the Council with the correspondence to date from the District regarding the confidentiality condition (UVSD Litigation Update Box File #6) for consideration. At the time of the meeting, the District had not provided a draft of the proposed confidentiality agreement. By consensus, the City Council continued to object to private meetings that do not provide the public with the opportunity to be informed. However, the City Council did direct the ad hoc to meet with the District's ad hoc to discuss the process for such meetings and report back to the City Council at its regular meeting on November 2, 2016.

Prior to the ad hoc meeting, the City Attorney received a letter from Duncan James' Office regarding the District's request for a confidentiality agreement for the ad hoc meetings along with a draft of the agreement (UVSD Litigation Update Box File #7). The City Attorney issued a response (UVSD Litigation Update Box File #8) indicating that such agreement would need to be discussed at the first joint ad hoc meeting and ultimately

considered by the City Council.

In addition, the City Council received correspondence from the District Manager related to the recycled water project dated October 21st (UVSD Litigation Update Box File #9). Most of the questions referenced in the letter had already been either answered or provided to the District. Nonetheless, City staff welcomed the dialogue and discussion in a sincere effort to move this critical project forward. Staff provided a response to the District Manager on October 27, 2016 (UVSD Litigation Update Box File #10).

On October 28, 2016, the City's ad hoc met with the District's ad hoc. At the meeting, the District presented the City with a take-it-or-leave-it condition imposing confidentiality on the ad hoc discussions.

On November 2nd and 4th, the City Council considered the District's confidentiality condition on the ad hoc discussions and approved a letter (UVSD Litigation Update Box File #11) that confirmed agreement to the condition if the District Board would agree to either stay further proceedings in the lawsuit or dismiss the lawsuit without prejudice. The City's proposal, if accepted, would halt the costly litigation fees currently being incurred by both agencies, but would not preclude the District from terminating the stay or refiling the lawsuit if the District wasn't satisfied with the discussions/negotiations. The District issued a response to the City's proposal on November 8, 2016 (UVSD Litigation Update Box File #12) that continues to impose a confidentiality condition on the joint ad hoc meetings. The District further stated "the lawsuit needs to otherwise remain in motion" except to provide a limitation on any discovery requests for a period of 4 weeks.

It's important to note that the District's legal team has predominately utilized the Public Information Act (PRA) rather than formal discovery to obtain information. Because the City of Ukiah is a public agency, the District's attorneys have used the PRA process to obtain information, which does not require the District to justify its requests by showing how they are relevant to the issues in the case. In a typical lawsuit, the discovery process is used to obtain documents and is overseen and controlled by the court to prevent burdensome or oppressive requests. The City continues to expense a tremendous amount of staff resources responding to the District's PRA requests for information dating back to 1955. To date, the District has submitted over 41 requests (with multiple parts) under the PRA process. The City has diligently been responding to the requests for the past 12 months. Suspension of the formal discovery process will not prevent the continued practice by the District nor will it limit the escalating litigation expenses during this proposed period.

With regard to the recycled water project, the City received additional correspondence from the District Manager indicating the need for more information (UVSD Litigation Update Box File #13). However, the correspondence did not identify any specific questions or information that had not otherwise been provided. The City Manager issued a response on November 15th (UVSD Litigation Update Box File #14) and included a BOX link to all relevant information on the recycled water project (<https://cityofukiah.box.com/v/uvsdpointsofinterest>). Most, if not all, of the information and/or documents have already been provided to the District. Furthermore, the City Manager requested a determination from the District regarding its position on the project and offered to provide any other information and/or presentations that would be necessary for a determination.

On November 16th, the City Council instructed the City Attorney to contact the lawyers for the Ukiah Valley Sanitation District to work out the details for mediating the outstanding disputes including selecting a mediator. Furthermore, and as a first step in the mediation, the City Council requested the District to provide a detailed written response and any counter proposals to the City's written proposal that was submitted to the District in March 2014, during the original mediation between the City and the District. On November 17th, the City Attorney sent correspondence to the UVSD's lawyer to initiate mediation as directed (UVSD Litigation Update Box File #15). As of the publication of the report for the December 7th City Council meeting, the District had not responded.

Additional correspondence between the City and District had also been exchanged related to the recycled water project (UVSD Litigation Update Box File #16 & #17). Despite continued attempts to engage and provide the

District with information, the District had yet to conclude that the recycled water project is the superior alternative of disposing treated wastewater. In an effort to bring this item to a conclusion, the City Manager proposed in a December 1st correspondence to the District Manager a joint meeting between the City Council and the District Board to discuss and resolve any remaining questions/issues related to the project. As of the publication of the report for the December 7th City Council meeting, the District had not responded.

Related to the Fiscal Year 16/17 Budget, the District has not yet identified the District's timeline for their previously identified budget review process that reportedly extends through various staff, committee and District Board stages before a final joint meeting with the City can be scheduled. The previously approved continuing resolution for the budget was scheduled to expire on December 31, 2016. The City had made inquiries as to the District's progress and anticipated review timeline (UVSD Litigation Update Box File #18). Staff recognized some level of District review was underway given recent engagement (since November 11th) on the budget, but the District Manager had not provided a timeline for completion of their review and/or indicated readiness for a joint budget meeting. As of the publication of the report for the December 7th City Council meeting, the District had not responded.

At the December 7th City Council meeting, the Council adopted a resolution to secure funding for the construction of the recycled water system using water revenues as an alternate to the City's wastewater revenues. While this was a less desirable option for securing project funding, it was considered a better alternative to losing the project funds altogether. The Ukiah Valley Sanitation District's lawsuit remains the only impediment to securing project funding with the wastewater revenues, given the City must be able to demonstrate to the State an unconstrained revenue source to guarantee repayment of the loan funds. City staff reported that they were vetting the details of the water revenue alternative with the State Water Resources Control Board. The UVSD continued to be unresponsive to the City Manager's proposal for a joint meeting between the City Council and the District Board to discuss and resolve any remaining questions/issues related to the recycled water project.

Related to the Fiscal Year 16/17 Budget, the City Council and the District Board approved a continuing budget resolution at their respective meetings on December 7th and December 27th. The City's continuing resolution was set to expire on January 18, 2017, unless otherwise extended. The City requested a joint meeting with the District Board prior to the expiration of the resolution. While the District had taken action to extend the continuing resolution beyond December 31, 2016, it had yet to identify a timeline for the completion of its budget review or response to the City's request for a joint meeting.

At the January 4, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed and the District had not responded to the City's requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project. It was further reported that the City received a notice from the District Chair related to communication in the absence of the District Manager due to an extended medical leave (UVSD Litigation Update Box File #19).

At the January 18, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed and the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

Development of the City's wastewater operating budget is a joint process between the City and the Ukiah Valley Sanitation District (UVSD). The process had been delayed significantly despite efforts by the City to move it forward expeditiously. In the interim, the City had been operating its wastewater enterprise on a continuing resolution, carrying forward the adopted appropriations from Fiscal Year 2015-16. At its meeting of December 7, 2016, the City Council determined that continuing to do so impeded its ability to effectively, efficiently, and responsibly provide wastewater services to the citizens of Ukiah and the UVSD and voted to move the budget process forward with its consideration and potential adoption at its regularly scheduled meeting on January 18, 2017. The City notified UVSD of its intentions and again called on it to schedule a meeting with the City Council

to complete the budget review process. As of the January 18th City Council meeting, the UVSD continued to be unresponsive to the requests to meet. As such, the City Council unilaterally considered and approved the FY 16-17 Wastewater Budget (UVSD Litigation Update Box File #20).

At the February 1, 2017, City Council meeting, the City Manager and staff reported that terms for mediation continue to be discussed with a location and mediator agreed to, but a date not finalized. Furthermore, the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

At the February 15, 2017, City Council meeting, the City Attorney reported that a date (May 11th) had been finalized for the first session of mediation. In addition, the City had accepted the District's conditions that the mediation be subject to a confidentiality agreement in addition to the Evidence Code mediation privilege and to conduct the mediation in Santa Rosa using a mediator from the Judicial Arbitration and Mediation Service (JAMS). The City Manager also reported the District had not responded to the City's continued requests for a joint meeting on the Fiscal Year 16/17 budget or the recycled water project.

At the March 1, 2017, City Council meeting, the City Manager reported that the District remains nonresponsive to the requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project.

At the March 15, 2017, City Council meeting, the City Manager reported the District continues to remain non-responsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. The City Manager also reported that District Manager McMichael had responded to the City's request for a staff meeting to prepare the bid package to rebid the installation of the barscreen at the Wastewater Treatment Plant as previously directed by the City Council and District Board. The barscreen meeting took place on the morning of March 15th.

At the April 5, 2017, City Council meeting, the City Manager reported that the District continues to remain non-responsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. At the District's March 16, 2017 Board meeting, the City Manager reiterated the City's request for the joint meeting during public comment on non-agenda items. In addition, the City continues to be available and responsive to budget and billing inquiries from Mr. Dickerson and public information requests from the District's legal counsel, although none have been received in the past two weeks.

At the April 19, 2017, City Council meeting, the City Manager reported that the District continues to remain non-responsive to the City's requests for a joint meeting on the Fiscal Year 16/17 budget and recycled water project. In addition, the City has provided the District with a timeline for the City's proposed FY 17-18 Budget process and has sought input on how/when the District would prefer to coordinate the development and joint review of next year's FY 17-18 wastewater budget (UVSD Litigation Update Box File #21).

At the May 3, 2017, City Council meeting, the City Manager reported that the UVSD continues to be non-responsive to the City's ongoing requests for a joint meeting on the FY 16-17 Budget and recycled water project. In addition, the District has been non-responsive to the City's request to engage in the development and joint review of the FY 17-18 wastewater budget. Furthermore, it was reported that the District was unwilling to provide details related to the maintenance of customer billing accounts as demonstrated by the District's refusal to share refund calculations and methodology related to a sizable refund reportedly authorized by the District at their January 19, 2017, board meeting. Given the District's uncooperative approach regarding account information through customary administrative communication, the City was forced to seek the information through a Public Records Act (PRA) request. Since the May 3rd meeting, the District has provided a response to the PRA request which is currently being reviewed by City staff.

At the May 17, 2017, City Council meeting, the City Manager reported that mediation regarding the litigation resumed on May 11, 2017, and continues with the efforts remaining confidential due to the rules established for the meetings. In addition, the District remains non-responsive to the City's ongoing request for a joint meeting

on the FY 16-17 budget and recycled water project. The District also continues to be non-responsive to the City's numerous requests for engagement in the development and joint review of the FY 17-18 wastewater budget. Correspondence has been sent to the District detailing the budget development schedule and budget related items on the City Council's agenda, inclusive of the following dates:

- March 13-17: Budget Training in Munis
- March 20-31: First-round budget meetings
- March 31: Deadline for personnel requests for budget
- Friday April 7: Budget entry due. Budget will be locked to departments to allow for further processing and analysis by Finance
- April 17-28: Second-round budget meetings
- Wednesday, May 17: Budget 101 with Council
- May 19: Comment period on budget document closes
- June 7: First budget hearing and workshop with Council
- June 14: Final budget hearing with Council and adoption (tentative)

At the June 7, 2017, City Council meeting, the City Manager reported the District continues to be non-responsive to the City's request for a joint meeting regarding the current year budget, the recycled water project and the development of next fiscal year's budget. The City Attorney also reported that the mediation process is ongoing.

At the June 21, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the current year budget, the recycled water project and the development of next fiscal year's budget. In addition, Director White has sent correspondence to the District regarding the need for joint approval of the barscreen installation bid, given the \$100,000 Participation Agreement threshold for capital items. The City Council considered and approved the item at the June 21st meeting, but the District will need to approve the project if it is to proceed.

At the July 5, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the current year budget, the recycled water project and the development of next fiscal year's budget. Given the continued lack of response from the District, the City Council, at its meeting of June 21, 2017, approved the Fiscal Year 17-18 budget inclusive of the budget for wastewater. The City continues to seek cooperation from the District, but delaying approval of the budget impedes the City's ability to effectively, efficiently, and responsibly provide wastewater services to the citizens of Ukiah and the UVSD.

In addition, the District had not yet considered the barscreen installation bid which requires joint approval. Director White has sent correspondence to the District regarding the need for joint approval of the barscreen installation bid, given the \$100,000 Participation Agreement threshold for capital items. The City Council considered and approved the item at the June 21st meeting, but the District will need to approve the project if it is to proceed.

The City Manager also reported the second mediation date is scheduled for July 14, 2017.

Furthermore, UVSD Director Marshall has contacted the City requesting a tour be scheduled for the District's new interim manager. The City is responding to coordinate the request.

At the July 19, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. In addition, a tour of the Wastewater Treatment Plant was given to the new District Manager and UVSD Board Member Marshall. Mediation meetings continue, but no public reports are available. The candidate filing period for 3 of the 5 District Board seats for the November 7th Election is open from July 17 - August 11.

At the August 2nd, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. City representatives attended the UVSD Board Meeting on July 20, 2017, and again requested cooperation from the District.

Regarding the barscreen rebid, the City Manager reported: On June 21st, the City Council approved the award of contract to Fort Bragg Electric for the installation of a barscreen at the Wastewater Treatment Plant. The award was contingent upon the District taking corresponding action of which they were informed. Due to an extended delay and no response from the UVSD, the City requested an extension of the expiring bid from the contractor to afford the District additional time to take action. The District approved the contract at its July 20, 2017, Board Meeting and the project will proceed.

Regarding the litigation Impact, the City Manager reported: Staff completed an updated estimate of legal related expenses associated with the Ukiah Valley Sanitation District. Estimates demonstrated that the Ukiah Valley Sanitation District is closing in on \$4 million dollars of legal related expenses with over \$3.3 million directly paid to the Law Offices of Duncan James (UVSD Litigation Update Box File #22). In defense of the District's legal actions, the City has expended approximately \$814,000. On a cost per account base evaluation, this equates to \$1,225.55 per District customer account and \$207.39 per City customer account.

At the August 16, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. However, discussions related to mediation continue. Furthermore, City representatives continue to attend the UVSD Board Meetings in an effort to seek an improved working relationship.

At the September 6, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. With regard to mediation, representatives of the City of Ukiah and the Ukiah Valley Sanitation District continue to have meetings, but because of the confidential nature of mediations, the parties cannot reveal any further information. On the administrative front, the City Manager and Joe Tait, the new District Manager had a meeting on August 24, 2017. While the meeting was an initial meet and greet, both Mr. Tait and the City Manager expressed a desire to improve the working relationship between the two agencies. Earlier in the week, Mr. Tait also met with engineering staff to review operational processes and procedures.

During this reporting period, the City responded to the District's request for a draw on available, unencumbered District funds held by the City in the amount of \$4,544,482. Pursuant to the Participation Agreement, as amended and the Financing Agreement between the City of Ukiah and the Ukiah Valley Sanitation District, the City issued a check on August 30, 2017, per the District's final instructions received on that same day.

At the September 20, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project.

During the previous reporting period, the City responded to the District's request for a draw on available, unencumbered District funds held by the City in the amount of \$4,544,482. Pursuant to the Participation Agreement, as amended and the Financing Agreement between the City of Ukiah and the Ukiah Valley Sanitation District, the City issued a check on August 30, 2017, per the District's final instructions received on that same day.

Over the course of the two weeks leading up to the City Council meeting on September 20th, the District made a number of false claims related to their draw on District funds in an effort to justify their continued legal action

against the City. The press release that fully describes this issue is included in the Litigation Files as UVSD Litigation Update Box File #23.

Mediation continues, but the litigation activities are escalating as the March 2018 trial date nears. The high cost of litigation could be avoided if the District were to agree to focus on mediation efforts and put a hold on the trial.

The City's Director of Finance gave an updated presentation on the impacts of the District's litigation (UVSD Litigation Update Box File #24).

The City Council had previously requested the District put a hold on litigation activities over a year ago and the District opposed the request. The City Council issued a new request on September 21, 2017 (UVSD Litigation Update Box File #25) in hopes the parties could agree to focus efforts on resolution and stay the litigation activities in an effort to avoid the high costs a trial.

At the October 4, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. As of mid September 2017, the Ukiah Valley Sanitation District had spent nearly \$4,126,971 in legal fees, with \$3,426,487 paid directly to the Law Offices of Duncan James. Litigation activities were reported to be escalating as a trial date nears. The mounting legal expenses could be avoided if the District were to agree to focus on mediation efforts and put a hold on the litigation. As of that meeting, the District had not responded to the most recent request from the City Council to put the litigation on hold. In addition, the paid advertisements from the District continued through this period across multiple media platforms with a continued attempt on justifying their litigation.

At the October 18, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget, and the recycled water project. As of mid September 2017, the Ukiah Valley Sanitation District had spent nearly \$4,232,610 in legal fees, with \$3,524,988 paid directly to the Law Offices of Duncan James. On a cost-per-utility customer account evaluation, this equates to \$1,321 per District customer account.

Litigation activities continue and are quickly escalating as a trial date nears. The mounting legal expenses could be avoided if the District were to agree to focus on mediation efforts and put a hold on the litigation. The City had previously made this request and issued a new request following the conclusion of the last City Council meeting (UVSD Litigation Update Box File #25). Unfortunately, mediation efforts are significantly being displaced by the litigation. To date, the District has not responded directly to the most recent request from the City Council to put the litigation on hold and focus all efforts on mediation.

At a special meeting on October 11, 2017, the Ukiah Valley Sanitation District voted in favor of contract amendments to their contract for legal services with Law Office of Duncan James. In addition, the Board voted to change their regular meeting time to the 3rd Wednesdays of the month at 6pm which is in direct conflict with the regular City Council meetings.

The District continues to utilize a paid media consultant and paid ads in the Ukiah Daily Journal, Hometown Shopper and social media to justify the continued legal action against the City. The ads contain false, partial and manipulated information.

The City's Finance Director again reported on the impacts litigation has on the refinancing of the wastewater treatment plant bonds. A current review by Director Buffalo demonstrates that refinancing would not be feasible given the litigation in that the rates would not be advantageous due to a diminished rating. In addition, it would be difficult to secure insurance and underwriting given the risk to investors created by the District's litigation efforts.

At the November 1, 2017, City Council meeting, the City Manager again reported that the District continues to be unresponsive to the City's request for a joint meeting regarding the Fiscal Year 16-17 budget, 17-18 budget,

and the recycled water project.

The City of Ukiah continues to contend that the lawsuit is unnecessary, and is seeking cooperation with the District to settle the dispute outside of litigation. As of the end of September 2017, the Ukiah Valley Sanitation District had spent nearly \$4,232,610 in legal fees, with \$3,524,988 paid directly to the Law Offices of Duncan James. On a cost-per-utility customer account evaluation, this equates to \$1,321 per District customer account.

During this period, litigation activities continued and escalated as the trial date nears with a number of depositions completed and scheduled. Mediation efforts were significantly being displaced by the litigation. The District had not responded directly to the most recent request from the City Council to put the litigation on hold and focus all efforts on mediation (UVSD Litigation Update Box File #25).

The District continued to utilize a paid media consultant and paid ads in the Ukiah Daily Journal, Hometown Shopper and social media to justify the continued legal action against the City. The ads contained false, partial and manipulated information.

At the November 15, 2017, City Council meeting, the City Attorney reported that there was a case management conference at which the court continued the trial date from March 29th to June 22nd while the City and District continue to be engaged in on-going settlement negotiations. The court ordered a mandatory settlement conference to occur not later than January 5th, and continued the case management conference to January 8th, to report to the court on the status.

At the December 6, 2017, City Council meeting, the City staff reported on the then current cost of the litigation (UVSD Litigation Update Box File #26) and efforts to refinance the 2006 Wastewater Bonds. As of the end of November 2017, the Ukiah Valley Sanitation District had spent nearly \$4,691,748 in legal fees, with \$3,883,170 paid directly to the Law Offices of Duncan James. The City's total cost for defense was \$1,102,822. On a cost-per-utility customer account evaluation, this equates to \$1,464 per District customer account and \$281 per City customer account. Staff also reported the three newly elected UVSD Board Members officially took their seats on December 1.

At the December 20, 2017, City Council meeting, the City Attorney reported that he and the City Manager were in ongoing settlement discussions with the District's legal/staff that include a meeting on the 20th and at least another scheduled for the 21st. In addition, City staff and bond consultants delivered a presentation to the District Board on December 19th at their special meeting on efforts to refinance the 2006 Wastewater Bonds. The same presentation (UVSD Litigation Update Box File #27) was provided to the City Council at their December 20th meeting.

At the January 17, 2018, City Council meeting, the City Manager reported that there are active discussions between the City and District's ad hoc related to mediation. However, litigation activities are also ongoing with costs continuing to mount for both the City and District. It is estimated that just a single half day deposition costs ratepayers in excess of \$3000.

At the February 7, 2018, City Council meeting, Staff again reported that there are two tracks of activity that include settlement discussion and litigation. Staff reported that settlement discussions remain active with additional meeting dates planned. Unfortunately, litigation activity is also continuing on a parallel track. The City Attorney reported that the trial date has been moved from June 22 to July 20, 2018.

At the February 21, 2018, City Council meeting, Staff again reported that there are two tracks of activity that include settlement discussions and litigation. Staff reported that settlement discussions remain active and ongoing. However, litigation activity is also continuing on a parallel track.

At the March 7, 2018, City Council meeting, Staff reported that mediation activities remain active including a

planned session upcoming on March 14th. Litigation activities were also reported as continuing.

At the March 21, 2018, City Council meeting, Staff reported that mediation activities remain active and a full day meeting with a mediator had taken place on March 14th. Litigation activities were also reported as continuing.

At the April 4, 2018, City Council meeting, Staff reported that mediation efforts and activities continue. Litigation activities were also reported as continuing, with a heavy deposition schedule from the present and on into May. The Depositions are calling for staff, past employees, elected officials, and other interested parties, and are requiring travel to Santa Rosa and Petaluma, and placing encumbrances on staff time and resources.

At the April 18, 2018, City Council meeting, Staff reported that mediation discussions related to potential settlement continue, but at the same time, the litigation activities remain in full swing. Staff said that depositions are scheduled for the remainder of April and May, and will be occurring almost daily. The Public Records Act requests from UVSD are again coming in on a weekly basis. Staff expressed the need for a settlement to end the litigation that is costing the rate payers, the District, and the City a significant amount of money and resources.

At the May 2, 2018, City Council meeting, Staff reported that the litigation continued as previously reported, and clarified - in response to a Ukiah Daily Journal article quoting UVSD's Chair as saying that the litigation represented a "divorce" between the District and the City - that the litigation does not result in a new Participation Agreement. He stated that in order to get to a new agreement, the City and District would still need to work together on a settlement that fosters a new agreement, and that the current litigation is only about money.

At the May 16, 2018, City Council meeting, Staff reported that the litigation's deposition schedule continues to remain intense and impacted, taking considerable resources from the both the City and District at high costs. The City Attorney added that there are still on-going settlement discussions.

At the June 6, 2018, City Council meeting, the City Attorney reported that there has been simultaneous work to negotiate a settlement of the lawsuit and prepare for a trial, which has had the start date continued to September 26, 2018. He stated that there are two motions currently pending before the court. The first is to bifurcate the trial to try the statutes of limitations issues before trying the merits of the case, in which the hearing that had been set for Friday, June 8th, has now been continued to June 20th. The second pending motion is for a summary judgement, which is scheduled to be heard on June 27th.

At the June 20, 2018, City Council meeting, the City Attorney reported that settlement negotiations and litigation continue. However, the Court issued a ruling on June 19th on the City's motion to bifurcate the statute of limitations from the other parts of the lawsuit, which means that if the case does go to trial, the City will go first and present evidence on the statute of limitations.

At the July 18, 2018, City Council meeting, the City Manager reported that the past month has been slow on the settlement discussions and the litigation has been tremendously impactful, with nothing new to report on either front. The Finance Director, Dan Buffalo, gave an update of the litigation expenditures (UVSD Litigation Box File #28), showing that as of June 30, 2018, the District had expended what appeared to be \$5.9 million in attorney's fees and litigation costs, with \$4.8 million of that going directly to the Law Office of Duncan James. Comparatively, the City has expended to date nearly \$1.7 million in total. The combined total for both agencies comes to \$7.6 million expended, which does not account for staffing costs and materials on both the City's side - which is significant - and the District's side. Mr. Buffalo went on to say that the \$7.6 million amount also does not include \$2.7 million in savings lost for not being able to re-finance the bonds back in January, and he expects that an additional deadline to refinance will suffer the same savings loss. The City Manager added that while the District paid out \$334,321 for legal expenses for the month of June; the City spent approximately \$100,000.

At the August 1, 2018, City Council meeting, Staff reported that the litigation activities continue concurrently with discussions related to settlement. The City Attorney confirmed that the trial is still set to go forward and starts on September 26, 2018.

At the August 15, 2018, City Council meeting, Staff reported that the City is still gearing up for a trial and trying to negotiate a settlement.

At the September 5, 2018, City Council meeting, Staff reported that the discussions remain active.

At the September 19, 2018, City Council meeting, Staff reported that discussions remain active, and that the court has vacated the trial date to allow more time for settlement discussions.

Discussion: At the October 3, 2018, City Council meeting, Staff will provide the latest status report on the Ukiah Valley Sanitation District's litigation against the City of Ukiah related to the operation of the sanitary sewer system. The Council may elect to discuss the matter further and, if desired, provide direction to Staff and/or consider any related action(s).

As part of this agenda item, the Council does not intend to consult with legal counsel regarding the litigation itself and does not intend to waive evidentiary privileges for attorney-client communication or attorney work product.

UVSD Litigation Update Box Files located at:

<https://cityofukiah.box.com/v/UVSDlitigationUpdates>



AGENDA SUMMARY REPORT

SUBJECT: Approval of the September 19, 2018, Regular Meeting Minutes

DEPARTMENT: Clerk/Admin

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - Draft Minutes of September 19, 2018](#)

Summary: Council will consider approving the Minutes of September 19, 2018, a Regular Meeting (Attachment 1).

Background: N/A

Discussion: N/A

RECOMMENDED ACTION: Approve the Minutes of September 19, 2018, a Regular Meeting, as submitted.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved: _____


Sage Sangiacomo, City Manager

**CITY OF UKIAH
CITY COUNCIL MINUTES
Regular Meeting
CIVIC CENTER COUNCIL CHAMBERS
300 Seminary Avenue
Ukiah, CA 95482
September 19, 2018
6:00 p.m.**

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

Ukiah City Council met at a Regular Meeting on September 19, 2018, having been legally noticed on September 14, 2018. Mayor Doble called the meeting to order at 6:00 p.m. Roll was taken with the following **Councilmembers Present:** Jim O. Brown, Stephen G. Scalmanini (*arriving at 6:01 p.m.*), Douglas F. Crane, Maureen Mulheren, and Kevin Doble. **Staff Present:** Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

MAYOR DOBLE PRESIDING.

The Pledge of Allegiance was led by Vice Mayor Mulheren.

3. PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS

a. Status Report, Discussion and Possible Action Regarding the Ukiah Valley Sanitation District's Litigation Against the City of Ukiah Related to the Operation of the Sanitary Sewer System.

Presenter: Sage Sangiacomo, City Manager.

Public Comment: Don Crawford.

Presentation was received.

4. PETITIONS AND COMMUNICATIONS

5. APPROVAL OF MINUTES

a. Approval of the September 4, 2018, Special Meeting Minutes.

b. Approval of the September 5, 2018, Regular Meeting Minutes.

Motion/Second: Brown/Crane to approve Minutes of September 4, 2018, a special meeting; and September 5, 2018, a regular meeting, as submitted. Motion **carried** by the following roll call votes: AYES: Brown, Scalmanini, Crane, Mulheren, and Doble. NOES: None. ABSENT: None. ABSTAIN: None.

6. RIGHT TO APPEAL DECISION

7. CONSENT CALENDAR

a. Report of Disbursements for the Month of August – Finance.

b. Report to Council Regarding the 2018 Conflict of Interest Code Biennial Notice, and Direct the City Clerk to Modify the Conflict of Interest Code per Guidelines Provided by the Fair Political Practices Commission (FPPC) – City Clerk.

- c. Approval of Notice of Completion for North State Street Intersection - Low Gap Road/Brush Street, Storm Drain & Signalization Improvements, Specification No. 17-02 – *Public Works*.
- d. Approve the Repair and Rebuild of the Wastewater Treatment Plant's Floway 16DKH Vertical Turbine Pump from Weir Floway, Inc. in the Amount of \$24,706.64 and Approve the Corresponding Budget Amendment – *Public Works*.
- e. ~~Review Landfill Closure Financial Plan Update~~ — *Finance*. Item was pulled by Councilmember Crane and moved to Agenda Item 13c.

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

9. COUNCIL REPORTS

Presenters: Vice Mayor Mulheren and Councilmember Scalmanini.

8. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

No public comment was received.

10. CITY MANAGER/CITY CLERK REPORTS

Presenters: Sage Sangiacomo, City Manager and Kevin Jennings, Acting Fire Chief.

11. PUBLIC HEARINGS (6:15 PM)

a. Continued Public Hearing for the Appeal of Planning Commission Decision to Approve a Major Site Development Permit for the Construction of a 7,500± Square Foot Metal Building to House Support Services for Garton Tractor at 285 Talmage Road.

Presenters: Craig Schlatter, Community Development Director and Greg Owen, Airport Manager.

RECESS 6:42 – 6:44 P.M.

PUBLIC HEARING OPENED AT 6:50 P.M.

No public comment was received.

PUBLIC HEARING CLOSED AT 6:51 P.M.

RECESS 6:58 – 7:03 P.M.

Motion by Crane, Seconded by Brown to approve Recommendation #3.

The maker and the second agreed to modify the language of Item B); the following motion reflects the amendment.

Motion/Second: Crane/Brown to approve Recommendation #3.

- A) Adopt a motion to amend the Final Conditions of Approval Project such that the proposed Garton Tractor building is reduced in size such that the entire building is located outside the Runway Protection Zone of the Ukiah Municipal Airport; and

- B) Adopt a finding that based on staff's review in consultation with Mead & Hunt, Inc., the project as proposed does not appear to encroach on the Avigation Easement granted to the City on the Garton Tractor property. Accordingly, the City may not rely on the Avigation Easement to prohibit development of the project; and
- C) Approve motion that the proposed Project be subject to the Overrule process, as described in the California Airport Land Use Planning Handbook; and
- D) Direct Staff and the City Attorney to prepare a proposed overrule decision, with specific findings; and
- E) Direct that Staff send a copy of the proposed overrule decision with accompanying specific findings to the California Department of Transportation, Division of Aeronautics at least 45 days prior to scheduling a public hearing in front of City Council to make a decision to overrule or not overrule the consistency determination decision of the Mendocino County Airport Land Use Commission; and
- F) Schedule a public hearing for City Council to make a decision to overrule or not overrule the decision of the Mendocino County Airport Land Use Commission upon expiration of the 45-day period; and
- G) If deciding to overrule the decision of the Airport Land Use Commission, City Council to approve actions listed in Recommendation #1.

Motion **carried** by the following roll call votes: AYES: Brown, Scalmanini, Crane, and Doble. NOES: Mulheren. ABSENT: None. ABSTAIN: None.

12. **UNFINISHED BUSINESS**

a. Review of Local Preference Purchasing Policy.

Presenter: Mary Horger, Procurement Manager.

Motion/Second: Brown/Scalmanini to continue the policy and eliminate the annual review. Motion **carried** by the following roll call votes: AYES: Brown, Scalmanini, Crane, Mulheren, and Doble. NOES: None. ABSENT: None. ABSTAIN: None.

b. Final Approval of the Vehicle & Heavy Equipment Request & Justification Items for the 2018/2019 Fiscal Year Budget, Approve Recommended Budget Amendments, and Approve the Adoption of the 5-Year Capital Improvement Plan.

Presenters: Mary Horger, Procurement Manager and Dan Buffalo, Finance Director.

Motion/Second: Crane/Brown to approve the Vehicle & Heavy Equipment Request & Justification items for purchase for the 2018/2019 Fiscal Year Budget, approve recommended corresponding budget amendments, and approve the adoption of the 5-Year Capital Improvement Plan. Motion **carried** by the following roll call votes: AYES: Brown, Scalmanini, Crane, Mulheren, and Doble. NOES: None. ABSENT: None. ABSTAIN: None.

13. **NEW BUSINESS**

a. Approval and Authorization of the City Manager to Execute Bridge Financing for the Recycled Water Project.

This item was pulled by Staff due to State financing having been acquired.

b. Receive Updates on City Council Committee and Ad Hoc Assignments.

Presenter: Councilmember Scalmanini.

c. Review Landfill Closure Financial Plan Update – From Consent Calendar Item 7e.

Presenter: Dan Buffalo, Finance Director.

Report was received.

THE CITY COUNCIL ADJOURNED TO CLOSED SESSION AT 7:45 P.M.

14. CLOSED SESSION

a. Conference with Legal Counsel – Existing Litigation

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

Name of case: *Vichy Springs Resort v. City of Ukiah, Et Al*; Case No. SCUk-CVPT-2018-70200

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*, Sonoma County Superior Court, Case No. SCV 256737 (UVSD)

c. Conference with Labor Negotiator

(Government Code Section 54957.6)

Agency Representative: Sage Sangiacomo, City Manager

Employee Organizations: All Bargaining Units

d. Conference with Real Property Negotiators

(Cal. Gov't Code Section 54956.8)

Property: APN Nos: 157-050-03, 157-060-02, 157-050-04, 157-050-03, 157-030-02, 157-050-01, 157-050-02, 157-050-10, 157-050-09, 157-070-01, 157-070-02, 003-190-01

Negotiator: Sage Sangiacomo, City Manager;

Negotiating Parties: Dave Hull and Ric Piffero

Under Negotiation: Price & Terms of Payment

No report out was received.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 8:55 p.m.

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Authorize City Manager to Negotiate and Execute Month to Month Lease Agreement at Airport with Northern Sky RV for a Building and Vehicle Storage Yard.

DEPARTMENT: Airport

PREPARED BY: Greg Owen

ATTACHMENTS:

[Attachment 1 - Northern Sky Rv Lease](#)

[Attachment 2 - Northern Sky RV Draft Lease](#)

Summary: The City Council will consider a request from Northern Sky RV to lease more ground space and the storage building on the northeast corner of the Airport.

Background: The northeast corner of the Airport at this time is unusable for aviation. Staff and the Airport Commission, while developing the Airport Zone District, determined that this area would be suitable for non-aviation activities in the interim. In October 2014, Council approved a month to month lease agreement with Northern Sky RV. See Attachment 1, Northern Sky RV Lease.

Discussion: Northern Sky RV is requesting to lease more ground space and the storage building on the northeast corner of the Airport (Attachment 2, Northern Sky RV Draft Lease month-to-month agreement). The new lease rate for the additional area is \$2,298.00 per month. This is a \$2,010.00 per month increase. The current leased area is 14,400 sq ft at the rate of \$0.02 per sq ft (\$288.00 per month). The new lease area is 65,

RECOMMENDED ACTION: Authorize City Manager to negotiate and execute month to month lease agreement with Northern Sky RV for building and vehicle storage yard.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 777000000046801

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: COU No. 1415-138

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

000 sq ft at \$0.03 per sq ft (\$1950.00 per month). The storage building is 1,200 sq ft and leased at a \$0.29 sq ft per month (\$348.00 per month).



CITY OF UKIAH
AGREEMENT FOR LEASE
OF AIRPORT PROPERTY

AGREEMENT FOR LEASE OF PROPERTY**UKAIH AIRPORT****TABLE OF CONTENTS**

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EXHIBITS:

- A. Leased Premises
- B. Insurance Requirements
- C. FAA Assurances

UKIAH AIRPORT

Lease Summary

Type of Agreement	LEASE OF BUILDING AND ASSOCIATED AREAS AT UKIAH AIRPORT	
Lessor	City of Ukiah	
Lessee	Northern Sky RV	
Representative	David Nelson	
Phone	(707)463-1945	
Notice Address	<u>Lessee</u> Northern Sky RV Ukiah, Ca 95482	<u>Lessor</u> City of Ukiah 1403 South State St Ukiah, CA 95482
Initial Term	Month to Month commencing on Effective Date of Agreement	
Termination	30 days' notice	
Leased Premises	Approximately 14,400 sq ft of ground as shown on Exhibit A	
Rent	Lease year 1: 14,400 sq ft un-paved ground at \$0.02 per sq ft per month \$ <u>288.00</u>	
Rent Increases	CPI adjustments annually July 1. (Reference 2.04 (c))	
Security Deposit	Initially \$888.00 thereafter adjusted based upon 1 month Base Rent.	
Utilities	Lessee Responsibility. (Reference Section 2.06)	
	Most performed by lessee. (Reference Section 2.10)	
Other Fees	Reference Sections 2.06 - 2.09, 2.11, 3.05, 3.11, 3.13, 3.14, 3.20, 3.22, 3.27, 3.38 and 3.50	
Authorized Use(s)	Storage vehicle, equipment, material, and automobile parking	
Minimum Insurance	Per Exhibit B, summarized as: Each Occurrence: \$1,000,000 Automobile Liability: \$1,000,000 General Aggregate: \$1,000,000 Products Comp/Op Aggregate:\$1,000,000	Personal & Adv. Injury: \$1,000,000 Fire Damage: \$ 1,000,000 Workers' Compensation: Statutory Employer's Liability:\$1,000,000 per accident for bodily injury or disease

Note: This Lease Summary is presented as a reference of the Lease information at the time of execution. If there is a discrepancy between the information contained in this Lease Summary and the requirements contained in the remainder of this Lease, the requirements as stated in the remainder of this Lease will be applied.

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**AGREEMENT FOR LEASE OF PROPERTY
UKIAH AIRPORT**

THIS AGREEMENT is entered on December 5, 2014 "Effective Date"), by the CITY OF UKIAH, a general law municipal corporation, hereafter "City," and Northern Sky RV., a limited liability company Northern Sky RV, organized under and in compliance with the laws of the State of California, and authorized to conduct business in the State of California, hereafter "Lessee."

RECITALS:

1. City operates and maintains the Ukiah Municipal Airport, (hereafter "Airport"), located in the City of Ukiah, California, and has the right to lease portions of such Airport, subject to the terms and conditions hereafter set forth.

2. Lessee is a company engaged in Storage vehicle, equipment, material, and automobile parking.

3. Lessee desires to lease Airport property and facilities from the City for use in conducting Lessee's operations at the Airport.

4. City is willing to lease property and facilities to Lessee on the terms and conditions set forth in this Lease.

AGREEMENT:

City and Lessee hereby agree as follows.

Article 1 Definitions

As used herein, the following words and phrases shall have the meanings set forth below:

1.01 Airport

"Airport" means the Ukiah Municipal Airport operated by the City as a public airport.

1.02 Airport Manager

"Airport Manager" means the City employee who manages the day-to-day operation of the Airport and who has the authority and responsibilities contained in Division 6, Chapter 1, Article 1 of the Ukiah City Code, commencing with Section 5000. Whenever in this agreement reference is made to the Airport Manager, that reference may include any other officer or employee of the City, including the City Council or the City Manager, if the approval of that other officer or employee is required by the laws and rules applicable to the City.

1.02 Anniversary Date

"Anniversary Date" means the day and month of the Effective Date in each year following the year, when this lease was first entered by the parties.

1.03 Base Rent

"Base Rent" means rent specified in Section 2.04(b) of this Lease.

1.04 CPI

"CPI" means the Consumer Price Index published by the United States Bureau of Labor Statistics, for all commodities for all urban consumers in the All U.S. Cities Average Index (index base 1982-84=100).

1.05 City Council

"City Council" means the legislative body of the City as established in Title 4, Division 3, Part 2 of the California Government Code, with the authority to lease City property, including property at the Airport.

1.06 DOT

"DOT" means the United States Department of Transportation, and any federal agency succeeding to its jurisdiction.

1.07 FAA

"FAA" means the Federal Aviation Administration of the United States government, and any federal agency succeeding to its jurisdiction.

1.08 Sign

"Sign" shall have the meaning set forth in Section 3.44.

1.09 Leased Premises

"Leased Premises" means those certain premises leased to Lessee pursuant to this Lease, which premises is more particularly described by Section 2.02 and the attached Exhibit A.

1.10 Lease Year

"Lease Year" means a period of twelve (12) consecutive calendar months, starting on the Effective Date December 5, 2014 ("Commencement Date") and ending December 5, 2015.

1.11 Trade Fixtures

"Trade fixtures" shall mean, but shall not be limited to: any signs (electrical or otherwise) used to identify Lessee's business; all machinery and equipment used in connection with Lessee's required or permitted activities pursuant to this Agreement, whether or not such machinery or equipment is bolted or otherwise attached to the Leased Premises; and all other miscellaneous office equipment, furnishings, and personal property of the Lessee.

Article 2 Special Conditions

2.01 Term

(a) Commencement

The term of this Agreement shall be for month to month, commencing on the Commencement Date.

(b) Extension of Initial Term

Lessee may request an extension of the Initial Lease Term and the parties shall negotiate an Extended Term in good faith. Any Extended Term must be evidenced by a written amendment of this Lease approved by each party and signed by their authorized representatives.

(c) Use of the Word "term"

Whenever the word "term" is used hereafter in this Agreement it shall mean the Initial Term and include any Extended Terms to which the parties have agreed.

2.02 Description of Leased Premises

City hereby Leases to Lessee the following premises at Airport more particularly described below and shown on Exhibit A, attached hereto and incorporated herein by this reference:

- (a) Approximately 14,400 square feet of land-side unpaved ground (Exhibit A).

Lessee accepts the Leased Premises as specified herein and such area shall not be subject to recalculation. Except as provided herein, all premises are leased in their "as is" condition and without any expressed or implied representations or warranties of any kind whatsoever.

2.03 Use of the Leased Premises

(a) Permitted Use

Subject to the limitations set forth in Section 2.03(b), and elsewhere in this Agreement, Lessee may use the Leased Premises for any or all of the following purposes, but for no other purposes:

City authorizes Lessee to use the assigned space Storage vehicle, equipment, material, and automobile parking.

Lessee, its employees, agents, guests, invitees, suppliers of material and furnishers of services shall have full rights of ingress and egress with respect to the following areas: 1) common use areas of the Airport; 2) the Leased Premises.

Lessee's use of the Leased Premises shall be in accordance with the laws of the federal government and State of California, the ordinances, rules and

Lessee's use of the Leased Premises shall be in accordance with the laws of the federal government and State of California, the ordinances, rules and regulations of the City of Ukiah, the regulations of the FAA, the DOT, and the applicable requirements of any other governmental agency with jurisdiction over the Airport or Lessee's operations at the Airport. Lessee shall not engage in any operations at Airport prior to obtaining any certification that may be required by the FAA. Lessee shall furnish the Airport Manager a copy of any such certificates, upon request.

(b) Limitations

Lessee shall use the Leased Premises in accordance with the following limitations and all other applicable terms, promises, conditions, and covenants contained herein.

1. Except as specifically authorized in subsection (a) of this Section 2.03, Lessee shall not:
 - a. engage in any commercial or noncommercial aeronautical or non-aeronautical activity at Airport other than as provided in Section (a), including the sale of fuel without first complying with the *Commercial Operating Standards – Ukiah Airport* and obtaining the required permits or agreements from City; and
 - b. sell airline trip insurance over the counter or by machine.
 - c. install or operate coin-operated food or drink dispensing machines or devices unless approved in writing by the Airport Manager.
 - d. install pay telephones. City specifically reserves the right to arrange for the installation of such pay telephones as Lessee may desire and to secure the income from such installations unless approved in writing by the Airport Manager.
 - e. sell prepaid telephone cards or lottery tickets unless approved in writing by the Airport Manager.
 - f. sell any goods or service not approved in writing by the Airport Manager, including, but not limited to, threatening devices or weapons.
 - g. solicit or advertise goods which are not authorized by the Airport Manager under this Agreement.
 - h. in any way obstruct or interfere with the rights of others at Airport or injure or annoy them.
 - i. allow any sale by auction on the Leased Premises, without the prior consent of the Airport Manager.
 - j. use or allow the Leased Premises to be used for any improper, immoral, or unlawful purpose.
 - k. obstruct the sidewalks, roadways or passageways adjacent to the Leased Premises.

2.04 Rent

Lessee shall pay rent to City as follows:

(a) Time and Manner of Payment

Lessee shall pay all rent in advance, in equal monthly installments, at City's accounting office, at the address shown for City under Section 2.1 herein, on the first day of each calendar month throughout the term of this Agreement. Each such monthly installment shall be in an amount equal to one-twelfth (1/12th) of the rent payable for the Lease Year then in effect. Rent for partial months shall be pro-rated on a daily basis, based on a 365-day year.

Calculation of rent herein, on the basis of amounts payable per Lease Year, is for purposes of convenience only, and shall not be construed as affecting Lessee's obligation to pay City rent for the entire term hereof.

(b) Base Rent

Commencing on the Commencement Date Lessee shall pay Base Rent in the total amount of two hundred eighty-eight dollars and .no/100 (\$288.00) for the first Lease month, at the rate of \$288.00 per month). Base Rent has been calculated based on the following rates:

- (i) Ground Space: \$ 288.00 per Month.

(c) CPI Rental Increases

Lessee shall pay rental increases, calculated as follows:

- (i) Effective on the July 1st of each Lease Year Lessee shall pay rent based on the just completed Lease Year's rent plus an additional amount calculated as follows:

The just completed Lease Year's rent shall be multiplied by the same percentage as the percentage increase, if any, in the current CPI, prior to any seasonal adjustment, as compared to the same month in the preceding year (e.g. July 2008 level of 219.964 (1982-84=100) is 5.6% higher than in July 2007) Lessee shall pay as additional rent a sum equal to the product thereof, to the extent that such sum does not exceed five percent (5%) of the total rent payable by Lessee for the immediately preceding Lease Year.

- (ii) Any decrease in the CPI shall not result in any decrease in Lessee's rental obligation herein.

2.05 Security Deposit

(a) Initial Deposit

Upon Commencement, Lessee shall deposit with the finance office the sum equivalent to one month rent, initially two hundred eighty-eight dollars and .no/100 (\$288.00) City shall not be responsible for payment of any interest on the deposited funds.

2.05 Security Deposit**(a) Initial Deposit**

Upon Commencement, Lessee shall deposit with the finance office the sum equivalent to one month rent, initially eight hundred eighty-eight dollars and .no/100 (\$888.00) City shall not be responsible for payment of any interest on the deposited funds.

(b) Deposit Increases

At such a time that the monthly rental amount is increased, Lessee will increase the amount on deposit by that amount.

(c) Conditions of Deposit

City may use such deposit, or any portion thereof, for payment of any sum owed to City by Lessee, and such use may be without prior notice to Lessee. If any portion of such deposit is used to correct such a default, Lessee shall pay to City, upon demand therefor, such sums as are needed to return the full amount of the deposit with City to an amount equivalent to two months' rent, and such payment shall be made to City by Lessee within fifteen (15) days of such demand.

Within fifteen (15) days of applying such deposit to correct a default or to pay amounts due or owing upon termination of this Agreement, City shall provide Lessee with an accounting of such deposit application. Upon termination of this Agreement, such deposit less any amounts due or owing to City by Lessee shall be refunded to Lessee.

2.06 Additional Fees, Charges and Rentals

Lessee shall pay to City additional fees, charges and rentals in the event of any of the following:

- (a) If City has paid any sum or sums, or has incurred any obligation or expense, for which Lessee has agreed to pay or reimburse City, or for which Lessee is otherwise responsible;
- (b) If City is required or elects to pay any sum or sums, or incur any obligation or expense, because of the failure, neglect or refusal of Lessee to perform or fulfill any of the promises, terms, conditions or covenants required of it herein;
- (c) Pursuant to any separate agreement between the parties not contained herein;
or
- (d) Pursuant to any ordinance, resolution or minute order of City.

Lessee's obligations pursuant to this Section 2.0 shall include all interest, cost, damages, and penalties in conjunction with such sums so paid or expenses so incurred by City, which may be added by City to any installment of fees, charges, and rents payable herein. Each and every part of such payment by City shall be recoverable by City in the same manner and with like remedies as if it were expressly set forth herein.

For all purposes under this Section 2.0, and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum or sums by City for or in connection with any work done or material furnished shall be prima facie evidence against Lessee that the amount of such payment was necessary and reasonable.

Lessee shall pay City pursuant to this Section 2.0 within thirty (30) days following demand therefor, or within the time specified by applicable ordinance, resolution, or minute order of City.

2.07 Liquidated Damages from Late Payments

If Lessee is in arrears for seven (7) days or more following the due date of any amount payable to the City under this Lease, the parties acknowledge that additional clerical, accounting and other work will be performed which would not otherwise be needed absent the late payment. In addition, because the actual charges as a result of the late payment are difficult to identify, the parties hereby agree that Lessee shall pay as a reasonable charge, liquidated damages for the late payment in the amount of eighteen percent (18%) annual percentage rate, or twenty five dollars (\$25.00) whichever is greater, applicable from the date such payment was due to the date of actual payment. If the maximum charge permitted by law is less than the foregoing amount, then the rate shall be such amount determined to be the maximum legal amount.

2.08 Utilities

Lessee, at Lessee's sole cost and expense, shall make its own arrangements and pay for all charges assessed for any and all of its utilities, including, but not limited to, electrical power, natural gas, water, sanitary sewer, trash/garbage collection and disposal, telephone and communication services, and for any other utility service or other service supplied to or used on the Leased Premises, including any and all connection and metering charges, as billed directly to Lessee by the City of Ukiah utilities departments or any other utility companies furnishing such services. Where multiple rental units are supplied a utility service through a master meter for which the Airport or the City is billed, Lessee shall pay such costs and charges based upon such standard Airport rates and charges as may be established from time to time by City, and meter readings, if any, for amounts used by Lessee, within fifteen (15) days following the date of such billing. Lessee agrees that any and all such charges for any and all such services shall be paid before they become delinquent and that City shall be protected and held harmless by Lessee from any expense or payment, arising from Lessee's failure to make a timely payment for such services. City shall not be liable to Lessee for any interruption in or curtailment of any utility service, nor shall any such interruption or curtailment constitute a constructive eviction or grounds for rental abatement in whole or in part.

2.9 Maintenance of Leased Premises

(a) Responsibility of City

Throughout the term of this Agreement, City shall, not provide any or repair maintenance

(b) Responsibility of Lessee

Except as otherwise expressly provided in Section 2.9(a), during the term of this Agreement, Lessee shall at its sole cost and expense perform all other maintenance and repair, including but not limited to:

- (i) All scheduled maintenance and service of electrical and gas systems in accordance with manufacturers' requirements.
- (ii) Maintenance, repair and performance of all ordinary preventative maintenance and upkeep of the Leased Premises. Such maintenance and repair shall include all appliances, fixtures, and pavement (including but not limited to pot-hole repair, striping, and crack repair) within Lessee's Leased Premises.
- (iii) Maintenance, repair and performance of all ordinary preventative maintenance of the mechanical (heating and cooling), electrical (including relamping and ballast replacement), and plumbing systems.
- (iv) Maintenance, repair and performance of all ordinary preventative maintenance of the roll-up doors, loading docks and ramps.
- (v) Maintenance of outdoor paved and unpaved assigned areas ensuring that these areas are litter-free and weed-free.
- (vi) Maintenance, repair and replacement of any improvements, alterations, or additions caused by Lessee whether Lessee has or has not obtained advance authorization from City in accordance with Section ___ of this Agreement.
- (vii) Janitorial service to the Leased Premises.
- (viii) Pest control service as necessary to maintain the Leased Premises in vermin free condition.
- (ix) Maintenance of existing grounds and landscaping.
- (x) Maintenance, repair, certification, and monitoring of any installed fire systems.
- (xi) Repair and patch roof, as necessary. Clean and clear gutters as necessary.
- (xii) Provide structural maintenance and/or structural repair to the Leased Premises, including exterior walls, roof and foundation.

Lessee shall be solely responsible for the cost of any repair or maintenance to the Leased Premises resulting from the negligent acts or omissions of Lessee, its officers, agents, employees, invitees, suppliers, or contractors. In the event of such damage, City may elect to perform such repair or maintenance itself, at Lessee's sole cost and expense, or require Lessee to perform the same at Lessee's sole cost and expense. Provided, however, if such repair or maintenance is not of an emergency nature, as determined by the Airport Manager, in his sole discretion, City shall give Lessee five (5) days advance written notice of its election in such matter.

Lessee agrees to take good care of the premises and to return the same at the termination of this Agreement in as good order and condition as when received, excepting ordinary wear and tear and natural decay.

2.10 Improvements or Alterations**(a) General**

No improvements, alterations or repairs of any kind shall be erected, placed, assembled, constructed or permitted on the Leased Premises without first obtaining

written authorization from the Airport Manager. In the sole opinion of the Airport Manager, if the proposed improvement, alteration or repair project is of a minor nature, the project may be reviewed and approved solely by the Airport Manager. The Airport Manager, at his sole discretion, based on the nature of the proposed improvement, alteration or repair project may waive one or more of the procedures as set forth in Section 2.11 herein. Notice of such waiver shall be in writing. In the absence of such written waiver, Lessee must follow the procedures as set forth in Section 2.11 herein.

(b) Preliminary Plans

Prior to the preparation of preliminary plans, Lessee shall contact the Airport Manager to schedule a pre-project meeting to brief City staff on the proposed improvement. Preliminary plans shall show the full extent of the improvements to be constructed including grading, drainage, landscaping, paving, structural details and utility locations and the relationship of the proposed improvements to all adjacent Airport parcels, public roadways, service roadways, taxiways and aircraft parking aprons. A minimum of three (3) full sets of preliminary plans shall be submitted for approval. Civil engineering plans shall include plan drawings submitted on a scale not smaller than one (1) inch equals fifty (50) feet. Architectural plans shall include plan drawings at a suitable scale but in no case shall the scale be smaller than 1/16 inch equals one (1) foot. Plans shall include complete specifications in sufficient detail for City to determine compatibility with City objectives for the overall aesthetic character and quality of the improvements, including the proposed exterior color, scheme, style, materials, wording and placement of all signs.

(c) Review of and Comment on Preliminary Plans

Within thirty (30) days of the date of receipt of the preliminary plans, City will return two sets of plans with comments. City review and comment on the preliminary plans does not mean or infer that the proposed improvement has been approved by City. Additional plans, specifications or design features beyond those submitted with the preliminary plans may be required and shall be prepared by Lessee at the request of City.

(d) Final Plans

A minimum of three (3) copies of final plans and specifications showing responses to comments received and setting forth in all necessary detail the requirements for construction of the project shall be submitted to City for approval prior to submitting plans to other applicable agencies so that City may check them for design conformance with the preliminary plans.

(e) Approval of Final Plans

Within thirty (30) days of the date of receipt of the final plans, if final plans are approved, City will return final plans to Lessee with City approval stamp on the plans. City will retain one full set of final plans. *City approval of the final plans shall only mean that the proposed improvement is consistent with City's goals and objectives for Airport development projects and does not infer that the proposed improvement is approved by the City officials, boards or commissions with regulatory jurisdiction over the project, such as the Building Official, Zoning Administrator, City Engineer, Planning Commission, Traffic Engineering Committee, City Council ("City Regulators").* After approval of the final plans by City, Lessee has full responsibility for obtaining all

required federal, State and local approvals and permits including compliance with California Environmental Quality Act (CEQA) requirements.

(f) Modification of Final Plans

Any modifications to the approved final plans including environmental mitigation measures, modifications imposed by City officials, commissions or boards with regulatory jurisdiction over the project, or construction change orders shall be submitted to City for approval prior to construction.

(g) Notice of Completion

Within ten (10) days of construction completion, Lessee shall submit a Notice of Completion to City. Within ten (10) days of receipt of Notice of Completion, City may schedule an inspection of the improvements to be accompanied by Lessee for purposes of confirming compliance with the final plans and any subsequent modifications to the final plans. This inspection tour may be scheduled at the same time Lessee schedules a final inspection in accordance with any requirements imposed by the City Regulators.

(h) As-Constructed/Record Drawings

Within sixty (60) days after filing the Notice of Completion, Lessee shall furnish to City one (1) set of original reproducible record drawings showing the "as-constructed" improvements.

Record drawings shall be dated and stamped by the engineer or architect of record. Drawings must meet FAA, and/or City of Ukiah standards. A complete set of magnetic CAD drawings, reflecting the same information as the record drawings, shall be delivered at the same time. Delivery of magnetic CAD drawings shall be on CD (compact disc), along with necessary printing/plotting information to allow City to reproduce drawings as originally designed.

(i) Removal of Unapproved Improvements

Improvements made on the Leased Premises without the approval of final plans for said improvements as outlined herein are hereby determined to be unapproved improvements constructed or installed in violation of the conditions, restrictions and requirements of this Agreement. Unapproved improvements shall be immediately removed at Lessee's sole expense. Portions of improvements that are not constructed as indicated and specified on approved plans are also hereby determined to be unapproved improvements and shall be immediately removed or corrected at Lessee's sole expense.

2.11 Insurance

(a) Throughout the term of this Agreement, Lessee for itself and its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, invitees, and suppliers shall maintain in full force and effect the forms of insurance specified in Exhibit B.

(b) In the event Lessee does not have the required certificate(s) of insurance and/or binder(s) evidencing the proper insurance coverage, or the required insurance coverage lapses, this Agreement shall automatically be terminated at City's option.

2.12 Notices

(a) Notices required herein shall be in writing and served personally, sent by overnight courier, such as UPS or Federal Express, U.S. Mail with first class postage prepaid, or facsimile. Any notice mailed pursuant to this Section 2.12(a), shall be presumed to have been received by the addressee 48 hours after deposit in the mail. Either party shall have the right, by giving written notice to the other, to change the addressee, address or facsimile number at which its notices are to be received. Until any such change is made, notices shall be addressed and delivered as follows:

City:

Airports Manager
1403 South State St.
Ukiah, Ca 95482

Lessee:

. Northern Sky RV
Ukiah, Ca 95482

If sent by facsimile, said notice shall be presumed to have been received by the recipient upon confirmation by facsimile machine provided that the following facsimile numbers are used:

City: (707)467-2855
Greg Owen
Airport Manager

Lessee:
David Nelson

(c) All notices shall be effective upon receipt and shall be deemed received upon delivery, if personally delivered.

(d) The person and address provided pursuant to Section 2.12(a) shall be deemed each party's agent for service of process, unless the party provides a separate written notice of its agent for service of process, including the agent's street address.

Article 3 General Conditions

3.01 Acceptance of Leased Premises

Lessee hereby accepts the Leased Premises in its "as-is" condition existing on the Commencement Date. Taking possession of the Leased Premises by Lessee shall be conclusive evidence that the condition thereof is satisfactory to Lessee. City makes no representation or warranty that the Leased Premises are suitable for the uses to which Lessee shall be restricted pursuant to this Agreement.

3.02 Accord and Satisfaction

No payment by Lessee or receipt by City of a lesser amount than the rent, fees and/or charges due to be made by Lessee herein shall be deemed to be other than on account of the rent, fees and/or charges due, and no endorsement or statement on any check or in any letter accompanying any check or payment as rent, fees and/or charges shall be deemed an accord and satisfaction, and City may accept such check or payment without prejudice to City's right to recover the balance of such rent, fees and/or charges or to pursue any other remedy provided in this Agreement.

3.03 Airport Regulations

In the use of the Leased Premises, Lessee agrees to observe, obey and abide by all ordinances, airfield rules and other regulations of City applicable thereto. In addition to the foregoing, Lessee shall comply immediately with any and all directives issued by the Airport Manager.

3.04 Amendment Required by FAA

This Agreement may be amended without further consideration for the purpose of satisfying FAA requirements.

3.05 Assignment and Subletting

(a) Assignment

Lessee shall have no right to assign, mortgage, and pledge or otherwise transfer this Agreement, either voluntarily or by operation of law, in whole or in part, without the prior written consent of the City in each instance.

(b) Subletting

Lessee shall have no right to sublease all or any part of the Leased Premises without the prior written consent of City.

3.06 Assurances Required By FAA

The FAA requires the City to include the seventeen (17) provisions set forth in Section B, "Assurances," in the attached Exhibit C, "Assurances Required by the Federal Aviation Administration," in all agreements (including, without limitation, leases, licenses, permits, and contracts) with any person or entity who uses or performs work or conducts activities on City-owned Airport premises for aeronautical or non-aeronautical purposes. By signing on this Lease, Lessee confirms that it has reviewed these assurances and understands and agrees to comply with them. Lessee agrees to fully comply with each of these assurances as they read in Exhibit C or as they may be amended in the future by the FAA. The guidelines established within Sections 2 through 4 of Section A of Exhibit C shall either be applicable to Lessee on the Effective Date or may subsequently become applicable to Lessee, as a result of changing facts and/or circumstances.

3.07 Authority of Agreement

Lessee warrants and represents that it has the right, power, and legal capacity to enter into, and perform its obligations under this Agreement, without any additional approvals or consents. The execution, delivery, and performance of this Agreement by the undersigned Lessee representatives have been duly authorized by all necessary corporate action of Lessee, and this Agreement will constitute a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms.

3.08 Authority of the Airport Manager

The Airport Manager shall administer this Agreement on behalf of City. The Airport Manager shall represent the City and communicate with the Lessee on behalf of the City. The laws and rules applicable to the City will determine which City official or employee has the authority to make any particular decision on behalf of the City.

Any appeals of these policies can be taken to the Airport Commission for review and recommendation to the City Council.

3.09 California Law

This Agreement shall be interpreted and enforced in accordance with the laws of the State of California. In the event of a dispute between the parties as to the language of this Agreement or the construction or meaning of any term hereof, this Agreement shall be deemed to have been drafted by the parties in equal parts so that no presumption or inferences concerning its terms or interpretation may be construed against any party to this Agreement.

Any litigation filed by Lessee or City against the other regarding the terms of this Agreement, performance of a party's obligations under this Agreement, or any other reason related in any way to this Agreement, shall be filed in the California state courts in Ukiah, California, and the appropriate California courts of appeal. Each party consents to the jurisdiction of such courts and agrees to venue in Ukiah.

The prevailing party in any action to interpret or enforce this Lease shall be entitled to recover its attorneys' fees and other costs of the litigation from the other party.

3.11 City's Remedies

Pursuant to Section 1951.2 of the California Civil Code:

(a) In the event that Lessee breaches this Agreement and abandons the property before the end of the term hereof, or if Lessee's right to possession is terminated by City because of a breach of this Agreement, this Agreement terminates. Upon such termination, the City may recover from Lessee:

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

(b) The "worth at the time of award" of the amounts referred to in Subsections (a)(i) and (ii) of this Section 3.11 is computed by allowing interest at the rate of eighteen percent (18%). The "worth at the time of award" of the amount referred to in Subsection (a)(iii) of this Section 3.11 is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(c) Damages which City may recover pursuant to Subsection (a)(iii) of this Section 3.11 include the worth at the time of award of the amount by which the unpaid rent for the balance of the term hereof exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided; or City may recover damages pursuant to Subsection (a)(iii) of this Section 3.11 in the event that City rerents the Leased Premises prior to the time of award and proves that in reletting the property it acted reasonably and in a good-faith effort to mitigate the damages.

(d) Efforts by City to mitigate the damages caused by Lessee's breach of this Agreement do not waive City's right to recover damages pursuant to said Section 1951.2 and this Section 3.11.

(e) Nothing in this Section 3.11 affects the right of City under this Agreement to indemnification for liability arising prior to the termination of this Agreement for personal injuries or property damage, as herein provided.

Notwithstanding the foregoing, in the event of Lessee's breach of this Agreement and abandonment of the Leased Premises, pursuant to Section 1951.4 of the California Civil Code, City may, at its sole option, elect to continue this Agreement and enforce all its rights and remedies herein against Lessee, including the right to recover the rent as it becomes due.

3.12 Cumulative Remedies

No remedy or election herein shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

3.13 Damage or Destruction of Improvements

In the event that any or all of the improvements located in or on the Leased Premises shall suffer partial or substantial destruction at any time during the term of this Agreement, the respective rights and obligations of the parties hereto with respect to reconstruction, repairing, and/or restoring such improvements and/or with respect to the matter of the continuance or termination of this Agreement following any such destruction, shall be controlled by the provisions of this Section 3.13.

(a) Definitions

For the purpose of this Agreement, the following definitions shall apply: 1) the term "Partial Destruction" as used herein, shall be deemed to mean a destruction of improvements to such an extent that the then currently estimated total costs of restoring the destroyed improvements to as good a condition of habitability and/or usability (for those certain uses herein authorized and intended therefore) as existed immediately prior to the occurrence of any such destruction shall not exceed fifteen percent (15%) of the then current estimated total replacement costs of all of the improvements on the Leased Premises (excluding land and personal properties). 2) the term "Substantial Destruction" as used herein, shall be deemed to mean a destruction of improvements to such an extent that the then current estimated total costs of restoring the destroyed improvements to as good a condition of habitability and/or usability (for those certain uses herein authorized and intended therefore) as existed immediately prior to the occurrence of any such destruction shall exceed fifteen percent (15%) of the then current estimated total replacement costs of all of the improvements on the Leased Premises (excluding land and personal properties).

(b) Repair Obligations and Rights of Termination

In the event the City-owned improvements located in or on the Leased Premises shall suffer Partial or Substantial Destruction at any time during the term hereof, then:

- (i) City may, but shall not be obligated to so perform, the reconstruction, repair, and/or restoration of such improvements.
- (ii) If the destruction is substantial, either party may cancel and terminate this Agreement as of the date of the occurrence of such destruction by giving written notice to the other party within sixty (60) days after such destruction.
- (iii) If, within sixty (60) days after the date of any partial destruction, City has not completed the reconstruction, repair, and/or restoration of the destroyed improvements, then, at any time prior to the completion of such reconstruction, repair and/or restoration by City, Lessee may cancel and terminate this Agreement by service of a minimum of thirty (30) days advance written notice upon City.
- (iv) If within sixty (60) days after the date of any substantial destruction, City has not commenced the reconstruction, repair or restoration of the destroyed improvements or, if such action has been commenced during said period but the Leased Premises shall not have been fully reconstructed, repaired or restored to a tenantable condition within one hundred twenty (120) days following the date of such Substantial Destruction, then, at any time prior to the completion of such reconstruction, repair or restoration by City, Lessee may cancel and terminate this Agreement by service of a minimum of thirty (30) days advance written notice upon City.

(c) Limitation on City's Obligations

The foregoing provisions of this Section 3.13 notwithstanding, City shall not be liable for or obligated to reconstruct, repair, restore, reinstall, or replace any improvements or any furnishings, fixtures, or equipment, or other personal property, installed, placed, located in, on or about the Leased Premises by Lessee, Lessee's employees, agents, representatives, tenants, or sub lessees.

(d) The Payment of Rental

In the event any or all of the City improvements located in or on the Leased Premises shall suffer either Partial or Substantial Destruction, at any time during the term hereof, the monthly rental due to be paid by Lessee shall be paid to the date of such destruction and shall then be abated to the extent that the Leased Premises are un-tenant-able, so that Lessee shall only be obligated to pay rental on those portions of the Leased Premises that are tenantable.

(e) Destruction

Lessee waives the provisions of California Civil Code Sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed by the provisions of this Section 3.13.

3.14 Early Termination by City

City may terminate this Agreement prior to expiration of the term hereof upon the happening of one or more of the following events:

- (a) Lessee fails to make any payment of rent or any other required payment, as and when due herein, where such failure continues for a period of fifteen (15) days following service of notice thereof upon Lessee by City;
- (b) Lessee fails to obtain or maintain any of the insurance coverage's required by this Agreement;
- (c) Lessee makes a general assignment for the benefit of its creditors;
- (d) Lessee files a voluntary petition, or becomes the subject of an involuntary petition, in any proceedings in Bankruptcy Court, and fails to assume the lease and provide adequate assurance that it will remain current on his lease payments, all in accordance with the Bankruptcy Act.;
- (e) Lessee vacates or abandons the Leased Premises for a period of thirty (30) days or more;
- (f) Lessee breaches the covenants contained in Sections 1, 2 or 4 of Section B of that document entitled "Assurances Required by The Federal Aviation Administration," and incorporated by reference in this Agreement in Section 3.06 or
- (g) Lessee defaults in performance of any promise, term, condition, or covenant required of it herein (other than those expressly set forth in Subsections (a) through (f) above, wherein no further default notice is required).

Failure to serve notice of termination upon the happening of any of the events described in this Section 3.14 shall not operate to bar or destroy City's right to thereafter declare such termination upon the subsequent happening of any such event.

3.15 Early Termination by Lessee

At any time that Lessee is not in default of its payments or other obligations to City herein, Lessee may terminate this Agreement prior to expiration of the term hereof upon the happening of one or more of the following events:

- (a) Permanent abandonment of Airport by City;
- (b) Assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of Airport, or any substantial part thereof, in such manner as to substantially restrict Lessee in its operations herein for a period of ninety (90) consecutive calendar days;
- (c) Issuance by a court of competent jurisdiction of a permanent injunction which in any way prevents or restrains use of Airport in a manner substantially restricting Lessee's operations at Airport herein; and
- (d) Default by City in the performance of any promise, term, condition or covenant required of it to be performed herein, provided City fails to cure such default within sixty (60) calendar days following receipt of written notice of such default from Lessee. However, if the nature of such default is such that it cannot reasonably be cured within such period, City shall be deemed to have cured such default if within such period City commences performance thereof and thereafter diligently prosecutes the same to completion.

Early termination by Lessee pursuant to this Section 3.15 shall be upon not less than fifteen (15) days advance written notice to the Airport Manager, which notice shall state the basis of such termination and the effective date thereof.

In the event of early termination by Lessee pursuant to this Section 3.15, Lessee shall pay rent to City, to and including the date of such termination, in accordance with Section 2.04.

3.16 Entire Agreement

This Agreement, together with all attached exhibits, contains the entire agreement between the parties, concerning the lease of the Leased Premises to Lessee. This Lease supersedes and replaces any other representations, statements or agreements by or between the parties concerning the lease of the Leased Premises to Lessee. This Agreement may be amended only by written instrument duly executed by Lessor and Lessee, except as stipulated in Section 3.04.

3.17 Execution by City Council

Submission of this document by City for review, examination or execution by Lessee does not constitute a reservation of an option to lease space on the Airport, and this document shall not be effective as a lease agreement, or otherwise, unless and until approved by the City Council of the City and executed by the officer authorized by said Council.

3.18 Force Majeure

Neither City nor Lessee shall be deemed to be in breach of this Agreement if either is prevented from performing any of its obligations herein by reason of strike, boycott, labor dispute, embargo, shortage of energy or materials, act of God, act of a public enemy, act of a superior governmental authority, weather conditions, rebellion, riot, sabotage, or any other circumstance for which it is not responsible, or which is not within its control.

3.19 Hazardous Materials

(a) Lessee's Compliance with Environmental Laws

Lessee shall at all times in all respects comply with all environmental laws, and any amendments thereto affecting Lessee's operation on the Airport, including all federal, State and local laws, ordinances and regulations relating to Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (1) defined as a "Hazardous Waste" or "Extremely Hazardous Waste" or "Restricted Hazardous Waste" under Section 25115, 25117 or 25122.7 or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "Hazardous Substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (3) defined as a "Hazardous Material" or "Hazardous Substance" or "Hazardous Waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (4) defined as a "Hazardous Substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (5) petroleum; (6) asbestos; (7) listed under Article 9 or defined as "Hazardous Wastes" or "Extremely Hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (8) designated as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1317); (9) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC Section 6901 et seq. (42 USC Section 6903) or; (10) defined as a "Hazardous Substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601 et seq. (42 USC Section 9601).

(b) Indemnification by Lessee

Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Leased Premises by Lessee, its agents, employees, contractors or invitees without the prior written consent of City (which City shall not unreasonably withhold or delay as long as Lessee demonstrates to the City's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's business and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon, used or kept in or about the Leased Premises). If Lessee breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the property caused or permitted by Lessee results in contamination of the Leased Premises, or if contamination of the Leased Premises by Hazardous Material otherwise occurs for which Lessee is legally

liable to City for damage resulting there from, then Lessee shall indemnify, defend and hold City harmless from any claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value of the Leased Premises and sums paid in settlement of claims, reasonable attorneys' fees, consultant fees and expert fees) which arise during or after the term of the Agreement as a result of such contamination. This indemnification of City by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, State or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Leased Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Leased Premises caused or permitted by Lessee results in any contamination of the Leased Premises, Lessee shall promptly take all actions at its sole expense as are necessary to clean up the Leased Premises to the extent required by government agencies having jurisdiction. In the event an order from a regulatory agency with jurisdiction over the Leased Premises is issued to investigate, monitor or clean up any contamination on, under or emanating from the Leased Premises, the City shall immediately notify Lessee and provide it the opportunity to negotiate with the acting government authority and enter the property to conduct investigatory, monitoring, or cleanup work, subject to reasonable conditions. In the event Lessee is responsible for any remediation or cleanup work on the premises after termination of the Agreement term, Lessee shall have the right to enter the property for performance of such obligation, subject to reasonable conditions.

(c) Notices

Lessee shall immediately notify City in writing of any enforcement, clean-up, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials laws. Lessee shall also supply to City as promptly as possible, and in any event within ten (10) business days after Lessee first receives or sends the same, with copies of all claims, reports, complaints, notices or warnings or asserted violations relating in any way to the Leased Premises or Lessee's use thereof.

(d) Right of Entry

During the term of this Agreement, the Airport Manager shall have the right of entry to test and determine the extent of any contamination of the Leased Premises. Entry for this purpose shall be with advance notice, at reasonable times, and should not unreasonably interfere with Lessee's use of the premises.

(e) Lead-Based Paint

Lessee agrees that in any improvements on the Leased Premises, Lessee agrees to be solely responsible for abatement of lead-based paint hazards, if Lessee's use is deemed to require abatement of lead-based paint hazards. The Lessee further agrees that in its use and occupancy of the Leased Premises, it will comply with Title X and all applicable Federal, State, and local laws relating to lead-based paint, if any are deemed to apply. City assumes no liability for damages for personal injury, illness, disability, or death, to the Lessee or to any other person including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with lead-based paint on the Leased Premises, whether Lessee and/or City has properly warned or failed to properly warn the individual(s) injured.

3.20 Headings

The headings of the articles and Sections of this Agreement are inserted only as a matter of convenience and for reference, and do not define or limit the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

3.21 Holding Over

If Lessee remains in possession of the Leased Premises following the expiration or earlier termination of this Agreement, such holding over shall not be deemed to constitute an extension or renewal of this Agreement, but shall merely create a tenancy from month-to-month which either party hereto may terminate upon thirty (30) days advance written notice to the other. In the event of such holding over, Lessee shall perform all terms, promises, conditions and covenants required of it herein, but shall pay rent to City in such amounts as may be designated by the Airport Manager, which in no case shall be less than that in effect immediately prior to such expiration or earlier termination of this Agreement.

3.22 Indemnification of City

Lessee shall indemnify, defend and hold City and its elected representatives, officers, agents and employees harmless from and against all liabilities, losses, costs, suits, claims, judgments, expenses, fines or demands of any kind (including, but not limited to, costs of investigation, court costs and expert fees) resulting from any injury, damage or death to any person or property, of any nature whatsoever, and arising out of or alleged to arise out of the use, occupancy or operations of Lessee, or any of its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, subtenants, invitees, or suppliers, at the Airport. Lessee shall not be liable for any injuries, death or damage to the extent that such injury, death or damage is caused by the sole and active negligence of City, its elected representatives, officers, agents or employees. This Section 3.2 shall survive the termination or expiration of this Agreement.

3.23 Independent Contractor

Lessee is not an employee or agent of City by reason of this Agreement, or otherwise. Lessee is an independent contractor, and as between City and Lessee, Lessee shall be solely responsible for its acts and omissions arising from or relating to its operations or activities at Airport, or lease of property herein.

3.24 Interpretation of Agreement

Nothing herein contained shall be construed or interpreted, in any manner whatsoever, as limiting, relinquishing or waiving any of the rights of ownership enjoyed by City in and to Airport property, or in any manner waiving or limiting City's control over the operation and maintenance of the Airport property or in derogation of such governmental rights as City possesses, except as is specifically provided for herein.

3.25 Invalid Provisions

In the event of any covenant, condition or provision of this Agreement, or the application thereof to any person, entity, or circumstances, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person,

entity, or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated, provided that such invalidity, voiding or unenforceability of such covenant, condition or provision does not materially prejudice either party in its respective rights and obligations contained in the then remaining valid covenants, conditions or provisions of this Agreement.

3.26 Licenses and Permits

Lessee shall obtain, at its sole cost and expense, all necessary licenses and permits required for construction of improvements or installation of equipment on the Leased Premises, and any other licenses or permits necessary for the conduct of Lessee's operations at Airport.

3.27 National Pollutant Discharge Elimination System

Operator shall comply with all federal and State regulations governing the National Pollutant Discharge Elimination System (NPDES) including all future amendments of said regulations, and procedures as may be adopted by federal, State or local agencies.

3.28 Negation of Partnership

Nothing in this Agreement shall be construed to render City in any way or for any purpose, a partner, joint venture, or associate in any relationship with Lessee other than that of landlord and tenant, nor shall this Agreement be construed to authorize either City or Lessee to act as agent for the other.

3.29 Net Lease

Except as otherwise expressly provided, this Agreement shall be without cost to City for the maintenance and improvement of the Leased Premises.

3.30 Noise Control

Lessee shall not conduct any operation or activity on the Leased Premises, or elsewhere at Airport, which produces sound of such volume, frequency or intensity as to constitute a nuisance. The Airport Manager shall have the sole and exclusive authority to determine what constitutes a nuisance under the provisions of this Section, except that operations and activities having noise levels not in violation of federal, State or local governmental standards shall not be deemed a nuisance.

3.31 Nondiscrimination

Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, creed, national origin, sex, age or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Lessee's facilities pursuant to its operations herein; (2) that in the furnishing of services on Airport, no person on the grounds of race, color, creed, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefit of, or otherwise be subjected to discrimination; (3) that Lessee shall use Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.

3.32 Nonexclusive Rights

Nothing herein shall be construed to grant or authorize the granting of any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport; provided, however, subject to the terms and provisions of this Agreement, Lessee shall have the right to exclusive possession of the Leased Premises described by Section 2.02.

3.33 Non-waiver of Rights

No waiver of default by either party hereto of any of the terms, promises, covenants, or conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, promises, covenants, or conditions herein contained, to be performed, kept, and observed by such other party.

3.34 Notice of Claims and Suit

City and Lessee shall each give the other prompt and timely written notice of any personal injury or other accident claims, and of any lawsuit coming to its knowledge when either such claim or lawsuit arises out of or is in any way connected with the Subleased Premises, the operations of Lessee herein, or the construction or operation of Airport by City, which in any way, directly, indirectly, contingently or otherwise, might reasonably affect the parties' relationship under this Agreement.

Such notice shall be deemed prompt and timely if given within thirty (30) calendar days following the date of receipt of such claim by an officer, agent, or employee of either party, and if given within ten (10) calendar days following the date of service of process upon either party with respect to any such lawsuit.

3.35 No Warranty Regarding Airport

City does not warrant that Airport will continue to be used as an airport during the term of this Agreement. In the event that such airport use is terminated, whether temporarily or permanently, Lessee shall neither claim, nor have entitlement to, any damages whatsoever from City.

3.36 Nuisance and Waste

Lessee shall not erect, nor permit to be erected, any nuisance on the Leased Premises, or permit any waste thereof. Lessee shall not permit any trash or garbage to accumulate on or about the Leased Premises.

3.37 Prohibition of Liens

Lessee shall pay promptly, as due, all persons supplying labor and materials for any alteration of, or improvement to, the Leased Premises, and shall permit no lien or claim to be filed or prosecuted against City on account of such labor and materials furnished.

3.38 Release of Liability

City shall not be liable for, and is hereby released from any and all liability to Lessee, to Lessee's insurance carrier or to anyone claiming under or through Lessee, for any loss or

damage whatsoever to the property or effects of Lessee resulting from the discharge of water or other substance from pipes, sprinklers, conduits, containers, appurtenances thereof, or fixtures thereto; or from any damage resulting from the discharge or failure of electric current, regardless of cause or origin, except the active negligence of City, its employees or agents.

3.39 Removal of Lessee's Property

If Lessee is not in default as to the payment of any rent, fee, or other charge payable to City herein, Lessee may remove its inventory, Trade Fixtures and furnishings from the Leased Premises upon expiration or earlier termination of this Agreement. If Lessee does not elect, or otherwise fails to remove the same, or any part thereof, within thirty (30) days following City's regaining possession of the Leased Premises, City may, at its option, either require such removal at Lessee's sole cost and expense, or keep such property, in which latter event, title to the same shall vest in City without any obligation to pay Lessee with respect thereto.

3.40 Reports

Lessee shall provide City with any reasonable financial or statistical reports which the Airport Manager may from time to time request by written notice to Lessee.

3.41 Restrictions and Regulations

This Agreement, and the rights herein granted, shall be subject to any and all applicable federal, State and City rules, regulations, orders and restrictions which are now in force or which may hereafter be adopted by any duly authorized governmental agency with respect to Lessee's operation at Airport.

3.42 Right of Entry

City, its officers, agents, and employees shall have the right, without limitation, throughout the term of this Agreement, to enter upon the Leased Premises for any lawful purpose, including the purpose of determining whether Lessee is complying with its obligations under this Lease.

Such entry by City shall not be deemed to excuse Lessee's performance of any promise, term, condition, or covenant required of it by this Agreement, and shall not be deemed to constitute waiver thereof by City.

3.43 Risk Reduction

Lessee shall neither use nor permit the use of the Leased Premises in such a manner as to increase the risk which would affect the rate of insurance thereon in excess of that in existence at the commencement of the term hereof.

3.44 Signs

As used herein, "sign" means any advertising sign, billboard, identification sign or symbol, poster, or other similar device, regardless of content.

Lessee shall not erect, maintain, or display any sign on the Leased Premises, or elsewhere at Airport, without the prior written consent of the Airport Manager. Lessee shall submit drawings, sketches, designs, and dimensions of such signs to the Ukiah Airport Manager when requesting such approval. All such signs shall be consistent with City's general sign

policy for Airport and the provisions of the Ukiah City Code. Any condition, restriction, or limitation as to use or appearance of such signs as may be stated by the Airport Manager in writing shall become a part of this Agreement, as if specifically set forth herein.

3.45 Subordination

This agreement shall be subordinate to the provisions of any existing and future agreement, rules and regulations between Lessor and the United States of America, or any agency or administrative arm thereof relating to the operation or maintenance of the Ukiah Municipal Airport or the conduct or operation of any flight school or other governmental operation thereon.

3.46 Successors and Assigns

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, and personal representatives of the parties hereto.

3.47 Surrender of Leased Premises

City is not required to give Lessee any notice to quit possession of the Leased Premises upon expiration or earlier termination of this Agreement. Lessee shall peaceably surrender possession of the Leased Premises upon expiration or earlier termination of this Agreement in as good order and condition as when received, excepting reasonable wear, destruction by lightning or other natural causes, or fire not caused by the acts or omissions of Lessee, its officers, agents, employees, subcontractors, customers, invitees, or other persons doing business with Lessee or on the Leased Premises with the consent of Lessee.

3.48 Taxes

Lessee shall, at its sole cost and expense, pay any and all taxes for which it is responsible, or which may be assessed against it.

(a) Possessory Interest and Property Taxation

Under this Agreement a possessory interest subject to property taxation may be created and that the party in whom the possessory interest is vested may be subject to the payment of property taxes and special taxes levied on such interest.

Lessee shall pay any and all taxes, assessments, and other charges of whatsoever character that may be levied or charged upon Lessee's leasehold interest or its improvements, operations, business inventory or business equipment.

(b) Right to Contest Taxes

Lessee shall have the right to contest at its own expense and without cost, expense or liability to the City, in its own name, or, to the extent reasonably necessary, in City's name, in good faith and by all appropriate proceedings, the amount, applicability, or validity of any tax assessment for which the Lessee is liable under the terms of this Lease or arising out of its use of the Leased Premises.

In the event Lessee initiates such contest, City shall reasonably cooperate with Lessee, provided that such contest will not subject any part of the surface of Airport property to forfeiture or loss.

If, at any time, payment of any tax or assessment becomes necessary to prevent any forfeiture or loss, Lessee shall timely pay such tax or assessment to prevent such forfeiture or loss.

3.49 Time of the Essence

Time is of the essence in the performance of this Agreement.

3.50 Trash and Garbage

Lessee shall, at its sole cost and expense, provide a complete and proper arrangement for the adequate sanitary handling and disposal away from Airport of all trash, garbage, and other refuse resulting from, or in any way associated with, Lessee's operations. Such arrangements shall include, but not be limited to, the use of suitable covered metal receptacles at the Leased Premises for such garbage, trash and other refuse, and shall comply with the applicable provisions of the Ukiah City Code.

3.51 Vehicular and Equipment Parking

Vehicular and equipment parking by Lessee, its employees, agents, suppliers, subcontractors, customers, guests or invitees shall be restricted to Lessee's Leased Premises. Parking in areas other than the Leased Premises shall be subject such regulations or restrictions as apply to the general public, including the payment of such parking fees and charges as may from time to time be in effect for designated areas.

3.52 Execution of Agreement

IN WITNESS WHEREOF, the parties have entered this Agreement on the Effective Date.

CITY OF UKIAH

By: Jane Chambers
Jane Chambers, City Manager

Lessee:

By: David Nelson
David Nelson

By: _____

EXHIBIT A



CITY OF UKIAH

INSURANCE REQUIREMENTS FOR LESSEES

Without limiting Lessee's obligation to indemnify the City under the attached Agreement for Lease of Property (Agreement), Lessee shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with Lessee's space, products and operations pursuant to the Agreement. City shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the City's Risk Management Office the insurance provisions in these requirements do not provide adequate protection for City and for members of the public, City may require Lessee to obtain insurance sufficient in coverage, form and amount to provide adequate protection. City's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

Verification of Coverage

Lessee shall furnish the City with certificates of insurance evidencing coverage required herein, including copies of endorsements with specific reference to each of the coverage modifications or amendments set forth below. **Certified copies of required endorsements must be attached to provided certificates**. All certificates are to be received and approved by the City prior to the effective date of the Agreement. The City reserves the right to require that Lessee provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, the Lessee's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these specifications.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 6/92) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by State of California and Employer's Liability Insurance.
4. Cargo Legal Liability (if applicable)

Minimum Limits of Insurance

Lessee shall maintain for itself and its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, invitees, and suppliers limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Fire legal not less than \$1,000,000.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage for all owned, non-owned, and hired vehicles operated by or on behalf of Lessee on the Leased Premises, or elsewhere at the Airport, including any additional or replacement vehicles.
3. Workers' Compensation: Statutory
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
5. Cargo Legal Liability: \$100,000 covering any non-owned cargo in the care, custody and control of Lessee at Airport.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or the Lessee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, agents and volunteers are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the Lessee; products and completed operations of the Lessee; premises owned, occupied or used by the Lessee; or automobiles owned, leased, hired or borrowed by the Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, agents or volunteers.

2. For any claims related to Lessee's activities pursuant to the Agreement, the Lessee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
4. The Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been received by the City.
6. To the extent permitted by law, the workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the City, its officers, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with work performed under this Agreement by the Lessee.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.. The City Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the City and the general public are adequately protected..

ASSURANCES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION**SECTION A****Purpose, Classes of Activities, Applicability of Assurances
And
Definition of Terms****1. PURPOSE:**

The City of Ukiah, California, an airport owner subject to both Federal Grant Agreement obligation; is required by the Federal Aviation Administration (FAA) to include specific provisions, addressing, among other things, the requirements of Title VI of the Civil Rights Act of 1964, Exclusive Rights prohibitions, and Affirmative Action items contained in Title 14 Code of Federal Regulations Part 152, within all agreements (including, without limitation, leases, licenses, permits, and contracts) between said City and any and all entities who use or perform work or conduct activities on City owned or operated airport premises for aeronautical or non-aeronautical purposes. The purpose of this Exhibit is to appropriately incorporate within the "Agreement," to which it is attached and made a part of by reference therein, the seventeen (17) numbered provisions contained within Section "B," "ASSURANCES," below.

2. CLASSES OF ACTIVITIES:

The applicability of each of the seventeen (17) numbered provisions contained within Section "B," "ASSURANCES," below, to that certain "Agreement" to which this Exhibit is attached and made a part of by reference therein, is, among other things, dependent upon the type of work to be performed and/or the type of activities to be conducted at the airport(s) by the Lessee, Permittee, Licensee, Operator, etc., named therein, pursuant to and in accordance with those certain rights, privileges, uses, and operations, expressly granted and/or authorized there under. The following activity classifications, as established by the FAA, are provided for the information and guidance of all concerned:

a. Direct and Supportive Aeronautical: The following activities, commonly conducted on airports, are AERONAUTICAL ACTIVITIES:

- (1) Aerial Firefighting
- (2) Charter Operations
- (3) Pilot Training
- (4) Aircraft rental and sightseeing
- (5) Air Ambulance
- (6) Crop dusting
- (7) Aerial Advertising and Surveying
- (8) Aircraft Sales and Services
- (9) Sale of Aviation Petroleum products (whether or not conducted in conjunction with other included activities)
- (10) Repair and Maintenance of Aircraft
- (11) Sale of Aircraft Parts
- (12) Any other activities which, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an "aeronautical activity."

- b. Complementary Aeronautical: The following activities, when conducted on airports, are COMPLEMENTARY AERONAUTICAL ACTIVITIES:

- (1) Ground Transportation (taxis, car rentals, limousines)
- (2) Restaurants
- (3) Barber Shops
- (4) Auto Parking Lots
- (5) Recreational Facilities
- (6) Any other commodities, services or accommodations made available to the general public.

- c. Non-Aeronautical: The following activities, when conducted on airports, being neither "Direct and Supportive Aeronautical" nor "Complementary Aeronautical," as defined above, are NON-AERONAUTICAL ACTIVITIES.

- (1) Manufacturing
- (2) Agriculture
- (3) Any other activity not appropriately falling within the above-said "Direct and Supportive Aeronautical" and/or "Complementary Aeronautical," classifications.

3. APPLICABILITY OF NUMBERED PROVISIONS WITHIN SECTION "B," "ASSURANCES," BELOW TO CLASS (ES) OF ACTIVITIES SPECIFIED WITHIN PARAGRAPH 2, ABOVE:

The applicability of the numbered provisions within Section "B," "Assurances," below, to the respective classes of activities specified within sub-paragraphs 2a, b, and c, of this Section "A," above, is as follows:

<u>ACTIVITY CLASS</u>	<u>NUMBERED PROVISIONS APPLICABLE TO CLASS</u>
Direct and Supportive Aeronautical	1 through 17
Complementary Aeronautical	1 through 16
Non-Aeronautical	1 through 16

4. DEFINITION OF TERMS USED WITHIN SECTION "B," "ASSURANCES," BELOW:

In order to facilitate ease of fulfillment of the requirement specified within paragraph 1 of this Section "A," this Exhibit is designed to be attached to and made a part of all City of Ukiah Airport "Agreements," including, without limitation, leases, licenses, permits, contracts, etc. Therefore, in the event the "Agreement" to which this Exhibit is attached and made a part of by reference therein shall be other than a lease or be a lease within which the parties thereto are therein called or referred to other than "Lessor" and "Lessee," then, where the terms "Lessor," "Lessee," and "Lease" appear, as shown, within the seventeen (17) numbered "ASSURANCES" listed within Section "B," below, said terms shall be deemed to mean "CITY OF UKIAH, CALIFORNIA," "THE OTHER PARTY TO THE PARTICULAR AGREEMENT" (e.g., Licensee, Permittee, Concessionaire, Operator, etc.), and the "AGREEMENT" itself (regardless of title, type and/or description, including, without limitation, Leases, Agreements, Licenses, Permits, and Contracts) respectively. Where the terms "LAND LEASED" and "LEASED PREMISES" (and all reasonably readily identifiable derivations thereof) appear, said terms shall be deemed to mean the

land(s) and/or premises specifically identified within the "Agreement" as being that/those to which leasehold tenancies, occupancies, use(s), operation(s), and/or access(es) by the Lessee, Permittee, Licensee, Operator, Concessionaire, etc., are expressly authorized. In all cases, where the term "AIRPORT" appears, as shown, it shall be deemed to mean Ukiah Regional Airport as identified within the "Agreement" between the parties as being the Airport to which the "Agreement" pertains.

SECTION B

Assurances

1. The "LESSEE," for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the "Agreement" to which this Exhibit is attached is a lease) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this "LEASE" for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the "LESSEE" shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. The "LESSEE," for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the agreement to which this Exhibit is attached is a lease) that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the "LESSEE" shall use the "premises" in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. That in the event of breach of any of the above nondiscrimination covenants, "LESSOR" shall have the right to terminate the "LEASE" and to reenter and repossess said land and the facilities thereon, and hold the same as if said "LEASE" had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.
4. "LESSEE" shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, THAT the "LESSEE" may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such non-compliance the CITY OF UKIAH, CALIFORNIA ("LESSOR") shall have the right to terminate this "LEASE" and the estate hereby created without liability therefore or at the election of the "LESSOR" or the United States either or both said Governments shall have the right to judicially enforce Provisions 1, 2, 3, and 4 above.
6. "LESSEE" agrees that it shall insert the above five (5) provisions in any lease, agreement, contract, etc., by which "LESSEE" grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the "premises" herein "LEASED."
7. The "LESSEE" assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The "LESSEE" assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The "LESSEE" assures that it will require that its covered sub organizations provide assurances to the "LESSEE" that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. The "LESSOR" reserves the right to further develop or improve the landing area of the "Airport" as it sees fit, regardless of the desires or view of the "LESSEE" and without interference or hindrance.
9. The "LESSOR" reserves the right, but shall not be obligated to the "LESSEE," to maintain and keep in repair the landing area of the "Airport" and all publicly-owned facilities of the "Airport," together with the right to direct and control all activities of the "LESSEE" in this regard.
10. This "LEASE" shall be subordinate to the provisions and requirements of any existing or future agreement between the "LESSOR" and the United States, relative to the development, operation or maintenance of the "Airport."
11. There is hereby reserved to the "LESSOR," its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the "premises" herein "LEASED." This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the "Airport."
12. "LESSEE" agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the "LEASED PREMISES," or in the event of any planned modification or alteration of any present or future building or structure situated on the "LEASED PREMISES."
13. The "LESSEE," by accepting this "LEASE," expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the "land leased" hereunder which would exceed the height limits of Part 77 of the Federal Aviation Regulations. In the event the aforesaid covenants are breached, "LESSOR" (the owner) reserves the right to enter upon the "land leased" hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the "LESSEE."

14. The "LESSEE," by accepting this "LEASE," agrees for itself, its successors and assigns, that it will not make use of the "LEASED PREMISES" in any manner which might interfere with the landing and/or taking off of aircraft at and/or from the "AIRPORT" (either Sacramento International Airport, Sacramento Executive Airport or Mather Field, as applicable) or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the "LESSOR" (owner) reserves the right to enter upon the "premises hereby leased" and cause the abatement of such interference at the expense of the "LESSEE."

15. This "LEASE," and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said "AIRPORT" or the exclusive or nonexclusive use of the "AIRPORT" by the United States during the time of war or national emergency.

16. It is the policy of the Department of Transportation (DOT) that disadvantaged and minority business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of leases as defined in 49 CFR 23.5. Consequently, these leases are subject to 49 CFR Part 23, as applicable. "LESSEE" hereby covenants and agrees that no person shall be excluded from participation in, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract, including leases, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex. "LESSEE" agrees that it will include the above clauses in all sub-leases and cause sub lessees to similarly include the clauses in further sub-leases.

17. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).





CITY OF UKIAH
AGREEMENT FOR LEASE
OF AIRPORT PROPERTY

**AGREEMENT FOR LEASE OF PROPERTY
UKAIH AIRPORT
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- A. Leased Premises
- B. Insurance Requirements
- C. FAA Assurances

UKIAH AIRPORT

Lease Summary

Type of Agreement	LEASE OF BUILDING AND ASSOCIATED AREAS AT UKIAH AIRPORT	
Lessor	City of Ukiah	
Lessee	Northern Sky RV	
Representative	David Nelson	
Phone	(707)463-1945	
Notice Address	<u>Lessee</u> Northern Sky RV Ukiah, Ca 95482	<u>Lessor</u> City of Ukiah 1403 South State St Ukiah, CA 95482
Initial Term	Month to Month commencing on Effective Date of Agreement	
Termination	30 days' notice	
Leased Premises	Approximately 1,200 sq ft of storage building space identified as shown on Exhibit A Approximately 65,000 sq ft of ground as shown on Exhibit A	
Rent	Lease year 1: 65,000 sq ft un-paved ground at \$0.03 per sq ft per month \$1950.00 1,200 sq ft storage building at \$0.29 per sq ft per month <u>\$ 348.00</u> \$2,298.00	
Rent Increases	CPI adjustments annually July 1. (Reference 2.04 (c))	
Security Deposit	Initially \$1950.00 thereafter adjusted based upon 1 month Base Rent.	
Utilities	Lessee Responsibility. (Reference Section 2.06)	
	Most performed by lessee. (Reference Section 2.10)	
Other Fees	Reference Sections 2.06 - 2.09, 2.11, 3.05, 3.11, 3.13, 3.14, 3.20, 3.22, 3.27, 3.38 and 3.50	
Authorized Use(s)	Storage vehicle, equipment, material, and automobile parking	
Minimum Insurance	Per Exhibit B, summarized as: Each Occurrence: \$1,000,000 Automobile Liability: \$1,000,000 General Aggregate: \$1,000,000 Products Comp/Op Aggregate:\$1,000,000	Personal & Adv. Injury: \$1,000,000 Fire Damage: \$ 1,000,000 Workers' Compensation: Statutory Employer's Liability:\$1,000,000 per accident for bodily injury or disease

Note: This Lease Summary is presented as a reference of the Lease information at the time of execution. If there is a discrepancy between the information contained in this Lease Summary and the requirements contained in the remainder of this Lease, the requirements as stated in the remainder of this Lease will be applied.

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**AGREEMENT FOR LEASE OF PROPERTY
UKIAH AIRPORT**

THIS AGREEMENT is entered on October 4, 2018 "Effective Date"), by the CITY OF UKIAH, a general law municipal corporation, hereafter "City," and Northern Sky RV., a limited liability company Northern Sky RV, organized under and in compliance with the laws of the State of California, and authorized to conduct business in the State of California, hereafter "Lessee."

RECITALS:

1. City operates and maintains the Ukiah Municipal Airport, (hereafter "Airport"), located in the City of Ukiah, California, and has the right to lease portions of such Airport, subject to the terms and conditions hereafter set forth.
2. Lessee is a company engaged in Storage vehicle, equipment, material, and automobile parking.
3. Lessee desires to lease Airport property and facilities from the City for use in conducting Lessee's operations at the Airport.
4. City is willing to lease property and facilities to Lessee on the terms and conditions set forth in this Lease.

AGREEMENT:

City and Lessee hereby agree as follows.

Article 1 Definitions

As used herein, the following words and phrases shall have the meanings set forth below:

1.01 Airport

"Airport" means the Ukiah Municipal Airport operated by the City as a public airport.

1.02 Airport Manager

"Airport Manager" means the City employee who manages the day-to-day operation of the Airport and who has the authority and responsibilities contained in Division 6, Chapter 1, Article 1 of the Ukiah City Code, commencing with Section 5000. Whenever in this agreement reference is made to the Airport Manager, that reference may include any other officer or employee of the City, including the City Council or the City Manager, if the approval of that other officer or employee is required by the laws and rules applicable to the City.

1.02 Anniversary Date

"Anniversary Date" means the day and month of the Effective Date in each year following the year, when this lease was first entered by the parties.

1.03 Base Rent

"Base Rent" means rent specified in Section 2.04(b) of this Lease.

1.04 CPI

"CPI" means the Consumer Price Index published by the United States Bureau of Labor Statistics, for all commodities for all urban consumers in the All U.S. Cities Average Index (index base 1982-84=100).

1.05 City Council

"City Council" means the legislative body of the City as established in Title 4, Division 3, Part 2 of the California Government Code, with the authority to lease City property, including property at the Airport.

1.06 DOT

"DOT" means the United States Department of Transportation, and any federal agency succeeding to its jurisdiction.

1.07 FAA

"FAA" means the Federal Aviation Administration of the United States government, and any federal agency succeeding to its jurisdiction.

1.08 Sign

"Sign" shall have the meaning set forth in Section 3.44.

1.09 Leased Premises

"Leased Premises" means those certain premises leased to Lessee pursuant to this Lease, which premises is more particularly described by Section 2.02 and the attached Exhibit A.

1.10 Lease Year

"Lease Year" means a period of twelve (12) consecutive calendar months, starting on the Effective Date December 5, 2018 ("Commencement Date") and ending December 5, 2019.

1.11 Trade Fixtures

"Trade fixtures" shall mean, but shall not be limited to: any signs (electrical or otherwise) used to identify Lessee's business; all machinery and equipment used in connection with Lessee's required or permitted activities pursuant to this Agreement, whether or not such machinery or equipment is bolted or otherwise attached to the Leased Premises; and all other miscellaneous office equipment, furnishings, and personal property of the Lessee.

Article 2 Special Conditions

2.01 Term

(a) Commencement

The term of this Agreement shall be for month to month, commencing on the Commencement Date.

(b) Extension of Initial Term

Lessee may request an extension of the Initial Lease Term and the parties shall negotiate an Extended Term in good faith. Any Extended Term must be evidenced by a written amendment of this Lease approved by each party and signed by their authorized representatives.

(c) Use of the Word "term"

Whenever the word "term" is used hereafter in this Agreement it shall mean the Initial Term and include any Extended Terms to which the parties have agreed.

2.02 Description of Leased Premises

City hereby Leases to Lessee the following premises at Airport more particularly described below and shown on Exhibit A, attached hereto and incorporated herein by this reference:

- (a) Approximately 65,000 square feet of land-side unpaved ground (Exhibit A).
- (b) Approximately 1,200 square feet storage building (Exhibit A)

Lessee accepts the Leased Premises as specified herein and such area shall not be subject to recalculation. Except as provided herein, all premises are leased in their "as is" condition and without any expressed or implied representations or warranties of any kind whatsoever.

2.03 Use of the Leased Premises

(a) Permitted Use

Subject to the limitations set forth in Section 2.03(b), and elsewhere in this Agreement, Lessee may use the Leased Premises for any or all of the following purposes, but for no other purposes:

City authorizes Lessee to use the assigned space Storage vehicle, equipment, material, and automobile parking.

Lessee, its employees, agents, guests, invitees, suppliers of material and furnishers of services shall have full rights of ingress and egress with respect to the following areas: 1) common use areas of the Airport; 2) the Leased Premises.

Lessee's use of the Leased Premises shall be in accordance with the laws of the federal government and State of California, the ordinances, rules and

regulations of the City of Ukiah, the regulations of the FAA, the DOT, and the applicable requirements of any other governmental agency with jurisdiction over the Airport or Lessee's operations at the Airport. Lessee shall not engage in any operations at Airport prior to obtaining any certification that may be required by the FAA. Lessee shall furnish the Airport Manager a copy of any such certificates, upon request.

(b) Limitations

Lessee shall use the Leased Premises in accordance with the following limitations and all other applicable terms, promises, conditions, and covenants contained herein.

1. Except as specifically authorized in subsection (a) of this Section 2.03, Lessee shall not:

a. engage in any commercial or noncommercial aeronautical or non-aeronautical activity at Airport other than as provided in Section (a), including the sale of fuel without first complying with the *Commercial Operating Standards – Ukiah Airport* and obtaining the required permits or agreements from City; and

b. sell airline trip insurance over the counter or by machine.

c. install or operate coin-operated food or drink dispensing machines or devices unless approved in writing by the Airport Manager.

d. install pay telephones. City specifically reserves the right to arrange for the installation of such pay telephones as Lessee may desire and to secure the income from such installations unless approved in writing by the Airport Manager.

e. sell prepaid telephone cards or lottery tickets unless approved in writing by the Airport Manager.

f. sell any goods or service not approved in writing by the Airport Manager, including, but not limited to, threatening devices or weapons.

g. solicit or advertise goods which are not authorized by the Airport Manager under this Agreement.

h. in any way obstruct or interfere with the rights of others at Airport or injure or annoy them.

i. allow any sale by auction on the Leased Premises, without the prior consent of the Airport Manager.

j. use or allow the Leased Premises to be used for any improper, immoral, or unlawful purpose.

k. obstruct the sidewalks, roadways or passageways adjacent to the Leased Premises.

2.04 Rent

Lessee shall pay rent to City as follows:

(a) Time and Manner of Payment

Lessee shall pay all rent in advance, in equal monthly installments, at City's accounting office, at the address shown for City under Section 2.1 herein, on the first day of each calendar month throughout the term of this Agreement. Each such monthly installment shall be in an amount equal to one-twelfth (1/12th) of the rent payable for the Lease Year then in effect. Rent for partial months shall be pro-rated on a daily basis, based on a 365-day year.

Calculation of rent herein, on the basis of amounts payable per Lease Year, is for purposes of convenience only, and shall not be construed as affecting Lessee's obligation to pay City rent for the entire term hereof.

(b) Base Rent

Commencing on the Commencement Date Lessee shall pay Base Rent in the total amount of two thousand two hundred ninety-eight dollars and .no/100 (\$2,298.00) for the first Lease month, at the rate of \$2,298 per month). Base Rent has been calculated based on the following rates:

- (i) Ground Space: \$ 1950.00 per Month.
- (ii) Building Storage Space: \$348.00 per Month

(c) CPI Rental Increases

Lessee shall pay rental increases, calculated as follows:

- (i) Effective on the July 1st of each Lease Year Lessee shall pay rent based on the just completed Lease Year's rent plus an additional amount calculated as follows:

The just completed Lease Year's rent shall be multiplied by the same percentage as the percentage increase, if any, in the current CPI, prior to any seasonal adjustment, as compared to the same month in the preceding year (e.g. July 2008 level of 219.964 (1982-84=100) is 5.6% higher than in July 2007) Lessee shall pay as additional rent a sum equal to the product thereof, to the extent that such sum does not exceed five percent (5%) of the total rent payable by Lessee for the immediately preceding Lease Year.

- (ii) Any decrease in the CPI shall not result in any decrease in Lessee's rental obligation herein.

2.05 Security Deposit

(a) Initial Deposit

Upon Commencement, Lessee shall deposit with the finance office the sum equivalent to one month rent, initially two thousand two hundred ninety-eight dollars and .no/100 (\$2,298.00) City shall not be responsible for payment of any interest on the deposited funds.

(b) Deposit Increases

At such a time that the monthly rental amount is increased, Lessee will increase the amount on deposit by that amount.

(c) Conditions of Deposit

City may use such deposit, or any portion thereof, for payment of any sum owed to City by Lessee, and such use may be without prior notice to Lessee. If any portion of such deposit is used to correct such a default, Lessee shall pay to City, upon demand therefor, such sums as are needed to return the full amount of the deposit with City to an amount equivalent to two months' rent, and such payment shall be made to City by Lessee within fifteen (15) days of such demand.

Within fifteen (15) days of applying such deposit to correct a default or to pay amounts due or owing upon termination of this Agreement, City shall provide Lessee with an accounting of such deposit application. Upon termination of this Agreement, such deposit less any amounts due or owing to City by Lessee shall be refunded to Lessee.

2.06 Additional Fees, Charges and Rentals

Lessee shall pay to City additional fees, charges and rentals in the event of any of the following:

- (a) If City has paid any sum or sums, or has incurred any obligation or expense, for which Lessee has agreed to pay or reimburse City, or for which Lessee is otherwise responsible;
- (b) If City is required or elects to pay any sum or sums, or incur any obligation or expense, because of the failure, neglect or refusal of Lessee to perform or fulfill any of the promises, terms, conditions or covenants required of it herein;
- (c) Pursuant to any separate agreement between the parties not contained herein; or
- (d) Pursuant to any ordinance, resolution or minute order of City.

Lessee's obligations pursuant to this Section 2.0 shall include all interest, cost, damages, and penalties in conjunction with such sums so paid or expenses so incurred by City, which may be added by City to any installment of fees, charges, and rents payable herein. Each and every part of such payment by City shall be recoverable by City in the same manner and with like remedies as if it were expressly set forth herein.

For all purposes under this Section 2.0, and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum or sums by City for or in connection with any work done or material furnished shall be prima facie evidence against Lessee that the amount of such payment was necessary and reasonable.

Lessee shall pay City pursuant to this Section 2.0 within thirty (30) days following demand therefor, or within the time specified by applicable ordinance, resolution, or minute order of City.

2.07 Liquidated Damages from Late Payments

If Lessee is in arrears for seven (7) days or more following the due date of any amount payable to the City under this Lease, the parties acknowledge that additional clerical, accounting and other work will be performed which would not otherwise be needed absent the late payment. In addition, because the actual charges as a result of the late payment are difficult to identify, the parties hereby agree that Lessee shall pay as a reasonable charge, liquidated damages for the late payment in the amount of eighteen percent (18%) annual percentage rate, or twenty five dollars (\$25.00) whichever is greater, applicable from the date such payment was due to the date of actual payment. If the maximum charge permitted by law is less than the foregoing amount, then the rate shall be such amount determined to be the maximum legal amount.

2.08 Utilities

Lessee, at Lessee's sole cost and expense, shall make its own arrangements and pay for all charges assessed for any and all of its utilities, including, but not limited to, electrical power, natural gas, water, sanitary sewer, trash/garbage collection and disposal, telephone and communication services, and for any other utility service or other service supplied to or used on the Leased Premises, including any and all connection and metering charges, as billed directly to Lessee by the City of Ukiah utilities departments or any other utility companies furnishing such services. Where multiple rental units are supplied a utility service through a master meter for which the Airport or the City is billed, Lessee shall pay such costs and charges based upon such standard Airport rates and charges as may be established from time to time by City, and meter readings, if any, for amounts used by Lessee, within fifteen (15) days following the date of such billing. Lessee agrees that any and all such charges for any and all such services shall be paid before they become delinquent and that City shall be protected and held harmless by Lessee from any expense or payment, arising from Lessee's failure to make a timely payment for such services. City shall not be liable to Lessee for any interruption in or curtailment of any utility service, nor shall any such interruption or curtailment constitute a constructive eviction or grounds for rental abatement in whole or in part.

2.9 Maintenance of Leased Premises

(a) Responsibility of City

Throughout the term of this Agreement, City shall, not provide any or repair maintenance

(b) Responsibility of Lessee

Except as otherwise expressly provided in Section 2.9(a), during the term of this Agreement, Lessee shall at its sole cost and expense perform all other maintenance and repair, including but not limited to:

- (i) All scheduled maintenance and service of electrical and gas systems in accordance with manufacturers' requirements.

- (ii) Maintenance, repair and performance of all ordinary preventative maintenance and upkeep of the Leased Premises. Such maintenance and repair shall include all appliances, fixtures, and pavement (including but not limited to pot-hole repair, striping, and crack repair) within Lessee's Leased Premises.
- (iii) Maintenance, repair and performance of all ordinary preventative maintenance of the mechanical (heating and cooling), electrical (including relamping and ballast replacement), and plumbing systems.
- (iv) Maintenance, repair and performance of all ordinary preventative maintenance of the roll-up doors, loading docks and ramps.
- (v) Maintenance of outdoor paved and unpaved assigned areas ensuring that these areas are litter-free and weed-free.
- (vi) Maintenance, repair and replacement of any improvements, alterations, or additions caused by Lessee whether Lessee has or has not obtained advance authorization from City in accordance with Section ___ of this Agreement.
- (vii) Janitorial service to the Leased Premises.
- (viii) Pest control service as necessary to maintain the Leased Premises in vermin free condition.
- (ix) Maintenance of existing grounds and landscaping.
- (x) Maintenance, repair, certification, and monitoring of any installed fire systems.
- (xi) Repair and patch roof, as necessary. Clean and clear gutters as necessary.
- (xii) Provide structural maintenance and/or structural repair to the Leased Premises, including exterior walls, roof and foundation.

Lessee shall be solely responsible for the cost of any repair or maintenance to the Leased Premises resulting from the negligent acts or omissions of Lessee, its officers, agents, employees, invitees, suppliers, or contractors. In the event of such damage, City may elect to perform such repair or maintenance itself, at Lessee's sole cost and expense, or require Lessee to perform the same at Lessee's sole cost and expense. Provided, however, if such repair or maintenance is not of an emergency nature, as determined by the Airport Manager, in his sole discretion, City shall give Lessee five (5) days advance written notice of its election in such matter.

Lessee agrees to take good care of the premises and to return the same at the termination of this Agreement in as good order and condition as when received, excepting ordinary wear and tear and natural decay.

2.10 Improvements or Alterations

(a) General

No improvements, alterations or repairs of any kind shall be erected, placed, assembled, constructed or permitted on the Leased Premises without first obtaining written authorization from the Airport Manager. In the sole opinion of the Airport Manager, if the proposed improvement, alteration or repair project is of a minor nature, the project may be reviewed and approved solely by the Airport Manager. The Airport Manager, at his sole discretion, based on the nature of the proposed improvement, alteration or repair project may waive one or more of the procedures as set forth in Section 2.11 herein. Notice of such waiver shall be in writing. In the absence of such written waiver, Lessee must follow the procedures as set forth in Section 2.11 herein.

(b) Preliminary Plans

Prior to the preparation of preliminary plans, Lessee shall contact the Airport Manager to schedule a pre-project meeting to brief City staff on the proposed improvement. Preliminary plans shall show the full extent of the improvements to be constructed including grading, drainage, landscaping, paving, structural details and utility locations and the relationship of the proposed improvements to all adjacent Airport parcels, public roadways, service roadways, taxiways and aircraft parking aprons. A minimum of three (3) full sets of preliminary plans shall be submitted for approval. Civil engineering plans shall include plan drawings submitted on a scale not smaller than one (1) inch equals fifty (50) feet. Architectural plans shall include plan drawings at a suitable scale but in no case shall the scale be smaller than 1/16 inch equals one (1) foot. Plans shall include complete specifications in sufficient detail for City to determine compatibility with City objectives for the overall aesthetic character and quality of the improvements, including the proposed exterior color, scheme, style, materials, wording and placement of all signs.

(c) Review of and Comment on Preliminary Plans

Within thirty (30) days of the date of receipt of the preliminary plans, City will return two sets of plans with comments. City review and comment on the preliminary plans does not mean or infer that the proposed improvement has been approved by City. Additional plans, specifications or design features beyond those submitted with the preliminary plans may be required and shall be prepared by Lessee at the request of City.

(d) Final Plans

A minimum of three (3) copies of final plans and specifications showing responses to comments received and setting forth in all necessary detail the requirements for construction of the project shall be submitted to City for approval prior to submitting plans to other applicable agencies so that City may check them for design conformance with the preliminary plans.

(e) Approval of Final Plans

Within thirty (30) days of the date of receipt of the final plans, if final plans are approved, City will return final plans to Lessee with City approval stamp on the plans. City will retain one full set of final plans. *City approval of the final plans shall only mean that the proposed improvement is consistent with City's goals and objectives for Airport development projects and does not infer that the proposed improvement is approved by the City officials, boards or commissions with regulatory jurisdiction over the project, such as the Building Official, Zoning Administrator, City Engineer, Planning Commission, Traffic Engineering Committee, City Council ("City Regulators").* After approval of the final plans by City, Lessee has full responsibility for obtaining all required federal, State and local approvals and permits including compliance with California Environmental Quality Act (CEQA) requirements.

(f) Modification of Final Plans

Any modifications to the approved final plans including environmental mitigation measures, modifications imposed by City officials, commissions or boards with

regulatory jurisdiction over the project, or construction change orders shall be submitted to City for approval prior to construction.

(g) Notice of Completion

Within ten (10) days of construction completion, Lessee shall submit a Notice of Completion to City. Within ten (10) days of receipt of Notice of Completion, City may schedule an inspection of the improvements to be accompanied by Lessee for purposes of confirming compliance with the final plans and any subsequent modifications to the final plans. This inspection tour may be scheduled at the same time Lessee schedules a final inspection in accordance with any requirements imposed by the City Regulators.

(h) As-Constructed/Record Drawings

Within sixty (60) days after filing the Notice of Completion, Lessee shall furnish to City one (1) set of original reproducible record drawings showing the "as-constructed" improvements.

Record drawings shall be dated and stamped by the engineer or architect of record. Drawings must meet FAA, and/or City of Ukiah standards. A complete set of magnetic CAD drawings, reflecting the same information as the record drawings, shall be delivered at the same time. Delivery of magnetic CAD drawings shall be on CD (compact disc), along with necessary printing/plotting information to allow City to reproduce drawings as originally designed.

(i) Removal of Unapproved Improvements

Improvements made on the Leased Premises without the approval of final plans for said improvements as outlined herein are hereby determined to be unapproved improvements constructed or installed in violation of the conditions, restrictions and requirements of this Agreement. Unapproved improvements shall be immediately removed at Lessee's sole expense. Portions of improvements that are not constructed as indicated and specified on approved plans are also hereby determined to be unapproved improvements and shall be immediately removed or corrected at Lessee's sole expense.

2.11 Insurance

(a) Throughout the term of this Agreement, Lessee for itself and its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, invitees, and suppliers shall maintain in full force and affect the forms of insurance specified in Exhibit B.

(b) In the event Lessee does not have the required certificate(s) of insurance and/or binder(s) evidencing the proper insurance coverage, or the required insurance coverage lapses, this Agreement shall automatically be terminated at City's option.

2.12 Notices

(a) Notices required herein shall be in writing and served personally, sent by overnight courier, such as UPS or Federal Express, U.S. Mail with first class postage prepaid, or facsimile. Any notice mailed pursuant to this Section 2.12(a), shall be

presumed to have been received by the addressee 48 hours after deposit in the mail. Either party shall have the right, by giving written notice to the other, to change the addressee, address or facsimile number at which its notices are to be received. Until any such change is made, notices shall be addressed and delivered as follows:

City:

Airports Manager
1403 South State St.
Ukiah, Ca 95482

Lessee:

Northern Sky RV
Ukiah, Ca 95482

If sent by facsimile, said notice shall be presumed to have been received by the recipient upon confirmation by facsimile machine provided that the following facsimile numbers are used:

City: (707)467-2855
Greg Owen
Airport Manager

Lessee:
David Nelson

(c) All notices shall be effective upon receipt and shall be deemed received upon delivery, if personally delivered.

(d) The person and address provided pursuant to Section 2.12(a) shall be deemed each party's agent for service of process, unless the party provides a separate written notice of its agent for service of process, including the agent's street address.

Article 3 General Conditions

3.01 Acceptance of Leased Premises

Lessee hereby accepts the Leased Premises in its "as-is" condition existing on the Commencement Date. Taking possession of the Leased Premises by Lessee shall be conclusive evidence that the condition thereof is satisfactory to Lessee. City makes no representation or warranty that the Leased Premises are suitable for the uses to which Lessee shall be restricted pursuant to this Agreement.

3.02 Accord and Satisfaction

No payment by Lessee or receipt by City of a lesser amount than the rent, fees and/or charges due to be made by Lessee herein shall be deemed to be other than on account of the rent, fees and/or charges due, and no endorsement or statement on any check or in any letter accompanying any check or payment as rent, fees and/or charges shall be deemed an accord and satisfaction, and City may accept such check or payment without prejudice to City's right to recover the balance of such rent, fees and/or charges or to pursue any other remedy provided in this Agreement.

3.03 Airport Regulations

In the use of the Leased Premises, Lessee agrees to observe, obey and abide by all ordinances, airfield rules and other regulations of City applicable thereto. In addition to the foregoing, Lessee shall comply immediately with any and all directives issued by the Airport Manager.

3.04 Amendment Required by FAA

This Agreement may be amended without further consideration for the purpose of satisfying FAA requirements.

3.05 Assignment and Subletting

(a) Assignment

Lessee shall have no right to assign, mortgage, and pledge or otherwise transfer this Agreement, either voluntarily or by operation of law, in whole or in part, without the prior written consent of the City in each instance.

(b) Subletting

Lessee shall have no right to sublease all or any part of the Leased Premises without the prior written consent of City.

3.06 Assurances Required By FAA

The FAA requires the City to include the seventeen (17) provisions set forth in Section B, "Assurances," in the attached Exhibit C, "Assurances Required by the Federal Aviation

Administration," in all agreements (including, without limitation, leases, licenses, permits, and contracts) with any person or entity who uses or performs work or conducts activities on City-owned Airport premises for aeronautical or non-aeronautical purposes. By signing on this Lease, Lessee confirms that it has reviewed these assurances and understands and agrees to comply with them. Lessee agrees to fully comply with each of these assurances as they read in Exhibit C or as they may be amended in the future by the FAA. The guidelines established within Sections 2 through 4 of Section A of Exhibit C shall either be applicable to Lessee on the Effective Date or may subsequently become applicable to Lessee, as a result of changing facts and/or circumstances.

3.07 Authority of Agreement

Lessee warrants and represents that it has the right, power, and legal capacity to enter into, and perform its obligations under this Agreement, without any additional approvals or consents. The execution, delivery, and performance of this Agreement by the undersigned Lessee representatives have been duly authorized by all necessary corporate action of Lessee, and this Agreement will constitute a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms.

3.08 Authority of the Airport Manager

The Airport Manager shall administer this Agreement on behalf of City. The Airport Manager shall represent the City and communicate with the Lessee on behalf of the City. The laws and rules applicable to the City will determine which City official or employee has the authority to make any particular decision on behalf of the City.

Any appeals of these policies can be taken to the Airport Commission for review and recommendation to the City Council.

3.09 California Law

This Agreement shall be interpreted and enforced in accordance with the laws of the State of California. In the event of a dispute between the parties as to the language of this Agreement or the construction or meaning of any term hereof, this Agreement shall be deemed to have been drafted by the parties in equal parts so that no presumption or inferences concerning its terms or interpretation may be construed against any party to this Agreement.

Any litigation filed by Lessee or City against the other regarding the terms of this Agreement, performance of a party's obligations under this Agreement, or any other reason related in any way to this Agreement, shall be filed in the California state courts in Ukiah, California, and the appropriate California courts of appeal. Each party consents to the jurisdiction of such courts and agrees to venue in Ukiah.

The prevailing party in any action to interpret or enforce this Lease shall be entitled to recover its attorneys' fees and other costs of the litigation from the other party.

3.11 City's Remedies

Pursuant to Section 1951.2 of the California Civil Code:

(a) In the event that Lessee breaches this Agreement and abandons the property before the end of the term hereof, or if Lessee's right to possession is terminated by

City because of a breach of this Agreement, this Agreement terminates. Upon such termination, the City may recover from Lessee:

- (i) The "worth at the time of award" of the unpaid rent which had been earned at the time of termination;
 - (ii) The "worth at the time of award" of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided;
 - (iii) The "worth at the time of award" of the amount by which the unpaid rent for the balance of the term hereof after the time of award exceeds the amount of such rental loss that Lessee proves could reasonably be avoided; and
 - (iv) Any other amount necessary to compensate City for all the detriment proximately caused by Lessee's failure to perform its obligations under this Agreement, or which in the ordinary course of things would be likely to result there from.
- (b) The "worth at the time of award" of the amounts referred to in Subsections (a)(i) and (ii) of this Section 3.11 is computed by allowing interest at the rate of eighteen percent (18%). The "worth at the time of award" of the amount referred to in Subsection (a)(iii) of this Section 3.11 is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).
- (c) Damages which City may recover pursuant to Subsection (a)(iii) of this Section 3.11 include the worth at the time of award of the amount by which the unpaid rent for the balance of the term hereof exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided; or City may recover damages pursuant to Subsection (a)(iii) of this Section 3.11 in the event that City rerents the Leased Premises prior to the time of award and proves that in reletting the property it acted reasonably and in a good-faith effort to mitigate the damages.
- (d) Efforts by City to mitigate the damages caused by Lessee's breach of this Agreement do not waive City's right to recover damages pursuant to said Section 1951.2 and this Section 3.11.
- (e) Nothing in this Section 3.11 affects the right of City under this Agreement to indemnification for liability arising prior to the termination of this Agreement for personal injuries or property damage, as herein provided.

Notwithstanding the foregoing, in the event of Lessee's breach of this Agreement and abandonment of the Leased Premises, pursuant to Section 1951.4 of the California Civil Code, City may, at its sole option, elect to continue this Agreement and enforce all its rights and remedies herein against Lessee, including the right to recover the rent as it becomes due.

3.12 Cumulative Remedies

No remedy or election herein shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

3.13 Damage or Destruction of Improvements

In the event that any or all of the improvements located in or on the Leased Premises shall suffer partial or substantial destruction at any time during the term of this Agreement, the respective rights and obligations of the parties hereto with respect to reconstruction, repairing, and/or restoring such improvements and/or with respect to the matter of the continuance or termination of this Agreement following any such destruction, shall be controlled by the provisions of this Section 3.13.

(a) Definitions

For the purpose of this Agreement, the following definitions shall apply: 1) the term "Partial Destruction" as used herein, shall be deemed to mean a destruction of improvements to such an extent that the then currently estimated total costs of restoring the destroyed improvements to as good a condition of habitability and/or usability (for those certain uses herein authorized and intended therefore) as existed immediately prior to the occurrence of any such destruction shall not exceed fifteen percent (15%) of the then current estimated total replacement costs of all of the improvements on the Leased Premises (excluding land and personal properties). 2) the term "Substantial Destruction" as used herein, shall be deemed to mean a destruction of improvements to such an extent that the then current estimated total costs of restoring the destroyed improvements to as good a condition of habitability and/or usability (for those certain uses herein authorized and intended therefore) as existed immediately prior to the occurrence of any such destruction shall exceed fifteen percent (15%) of the then current estimated total replacement costs of all of the improvements on the Leased Premises (excluding land and personal properties).

(b) Repair Obligations and Rights of Termination

In the event the City-owned improvements located in or on the Leased Premises shall suffer Partial or Substantial Destruction at any time during the term hereof, then:

- (i) City may, but shall not be obligated to so perform, the reconstruction, repair, and/or restoration of such improvements.
- (ii) If the destruction is substantial, either party may cancel and terminate this Agreement as of the date of the occurrence of such destruction by giving written notice to the other party within sixty (60) days after such destruction.
- (iii) If, within sixty (60) days after the date of any partial destruction, City has not completed the reconstruction, repair, and/or restoration of the destroyed improvements, then, at any time prior to the completion of such reconstruction, repair and/or restoration by City, Lessee may cancel and terminate this Agreement by service of a minimum of thirty (30) days advance written notice upon City.
- (iv) If within sixty (60) days after the date of any substantial destruction, City has not commenced the reconstruction, repair or restoration of the destroyed improvements or, if such action has been commenced during said period but the Leased Premises shall not have been fully reconstructed, repaired or restored to a tenantable condition within one hundred twenty (120) days following the date of such Substantial Destruction, then, at any time prior to the completion of such reconstruction, repair or restoration by City, Lessee may cancel and terminate this Agreement by service of a minimum of thirty (30) days advance written notice upon City.

(c) Limitation on City's Obligations

The foregoing provisions of this Section 3.13 notwithstanding, City shall not be liable for or obligated to reconstruct, repair, restore, reinstall, or replace any improvements or any furnishings, fixtures, or equipment, or other personal property, installed, placed, located in, on or about the Leased Premises by Lessee, Lessee's employees, agents, representatives, tenants, or sub lessees.

(d) The Payment of Rental

In the event any or all of the City improvements located in or on the Leased Premises shall suffer either Partial or Substantial Destruction, at any time during the term hereof, the monthly rental due to be paid by Lessee shall be paid to the date of such destruction and shall then be abated to the extent that the Leased Premises are un-tenant-able, so that Lessee shall only be obligated to pay rental on those portions of the Leased Premises that are tenantable.

(e) Destruction

Lessee waives the provisions of California Civil Code Sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed by the provisions of this Section 3.13.

3.14 Early Termination by City

City may terminate this Agreement prior to expiration of the term hereof upon the happening of one or more of the following events:

- (a) Lessee fails to make any payment of rent or any other required payment, as and when due herein, where such failure continues for a period of fifteen (15) days following service of notice thereof upon Lessee by City;
- (b) Lessee fails to obtain or maintain any of the insurance coverage's required by this Agreement;
- (c) Lessee makes a general assignment for the benefit of its creditors;
- (d) Lessee files a voluntary petition, or becomes the subject of an involuntary petition, in any proceedings in Bankruptcy Court, and fails to assume the lease and provide adequate assurance that it will remain current on his lease payments, all in accordance with the Bankruptcy Act.;
- (e) Lessee vacates or abandons the Leased Premises for a period of thirty (30) days or more;
- (f) Lessee breaches the covenants contained in Sections 1, 2 or 4 of Section B of that document entitled "Assurances Required by The Federal Aviation Administration," and incorporated by reference in this Agreement in Section 3.06 or
- (g) Lessee defaults in performance of any promise, term, condition, or covenant required of it herein (other than those expressly set forth in Subsections (a) through (f) above, wherein no further default notice is required).

Failure to serve notice of termination upon the happening of any of the events described in this Section 3.14 shall not operate to bar or destroy City's right to thereafter declare such termination upon the subsequent happening of any such event.

3.15 Early Termination by Lessee

At any time that Lessee is not in default of its payments or other obligations to City herein, Lessee may terminate this Agreement prior to expiration of the term hereof upon the happening of one or more of the following events:

- (a) Permanent abandonment of Airport by City;
- (b) Assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of Airport, or any substantial part thereof, in such manner as to substantially restrict Lessee in its operations herein for a period of ninety (90) consecutive calendar days;
- (c) Issuance by a court of competent jurisdiction of a permanent injunction which in any way prevents or restrains use of Airport in a manner substantially restricting Lessee's operations at Airport herein; and
- (d) Default by City in the performance of any promise, term, condition or covenant required of it to be performed herein, provided City fails to cure such default within sixty (60) calendar days following receipt of written notice of such default from Lessee. However, if the nature of such default is such that it cannot reasonably be cured within such period, City shall be deemed to have cured such default if within such period City commences performance thereof and thereafter diligently prosecutes the same to completion.

Early termination by Lessee pursuant to this Section 3.15 shall be upon not less than fifteen (15) days advance written notice to the Airport Manager, which notice shall state the basis of such termination and the effective date thereof.

In the event of early termination by Lessee pursuant to this Section 3.15, Lessee shall pay rent to City, to and including the date of such termination, in accordance with Section 2.04.

3.16 Entire Agreement

This Agreement, together with all attached exhibits, contains the entire agreement between the parties, concerning the lease of the Leased Premises to Lessee. This Lease supersedes and replaces any other representations, statements or agreements by or between the parties concerning the lease of the Leased Premises to Lessee. This Agreement may be amended only by written instrument duly executed by Lessor and Lessee, except as stipulated in Section 3.04.

3.17 Execution by City Council

Submission of this document by City for review, examination or execution by Lessee does not constitute a reservation of an option to lease space on the Airport, and this document shall not be effective as a lease agreement, or otherwise, unless and until approved by the City Council of the City and executed by the officer authorized by said Council.

3.18 Force Majeure

Neither City nor Lessee shall be deemed to be in breach of this Agreement if either is prevented from performing any of its obligations herein by reason of strike, boycott, labor dispute, embargo, shortage of energy or materials, act of God, act of a public enemy, act of a superior governmental authority, weather conditions, rebellion, riot, sabotage, or any other circumstance for which it is not responsible, or which is not within its control.

3.19 Hazardous Materials

(a) Lessee's Compliance with Environmental Laws

Lessee shall at all times in all respects comply with all environmental laws, and any amendments thereto affecting Lessee's operation on the Airport, including all federal, State and local laws, ordinances and regulations relating to Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (1) defined as a "Hazardous Waste" or "Extremely Hazardous Waste" or "Restricted Hazardous Waste" under Section 25115, 25117 or 25122.7 or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "Hazardous Substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (3) defined as a "Hazardous Material" or "Hazardous Substance" or "Hazardous Waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (4) defined as a "Hazardous Substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (5) petroleum; (6) asbestos; (7) listed under Article 9 or defined as "Hazardous Wastes" or "Extremely Hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (8) designated as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1317); (9) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC Section 6901 et seq. (42 USC Section 6903) or; (10) defined as a "Hazardous Substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601 et seq. (42 USC Section 9601).

(b) Indemnification by Lessee

Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Leased Premises by Lessee, its agents, employees, contractors or invitees without the prior written consent of City (which City shall not unreasonably withhold or delay as long as Lessee demonstrates to the City's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's business and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon, used or kept in or about the Leased Premises). If Lessee breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the property caused or permitted by Lessee results in contamination of the Leased Premises, or if contamination of the Leased Premises by Hazardous Material otherwise occurs for which Lessee is legally

liable to City for damage resulting there from, then Lessee shall indemnify, defend and hold City harmless from any claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value of the Leased Premises and sums paid in settlement of claims, reasonable attorneys' fees, consultant fees and expert fees) which arise during or after the term of the Agreement as a result of such contamination. This indemnification of City by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, State or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Leased Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Leased Premises caused or permitted by Lessee results in any contamination of the Leased Premises, Lessee shall promptly take all actions at its sole expense as are necessary to clean up the Leased Premises to the extent required by government agencies having jurisdiction. In the event an order from a regulatory agency with jurisdiction over the Leased Premises is issued to investigate, monitor or clean up any contamination on, under or emanating from the Leased Premises, the City shall immediately notify Lessee and provide it the opportunity to negotiate with the acting government authority and enter the property to conduct investigatory, monitoring, or cleanup work, subject to reasonable conditions. In the event Lessee is responsible for any remediation or cleanup work on the premises after termination of the Agreement term, Lessee shall have the right to enter the property for performance of such obligation, subject to reasonable conditions.

(c) Notices

Lessee shall immediately notify City in writing of any enforcement, clean-up, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials laws. Lessee shall also supply to City as promptly as possible, and in any event within ten (10) business days after Lessee first receives or sends the same, with copies of all claims, reports, complaints, notices or warnings or asserted violations relating in any way to the Leased Premises or Lessee's use thereof.

(d) Right of Entry

During the term of this Agreement, the Airport Manager shall have the right of entry to test and determine the extent of any contamination of the Leased Premises. Entry for this purpose shall be with advance notice, at reasonable times, and should not unreasonably interfere with Lessee's use of the premises.

(e) Lead-Based Paint

Lessee agrees that in any improvements on the Leased Premises, Lessee agrees to be solely responsible for abatement of lead-based paint hazards, if Lessee's use is deemed to require abatement of lead-based paint hazards. The Lessee further agrees that in its use and occupancy of the Leased Premises, it will comply with Title X and all applicable Federal, State, and local laws relating to lead-based paint, if any are deemed to apply. City assumes no liability for damages for personal injury, illness, disability, or death, to the Lessee or to any other person including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with lead-based paint on the Leased Premises, whether Lessee and/or City has properly warned or failed to properly warn the individual(s) injured.

3.20 Headings

The headings of the articles and Sections of this Agreement are inserted only as a matter of convenience and for reference, and do not define or limit the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

3.21 Holding Over

If Lessee remains in possession of the Leased Premises following the expiration or earlier termination of this Agreement, such holding over shall not be deemed to constitute an extension or renewal of this Agreement, but shall merely create a tenancy from month-to-month which either party hereto may terminate upon thirty (30) days advance written notice to the other. In the event of such holding over, Lessee shall perform all terms, promises, conditions and covenants required of it herein, but shall pay rent to City in such amounts as may be designated by the Airport Manager, which in no case shall be less than that in effect immediately prior to such expiration or earlier termination of this Agreement.

3.22 Indemnification of City

Lessee shall indemnify, defend and hold City and its elected representatives, officers, agents and employees harmless from and against all liabilities, losses, costs, suits, claims, judgments, expenses, fines or demands of any kind (including, but not limited to, costs of investigation, court costs and expert fees) resulting from any injury, damage or death to any person or property, of any nature whatsoever, and arising out of or alleged to arise out of the use, occupancy or operations of Lessee, or any of its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, subtenants, invitees, or suppliers, at the Airport. Lessee shall not be liable for any injuries, death or damage to the extent that such injury, death or damage is caused by the sole and active negligence of City, its elected representatives, officers, agents or employees. This Section 3.2 shall survive the termination or expiration of this Agreement.

3.23 Independent Contractor

Lessee is not an employee or agent of City by reason of this Agreement, or otherwise. Lessee is an independent contractor, and as between City and Lessee, Lessee shall be solely responsible for its acts and omissions arising from or relating to its operations or activities at Airport, or lease of property herein.

3.24 Interpretation of Agreement

Nothing herein contained shall be construed or interpreted, in any manner whatsoever, as limiting, relinquishing or waiving any of the rights of ownership enjoyed by City in and to Airport property, or in any manner waiving or limiting City's control over the operation and maintenance of the Airport property or in derogation of such governmental rights as City possesses, except as is specifically provided for herein.

3.25 Invalid Provisions

In the event of any covenant, condition or provision of this Agreement, or the application thereof to any person, entity, or circumstances, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person,

entity, or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated, provided that such invalidity, voiding or unenforceability of such covenant, condition or provision does not materially prejudice either party in its respective rights and obligations contained in the then remaining valid covenants, conditions or provisions of this Agreement.

3.26 Licenses and Permits

Lessee shall obtain, at its sole cost and expense, all necessary licenses and permits required for construction of improvements or installation of equipment on the Leased Premises, and any other licenses or permits necessary for the conduct of Lessee's operations at Airport.

3.27 National Pollutant Discharge Elimination System

Operator shall comply with all federal and State regulations governing the National Pollutant Discharge Elimination System (NPDES) including all future amendments of said regulations, and procedures as may be adopted by federal, State or local agencies.

3.28 Negation of Partnership

Nothing in this Agreement shall be construed to render City in any way or for any purpose, a partner, joint venture, or associate in any relationship with Lessee other than that of landlord and tenant, nor shall this Agreement be construed to authorize either City or Lessee to act as agent for the other.

3.29 Net Lease

Except as otherwise expressly provided, this Agreement shall be without cost to City for the maintenance and improvement of the Leased Premises.

3.30 Noise Control

Lessee shall not conduct any operation or activity on the Leased Premises, or elsewhere at Airport, which produces sound of such volume, frequency or intensity as to constitute a nuisance. The Airport Manager shall have the sole and exclusive authority to determine what constitutes a nuisance under the provisions of this Section, except that operations and activities having noise levels not in violation of federal, State or local governmental standards shall not be deemed a nuisance.

3.31 Nondiscrimination

Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, creed, national origin, sex, age or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Lessee's facilities pursuant to its operations herein; (2) that in the furnishing of services on Airport, no person on the grounds of race, color, creed, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefit of, or otherwise be subjected to discrimination; (3) that Lessee shall use Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.

3.32 Nonexclusive Rights

Nothing herein shall be construed to grant or authorize the granting of any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport; provided, however, subject to the terms and provisions of this Agreement, Lessee shall have the right to exclusive possession of the Leased Premises described by Section 2.02.

3.33 Non-waiver of Rights

No waiver of default by either party hereto of any of the terms, promises, covenants, or conditions hereof to be performed, kept, and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, promises, covenants, or conditions herein contained, to be performed, kept, and observed by such other party.

3.34 Notice of Claims and Suit

City and Lessee shall each give the other prompt and timely written notice of any personal injury or other accident claims, and of any lawsuit coming to its knowledge when either such claim or lawsuit arises out of or is in any way connected with the Subleased Premises, the operations of Lessee herein, or the construction or operation of Airport by City, which in any way, directly, indirectly, contingently or otherwise, might reasonably affect the parties' relationship under this Agreement.

Such notice shall be deemed prompt and timely if given within thirty (30) calendar days following the date of receipt of such claim by an officer, agent, or employee of either party, and if given within ten (10) calendar days following the date of service of process upon either party with respect to any such lawsuit.

3.35 No Warranty Regarding Airport

City does not warrant that Airport will continue to be used as an airport during the term of this Agreement. In the event that such airport use is terminated, whether temporarily or permanently, Lessee shall neither claim, nor have entitlement to, any damages whatsoever from City.

3.36 Nuisance and Waste

Lessee shall not erect, nor permit to be erected, any nuisance on the Leased Premises, or permit any waste thereof. Lessee shall not permit any trash or garbage to accumulate on or about the Leased Premises.

3.37 Prohibition of Liens

Lessee shall pay promptly, as due, all persons supplying labor and materials for any alteration of, or improvement to, the Leased Premises, and shall permit no lien or claim to be filed or prosecuted against City on account of such labor and materials furnished.

3.38 Release of Liability

City shall not be liable for, and is hereby released from any and all liability to Lessee, to Lessee's insurance carrier or to anyone claiming under or through Lessee, for any loss or

damage whatsoever to the property or effects of Lessee resulting from the discharge of water or other substance from pipes, sprinklers, conduits, containers, appurtenances thereof, or fixtures thereto; or from any damage resulting from the discharge or failure of electric current, regardless of cause or origin, except the active negligence of City, its employees or agents.

3.39 Removal of Lessee's Property

If Lessee is not in default as to the payment of any rent, fee, or other charge payable to City herein, Lessee may remove its inventory, Trade Fixtures and furnishings from the Leased Premises upon expiration or earlier termination of this Agreement. If Lessee does not elect, or otherwise fails to remove the same, or any part thereof, within thirty (30) days following City's regaining possession of the Leased Premises, City may, at its option, either require such removal at Lessee's sole cost and expense, or keep such property, in which latter event, title to the same shall vest in City without any obligation to pay Lessee with respect thereto.

3.40 Reports

Lessee shall provide City with any reasonable financial or statistical reports which the Airport Manager may from time to time request by written notice to Lessee.

3.41 Restrictions and Regulations

This Agreement, and the rights herein granted, shall be subject to any and all applicable federal, State and City rules, regulations, orders and restrictions which are now in force or which may hereafter be adopted by any duly authorized governmental agency with respect to Lessee's operation at Airport.

3.42 Right of Entry

City, its officers, agents, and employees shall have the right, without limitation, throughout the term of this Agreement, to enter upon the Leased Premises for any lawful purpose, including the purpose of determining whether Lessee is complying with its obligations under this Lease.

Such entry by City shall not be deemed to excuse Lessee's performance of any promise, term, condition, or covenant required of it by this Agreement, and shall not be deemed to constitute waiver thereof by City.

3.43 Risk Reduction

Lessee shall neither use nor permit the use of the Leased Premises in such a manner as to increase the risk which would affect the rate of insurance thereon in excess of that in existence at the commencement of the term hereof.

3.44 Signs

As used herein, "sign" means any advertising sign, billboard, identification sign or symbol, poster, or other similar device, regardless of content.

Lessee shall not erect, maintain, or display any sign on the Leased Premises, or elsewhere at Airport, without the prior written consent of the Airport Manager. Lessee shall submit drawings, sketches, designs, and dimensions of such signs to the Ukiah Airport Manager when requesting such approval. All such signs shall be consistent with City's general sign

policy for Airport and the provisions of the Ukiah City Code. Any condition, restriction, or limitation as to use or appearance of such signs as may be stated by the Airport Manager in writing shall become a part of this Agreement, as if specifically set forth herein.

3.45 Subordination

This agreement shall be subordinate to the provisions of any existing and future agreement, rules and regulations between Lessor and the United States of America, or any agency or administrative arm thereof relating to the operation or maintenance of the Ukiah Municipal Airport or the conduct or operation of any flight school or other governmental operation thereon.

3.46 Successors and Assigns

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, and personal representatives of the parties hereto.

3.47 Surrender of Leased Premises

City is not required to give Lessee any notice to quit possession of the Leased Premises upon expiration or earlier termination of this Agreement. Lessee shall peaceably surrender possession of the Leased Premises upon expiration or earlier termination of this Agreement in as good order and condition as when received, excepting reasonable wear, destruction by lightning or other natural causes, or fire not caused by the acts or omissions of Lessee, its officers, agents, employees, subcontractors, customers, invitees, or other persons doing business with Lessee or on the Leased Premises with the consent of Lessee.

3.48 Taxes

Lessee shall, at its sole cost and expense, pay any and all taxes for which it is responsible, or which may be assessed against it.

(a) Possessory Interest and Property Taxation

Under this Agreement a possessory interest subject to property taxation may be created and that the party in whom the possessory interest is vested may be subject to the payment of property taxes and special taxes levied on such interest.

Lessee shall pay any and all taxes, assessments, and other charges of whatsoever character that may be levied or charged upon Lessee's leasehold interest or its improvements, operations, business inventory or business equipment.

(b) Right to Contest Taxes

Lessee shall have the right to contest at its own expense and without cost, expense or liability to the City, in its own name, or, to the extent reasonably necessary, in City's name, in good faith and by all appropriate proceedings, the amount, applicability, or validity of any tax assessment for which the Lessee is liable under the terms of this Lease or arising out of its use of the Leased Premises.

In the event Lessee initiates such contest, City shall reasonably cooperate with Lessee, provided that such contest will not subject any part of the surface of Airport property to forfeiture or loss.

If, at any time, payment of any tax or assessment becomes necessary to prevent any forfeiture or loss, Lessee shall timely pay such tax or assessment to prevent such forfeiture or loss.

3.49 Time of the Essence

Time is of the essence in the performance of this Agreement.

3.50 Trash and Garbage

Lessee shall, at its sole cost and expense, provide a complete and proper arrangement for the adequate sanitary handling and disposal away from Airport of all trash, garbage, and other refuse resulting from, or in any way associated with, Lessee's operations. Such arrangements shall include, but not be limited to, the use of suitable covered metal receptacles at the Leased Premises for such garbage, trash and other refuse, and shall comply with the applicable provisions of the Ukiah City Code.

3.51 Vehicular and Equipment Parking

Vehicular and equipment parking by Lessee, its employees, agents, suppliers, subcontractors, customers, guests or invitees shall be restricted to Lessee's Leased Premises. Parking in areas other than the Leased Premises shall be subject such regulations or restrictions as apply to the general public, including the payment of such parking fees and charges as may from time to time be in effect for designated areas.

3.52 Execution of Agreement

IN WITNESS WHEREOF, the parties have entered this Agreement on the Effective Date.

CITY OF UKIAH

By: _____
Sage Sangiacomo, City Manager

Lessee:

By: _____
David Nelson

By: _____

EXHIBIT A



CITY OF UKIAH

INSURANCE REQUIREMENTS FOR LESSEES

Without limiting Lessee's obligation to indemnify the City under the attached Agreement for Lease of Property (Agreement), Lessee shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with Lessee's space, products and operations pursuant to the Agreement. City shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the City's Risk Management Office the insurance provisions in these requirements do not provide adequate protection for City and for members of the public, City may require Lessee to obtain insurance sufficient in coverage, form and amount to provide adequate protection. City's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

Verification of Coverage

Lessee shall furnish the City with certificates of insurance evidencing coverage required herein, including copies of endorsements with specific reference to each of the coverage modifications or amendments set forth below. **Certified copies of required endorsements must be attached to provided certificates.** All certificates are to be received and approved by the City prior to the effective date of the Agreement. The City reserves the right to require that Lessee provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, the Lessee's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these specifications.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 6/92) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by State of California and Employer's Liability Insurance.
4. Cargo Legal Liability (if applicable)

Minimum Limits of Insurance

Lessee shall maintain for itself and its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, invitees, and suppliers limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Fire legal not less than \$1,000,000.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage for all owned, non-owned, and hired vehicles operated by or on behalf of Lessee on the Leased Premises, or elsewhere at the Airport, including any additional or replacement vehicles.
3. Workers' Compensation: Statutory
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
5. Cargo Legal Liability: \$100,000 covering any non-owned cargo in the care, custody and control of Lessee at Airport.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or the Lessee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees, agents and volunteers are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the Lessee; products and completed operations of the Lessee; premises owned, occupied or used by the Lessee; or automobiles owned, leased, hired or borrowed by the Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, agents or volunteers.

2. For any claims related to Lessee's activities pursuant to the Agreement, the Lessee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
4. The Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been received by the City.
6. To the extent permitted by law, the workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the City, its officers, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with work performed under this Agreement by the Lessee.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A- for financial strength, AA for long-term credit rating and AMB-1 for short-term credit rating.. The City Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the City and the general public are adequately protected.

ASSURANCES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION

SECTION A

Purpose, Classes of Activities, Applicability of Assurances And Definition of Terms

1. PURPOSE:

The City of Ukiah, California, an airport owner subject to both Federal Grant Agreement obligation; is required by the Federal Aviation Administration (FAA) to include specific provisions, addressing, among other things, the requirements of Title VI of the Civil Rights Act of 1964, Exclusive Rights prohibitions, and Affirmative Action items contained in Title 14 Code of Federal Regulations Part 152, within all agreements (including, without limitation, leases, licenses, permits, and contracts) between said City and any and all entities who use or perform work or conduct activities on City owned or operated airport premises for aeronautical or non-aeronautical purposes. The purpose of this Exhibit is to appropriately incorporate within the "Agreement," to which it is attached and made a part of by reference therein, the seventeen (17) numbered provisions contained within Section "B," "ASSURANCES," below.

2. CLASSES OF ACTIVITIES:

The applicability of each of the seventeen (17) numbered provisions contained within Section "B," "ASSURANCES," below, to that certain "Agreement" to which this Exhibit is attached and made a part of by reference therein, is, among other things, dependent upon the type of work to be performed and/or the type of activities to be conducted at the airport(s) by the Lessee, Permittee, Licensee, Operator, etc., named therein, pursuant to and in accordance with those certain rights, privileges, uses, and operations, expressly granted and/or authorized there under. The following activity classifications, as established by the FAA, are provided for the information and guidance of all concerned:

a. Direct and Supportive Aeronautical: The following activities, commonly conducted on airports, are AERONAUTICAL ACTIVITIES:

- (1) Aerial Firefighting
- (2) Charter Operations
- (3) Pilot Training
- (4) Aircraft rental and sightseeing
- (5) Air Ambulance
- (6) Crop dusting
- (7) Aerial Advertising and Surveying
- (8) Aircraft Sales and Services
- (9) Sale of Aviation Petroleum products (whether or not conducted in conjunction with other included activities)
- (10) Repair and Maintenance of Aircraft
- (11) Sale of Aircraft Parts
- (12) Any other activities which, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an "aeronautical activity."

- b. Complementary Aeronautical: The following activities, when conducted on airports, are COMPLEMENTARY AERONAUTICAL ACTIVITIES:

- (1) Ground Transportation (taxis, car rentals, limousines)
- (2) Restaurants
- (3) Barber Shops
- (4) Auto Parking Lots
- (5) Recreational Facilities
- (6) Any other commodities, services or accommodations made available to the general public.

- c. Non-Aeronautical: The following activities, when conducted on airports, being neither "Direct and Supportive Aeronautical" nor "Complementary Aeronautical," as defined above, are NON-AERONAUTICAL ACTIVITIES.

- (1) Manufacturing
- (2) Agriculture
- (3) Any other activity not appropriately falling within the above-said "Direct and Supportive Aeronautical" and/or "Complementary Aeronautical," classifications.

3. APPLICABILITY OF NUMBERED PROVISIONS WITHIN SECTION "B," "ASSURANCES," BELOW TO CLASS (ES) OF ACTIVITIES SPECIFIED WITHIN PARAGRAPH 2, ABOVE:

The applicability of the numbered provisions within Section "B," "Assurances," below, to the respective classes of activities specified within sub-paragraphs 2a, b, and c, of this Section "A," above, is as follows:

<u>ACTIVITY CLASS</u>	<u>NUMBERED PROVISIONS APPLICABLE TO CLASS</u>
Direct and Supportive Aeronautical	1 through 17
Complementary Aeronautical	1 through 16
Non-Aeronautical	1 through 16

4. DEFINITION OF TERMS USED WITHIN SECTION "B," "ASSURANCES," BELOW:

In order to facilitate ease of fulfillment of the requirement specified within paragraph 1 of this Section "A," this Exhibit is designed to be attached to and made a part of all City of Ukiah Airport "Agreements," including, without limitation, leases, licenses, permits, contracts, etc. Therefore, in the event the "Agreement" to which this Exhibit is attached and made a part of by reference therein shall be other than a lease or be a lease within which the parties thereto are therein called or referred to other than "Lessor" and "Lessee," then, where the terms "Lessor," "Lessee," and "Lease" appear, as shown, within the seventeen (17) numbered "ASSURANCES" listed within Section "B," below, said terms shall be deemed to mean "CITY OF UKIAH, CALIFORNIA," "THE OTHER PARTY TO THE PARTICULAR AGREEMENT" (e.g., Licensee, Permittee, Concessionaire, Operator, etc.), and the "AGREEMENT" itself (regardless of title, type and/or description, including, without limitation, Leases, Agreements, Licenses, Permits, and Contracts) respectively. Where the terms "LAND LEASED" and "LEASED PREMISES" (and all reasonably readily identifiable derivations thereof) appear, said terms shall be deemed to mean the

land(s) and/or premises specifically identified within the "Agreement" as being that/those to which leasehold tenancies, occupancies, use(s), operation(s), and/or access(es) by the Lessee, Permittee, Licensee, Operator, Concessionaire, etc., are expressly authorized. In all cases, where the term "AIRPORT" appears, as shown, it shall be deemed to mean Ukiah Regional Airport as identified within the "Agreement" between the parties as being the Airport to which the "Agreement" pertains.

SECTION B

Assurances

1. The "LESSEE," for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the "Agreement" to which this Exhibit is attached is a lease) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this "LEASE" for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the "LESSEE" shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. The "LESSEE," for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (as a covenant running with the land if the agreement to which this Exhibit is attached is a lease) that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the "LESSEE" shall use the "premises" in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. That in the event of breach of any of the above nondiscrimination covenants, "LESSOR" shall have the right to terminate the "LEASE" and to reenter and repossess said land and the facilities thereon, and hold the same as if said "LEASE" had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.
4. "LESSEE" shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, THAT the "LESSEE" may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such non-compliance the CITY OF UKIAH, CALIFORNIA ("LESSOR") shall have the right to terminate this "LEASE" and the estate hereby created without liability therefore or at the election of the "LESSOR" or the United States either or both said Governments shall have the right to judicially enforce Provisions 1, 2, 3, and 4 above.
6. "LESSEE" agrees that it shall insert the above five (5) provisions in any lease, agreement, contract, etc., by which "LESSEE" grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the "premises" herein "LEASED."
7. The "LESSEE" assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The "LESSEE" assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The "LESSEE" assures that it will require that its covered sub organizations provide assurances to the "LESSEE" that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. The "LESSOR" reserves the right to further develop or improve the landing area of the "Airport" as it sees fit, regardless of the desires or view of the "LESSEE" and without interference or hindrance.
9. The "LESSOR" reserves the right, but shall not be obligated to the "LESSEE," to maintain and keep in repair the landing area of the "Airport" and all publicly-owned facilities of the "Airport," together with the right to direct and control all activities of the "LESSEE" in this regard.
10. This "LEASE" shall be subordinate to the provisions and requirements of any existing or future agreement between the "LESSOR" and the United States, relative to the development, operation or maintenance of the "Airport."
11. There is hereby reserved to the "LESSOR," its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the "premises" herein "LEASED." This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the "Airport."
12. "LESSEE" agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the "LEASED PREMISES," or in the event of any planned modification or alteration of any present or future building or structure situated on the "LEASED PREMISES."
13. The "LESSEE," by accepting this "LEASE," expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the "land leased" hereunder which would exceed the height limits of Part 77 of the Federal Aviation Regulations. In the event the aforesaid covenants are breached, "LESSOR" (the owner) reserves the right to enter upon the "land leased" hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the "LESSEE."

14. The "LESSEE," by accepting this "LEASE," agrees for itself, its successors and assigns, that it will not make use of the "LEASED PREMISES" in any manner which might interfere with the landing and/or taking off of aircraft at and/or from the "AIRPORT" (either Sacramento International Airport, Sacramento Executive Airport or Mather Field, as applicable) or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the "LESSOR" (owner) reserves the right to enter upon the "premises hereby leased" and cause the abatement of such interference at the expense of the "LESSEE."

15. This "LEASE," and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said "AIRPORT" or the exclusive or nonexclusive use of the "AIRPORT" by the United States during the time of war or national emergency.

16. It is the policy of the Department of Transportation (DOT) that disadvantaged and minority business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of leases as defined in 49 CFR 23.5. Consequently, these leases are subject to 49 CFR Part 23, as applicable. "LESSEE" hereby covenants and agrees that no person shall be excluded from participation in, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract, including leases, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex. "LESSEE" agrees that it will include the above clauses in all sub-leases and cause sub lessees to similarly include the clauses in further sub-leases.

17. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).





AGENDA SUMMARY REPORT

SUBJECT: Approval of Airport Office Space Lease Renewal with the Federal Aviation Administration.

DEPARTMENT: Airport

PREPARED BY: Greg Owen

ATTACHMENTS:

[Attachment 1 - FAA Lease DTFANM-09-L-00020_1](#)

[Attachment 2 lease No. DTFAWN-17-L-00180](#)

Summary: The City Council will consider approval of the renewal of the Federal Aviation Administration Lease. The lease area is used for the operation of Federal Aviation Administration radios and other electronic equipment.

Background: The Federal Aviation Administration has requested a renewal of their lease (Attachment 1). The leased area is used for the operation of Federal Aviation Administration radios and other electronic equipment. This equipment is used to support aviation in the Ukiah area.

Discussion: Staff is recommending renewal of an Airport office space lease with the Federal Aviation Administration in the Airport Administration building; Attachment 2 Lease No. DTFAWN-17-L-00180. The term of this agreement is for ten (10) years ending September 30, 2028. Lease payments shall be \$2,533.38 per quarter. The current lease rate has been raised from \$1.03 per sq ft a month to \$1.31 per sq ft a month. The FAA has reduced the amount of space leased from 870 sq ft at \$1.03 per month (\$844.46 per month) to 640 sq ft at \$1.31 per month (844.46 per month).

RECOMMENDED ACTION: Approve the renewal of the Federal Aviation Administration Lease.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved: _____

Sage Sangiacomo
Sage Sangiacomo, City Manager

The Airport Commission, with a 3-0 vote, voted to recommend approval of this proposed lease.

**U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION
ADMINISTRATION
ANTENNA AND RACK SPACE LEASE
FOR REAL PROPERTY**

Lease No: DTFANM- 09 - L -00020

Ukiah, CA 95482

12/21/2010

1. THIS LEASE(9/98), entered into by and between City of Ukiah whose interest in the property hereinafter described is that of Owner, hereby referred to as LESSOR, and the United States of America, hereinafter referred to as the GOVERNMENT OR FAA: WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

2. DESCRIPTION - The LESSOR hereby leases to the GOVERNMENT the following described premises (Said premises shall be related to the FAA's activities in support of Air Traffic operations): approximately 870 square feet of rack space and rooftop space for an FAA antenna located at the Ukiah Regional Airport, 1403 S State Street Ukiah, California 95482. As depicted in the attached Exhibit A.

3. TERM (1/01) - To have and to hold, for the term commencing on October 1, 2008 and continuing through September 30, 2013 inclusive, PROVIDED that adequate appropriations are available from year to year for the payment of rentals.

This lease succeeds lease number DTFA08-72-L-E1925, which expired on September 30, 2008.

4. CANCELLATION (8/02) -The GOVERNMENT may terminate this lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the Government, on or after October 1, 2008 by giving at least 90 days notice in writing to the LESSOR. No rental will accrue after the effective date of termination. Said notice will be computed commencing with the day after the date of mailing.

5. RENTAL - Rent in the amount of \$2533.38 per quarter will be payable to the LESSOR in arrears and will be due on the first work week of each quarter, without the submission of invoices or vouchers, subject to available appropriations. Rent will be considered paid on the date a check is dated or an electronic funds transfer is made. Rent for a period of less than a quarter will be prorated. Checks will be made payable to:
City of Ukiah 300 Seminary Avenue Ukiah, CA 95482-5400

2.6.2 Antenna and Rack Space Template

Revised April 2010

OMB Control No. 2120-0595

Pg. 1

6. SERVICES AND UTILITIES (To be provided by LESSOR as part of rent.) (10/08)
Services supplied to technical equipment will be supplied 24 hours a day, and seven days a week. The GOVERNMENT will have access to the leased premises at all times, including the use of electrical services without additional payment.

-ELECTRICITY

-SNOW REMOVAL

-GROUND MAINTENANCE

7. GENERAL CLAUSES:

a. DAMAGE BY FIRE OR OTHER CASUALTY (10/96) - If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the GOVERNMENT, the GOVERNMENT may terminate the lease, in whole or in part, immediately by giving written notice to the LESSOR and no further rental will be due.

b. MAINTENANCE OF THE PREMISES (10/96) - The LESSOR will maintain the demised premises, including the grounds, all equipment, and fixtures, appurtenances furnished by the LESSOR under this lease, in good repair.

c. FAILURE IN PERFORMANCE (10/96) - In the event the LESSOR fails to perform any service, to provide any item, or meet any requirement of this lease, the GOVERNMENT may perform the service, provide the item, or meet the requirement, either directly or through a contract. The GOVERNMENT may deduct any costs incurred for the service or item, including administrative costs, from the rental payments. No deduction of rent pursuant to this clause will constitute default by the GOVERNMENT on this lease.

d. CONTRACT DISPUTES (11/03)

All contract disputes and arising under or related to this lease contract will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A LESSOR may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All Contract Disputes will be in writing and will be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70,

Federal Aviation Administration,

800 Independence Ave., SW,

Room 323,

Washington, DC 20591

Telephone: (202) 267-3290,

Facsimile: (202) 267-3720

2.6.2 Antenna and Rack Space Template

Revised April 2010

OMB Control No. 2120-0595

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

e. PROTEST (11/03)

Protests concerning Federal Aviation Administration Screening Information Requests (SIRs) or awards of lease contracts will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A protestor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

Offerors initially will attempt to resolve any issues concerning potential protests with the RECO.

Protests will be in writing and will be filed at:
Office of Dispute Resolution for Acquisition, AGC-70,
Federal Aviation Administration,
800 Independence Ave., SW,
Room 323,
Washington, DC 20591,
Telephone: (202) 267-3290; or
Facsimile: (202) 267-3720

At the same time as filing the protest with the ODRA, the protestor will serve a copy of the protest on the RECO.

A protest is considered to be filed on the date it is received by the ODRA and will be filed: (1) Not later than seven (7) business days after the date the protester knew or should have known of the grounds for the protest; or (2) If the protester has requested a post-award debriefing from the RECO, not later than five (5) business days after the date on which the RECO holds that debriefing.

The full text of the Contract Protest clause is incorporated by reference. Upon request the full text will be provided by the RECO.

f. INTERFERENCE (10/08)

Should interference with the lessor's facility occur due to the FAA operations, FAA shall correct the problem immediately. If the lessor's facility interferes with FAA's equipment then the lessor will correct the problem immediately.

g. COORDINATION (10/08)

The FAA will receive permission from the lessor prior to installing any new equipment at the site.

2.6.2 Antenna and Rack Space Template

Revised April 2010

OMB Control No. 2120-0595

h. NOTICES (10/96)

All notices/correspondence shall be in writing, reference the Agreement number, and be addressed as follows:

Lessor:

City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Government:

FEDERAL AVIATION ADMINISTRATION
ATTN: REAL ESTATE BRANCH, ANM-53
1601 Lind Avenue SW
Renton, WA 98057

i. ALTERATIONS (10/96) - The GOVERNMENT shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remains the property of the GOVERNMENT and may be removed or otherwise disposed of by the GOVERNMENT subject to the Lessor's approval not to be unreasonably withheld. The Parties hereto mutually agreed and understood, that no restoration rights shall accrue to the Lessor for any alterations to the leased premises under this lease, and that the GOVERNMENT shall have the option of abandoning alterations in place, when terminating the lease, at no additional cost.

j. The following clauses are incorporated by reference: The full text of these clauses can be found in Standard Space Lease Form via the Internet at <http://fast.faa.gov>

- DEFAULT BY LESSOR (10/96)
- COMPLIANCE WITH APPLICABLE LAWS (10/96)
- OFFICIALS NOT TO BENEFIT (10/96)
- COVENANT AGAINST CONTINGENT FEES (8/02)
- ANTI-KICKBACK (10/96)
- EXAMINATION OF RECORDS (10/96)
- SUBORDINATION, NONDISTURBANCE AND ATTORNMEN (10/96)
- LESSOR'S SUCCESSOR (10/96)
- EFT (10/06)
- ASSIGNMENT OF CLAIMS (10/96)

2.6.2 Antenna and Rack Space Template

Revised April 2010

OMB Control No. 2120-0595

IN WITNESS WHEREOF, the parties hereto have signed their names:

8a. NAME AND TITLE OF LESSOR/OWNER (<i>Type or Print</i>) <i>JANE CHAMBERS</i>	8b. SIGNATURE OF OWNER <i>Jane Chambers</i>	8c. DATE <i>12/18/10</i> (10/96)
THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.		
9a. NAME OF REAL ESTATE CONTRACTING OFFICER (<i>Type or Print</i>) Christopher Bown	9b. SIGNATURE OF REAL ESTATE CONTRACTING OFFICER <i>Chris Bown</i>	9c. DATE <i>12/21/10</i> (10/96)

ANTENNA AND EQUIPMENT SPACE LEASE

Between

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

And

City of Ukiah

**Lease No. DTFAWN-17-L-00180
Ukiah, CA RCO**

SECTION 1 - OPENING

6.1.1 Preamble (JAN 2017)

This Lease is hereby entered into by and between City of Ukiah, hereinafter referred to as the Lessor and the United States of America, acting by and through the Federal Aviation Administration, hereinafter referred to as the Government. The terms and provisions of this Lease, and the conditions herein, bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

For purposes of this Lease, the terms Contractor and Lessor are interchangeable with each other.

6.1.2 Superseding Lease (JAN 2015)

This Lease supersedes Lease DTFANM-09-L-00020 and all other previous agreements between the parties for the leased property described in this document.

6.1.3 Witnesseth (JAN 2015)

Witnesseth: The parties hereto, for the consideration hereinafter mentioned covenant and agree as follows:

6.1.4 Description (JAN 2017) - Alternate I (OCT 1996)

The Lessor hereby leases to the Government the following described premises which shall be related to the FAA's activities in support of Air Traffic Operations (Said premises shall be related to the FAA's activities in support of Air Traffic operations): approximately 640 square feet of rack space and rooftop space for an FAA antenna located at the Ukiah Regional Airport, 1403 S State Street Ukiah, California 95482. As depicted in the attached Exhibit A.

SECTION 2 - TERMS

6.2.5 Term (AUG 2002)

To have and to hold, for the term commencing on October 1, 2018 and continuing through September 30, 2028 inclusive, provided that adequate appropriations are available from year to year for the consideration herein.

6.2.6 Consideration (JAN 2017) - Alternate II (JUL 2017)

The Government shall pay the Lessor rent for the premises in the amount of \$ 2,533.38 per quarter. Payment shall be made in arrears, without the submission of invoices or vouchers. Payments are due on the first business day following the end of the payment period and are subject to available appropriations. The payments shall be directly deposited in accordance with the "Payment by Electronic Funds Transfer" clause in this Lease. Payments shall be considered paid on the day an electronic funds transfer is made.

6.2.7 Cancellation (JAN 2017)

The Government may terminate this Lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the Government. The RECO shall terminate by delivering to the Lessor a written notice specifying the effective date of the termination. The termination notice shall be delivered by certified mail return receipt requested and mailed at least ninety (90) days before the effective termination date.

6.2.14 Holdover (JUL 2017)

If after the expiration of the Lease, the Government shall retain possession of the premises, the Lease shall continue in full force and effect on a month-to-month basis. Payment shall be made in accordance with the Consideration clause of the Lease, in arrears on a prorated basis, at the rate paid during the Lease term. This period shall continue until the Government shall have signed a new lease with the Lessor, acquired the property in fee, or vacated the premises.

6.2.16 Lessor's Successors (JUL 2017)

The terms and provisions of this Lease and the conditions herein bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

SECTION 3 - GENERAL CLAUSES

3.2.5-1-RE Officials Not to Benefit (OCT 1996)

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease, or to any benefit arising from it. However, this clause does not apply to this lease to the extent that this lease is made with a corporation for the corporation's general benefit.

3.3.1-15-RE Assignment of Claims (OCT 1996)

Pursuant to the Assignment of Claims Act, as amended, 31 U.S.C. § 3727, 41 U.S.C. § 6305 the Lessor may assign its rights to be paid under this lease.

6.3.10 Maintenance of Premises (JAN 2017)

The Lessor will maintain the demised premises, including the building, grounds, all equipment, fixtures and appurtenances furnished by the Lessor under this Lease, in good repair and tenantable condition. The Lessor shall ensure that all hazards associated with electrical equipment are marked in accordance with the Occupational Safety and Health Administration (OSHA) requirements and National Fire Protection Association (NFPA) 70 electrical code.

6.3.16 Failure in Performance (OCT 1996)

In the event the Lessor fails to perform any service, to provide any item, or meet any requirement of this Lease, the Government may perform the service, provide the item, or meet the requirement, either directly or through a contract. The Government may deduct any costs incurred for the service or item, including administrative costs, from the rental payments. No deduction of rent pursuant to this clause will constitute default by the Government on this Lease.

6.3.17 No Waiver (OCT 1996)

No failure by the Government to insist upon strict performance of any provision of this Lease, or failure to exercise any right, or remedy consequent to a breach thereof, will constitute a waiver of any such breach in the future.

6.3.18 Non-Restoration (JUL 2017)

It is hereby agreed between the parties that, upon termination of its occupancy (due to termination or expiration of the Lease, the Government shall have no obligation to restore and/or rehabilitate, either wholly or partially, the property that is the subject of this lease, including any holdover period. It is further agreed that the Government may abandon in place any or all of the structures and equipment installed in or located upon said property by the Government during its tenure. Such abandoned equipment shall become the property of the Lessor.

6.3.26 Damage by Fire or Other Casualty (OCT 1996)

If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the Government, the Government may terminate the Lease, in whole or in part, immediately by giving written notice to the Lessor and no further rental will be due.

6.3.28 Interference (OCT 2008)

Should there be interference with the Lessor's facility due to the FAA operations, the FAA shall correct the problem immediately. If the Lessor's facility interferes with FAA's equipment, then the Lessor will correct the problem immediately.

6.3.29 Alterations (JAN 2017)

The Government shall have the right during the term of this Lease, including any extensions thereof, to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, alterations or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. The parties hereto mutually agree and understand, that no restoration rights shall accrue to the Lessor for any alterations or removal of alterations to the leased premises under this Lease, and that the Government shall have the option of abandoning alterations in place, when terminating the Lease, at no additional cost.

6.3.30 Hold Harmless (OCT 1996)

In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act of 1948, as amended (28 USC 2671 et. seq.), hereafter termed "the Act" the Government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of an employee of the Government while acting within the scope of his office or employment under circumstances where a private person would be liable in accordance with the law of the place where the act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity.

6.3.31 Default by Lessor (OCT 1996)

Each of the following shall constitute a default by Lessor under this Lease:

A. If the Lessor fails to perform the work required to deliver the leased premises ready for occupancy by the Government with such diligence as will ensure delivery of the leased premises within the time required by the lease agreement, or any extension of the specified time.

B. Failure to maintain, repair, operate or service the premises as and when specified in this Lease, or failure to perform any other requirement of this Lease as and when required, provided such failure which shall remain uncured for a period of time as specified by the RECO, following Lessor's receipt of written notice thereof from the RECO.

C. Repeated failure by the Lessor to comply with one or more requirements of this Lease shall constitute a default notwithstanding that one or all failures shall have been timely cured pursuant to this clause.

If default occurs, the Government may, by written notice to the Lessor, terminate the lease in whole or in part.

6.3.32 Compliance with Applicable Laws (OCT 1996)

The Lessor shall comply with all federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. This Lease shall be governed by federal law.

6.3.33 Covenant Against Contingent Fees (AUG 2002)

The Lessor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

6.3.34 Anti-Kickback - Real Property by Reference (JAN 2017)

The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

6.3.35 Examination of Records (AUG 2002)

The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative from either shall, until three (3) years after final payment under this contract have access to and the right to examine any of the Lessor's directly pertinent books, documents, paper, or other records involving transactions related to this contract.

6.3.36 Subordination, Nondisturbance and Attornment (JAN 2017)

A. The Government agrees, in consideration of the warranties and conditions set forth in this clause, that this Lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this Lease. Based on a written demand received by the RECO, the Government will review and, if acceptable, execute such instruments as Lessor may reasonably request to evidence further the subordination of this Lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this Lease.

B. No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this Lease so long as the Government is not in default under this Lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this Lease becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the RECO promptly upon demand.

C. In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this Lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the RECO and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this Lease, or other writings, as shall be necessary to document the foregoing relationship.

D. None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

6.3.39 Integrated Agreement (OCT 1996)

This Lease, upon execution, contains the entire agreement of the parties, and no prior written or oral agreement, express or implied shall be admissible to contradict the provisions of this Lease.

6.3.44 Inspection (OCT 1996)

The Government reserves the right, at any time after the Lease is signed and during the term of the Lease, to inspect the leased premises and all other areas of the building to which access is necessary, to ensure a safe and healthy work environment for the Government tenants and the Lessor's performance under this Lease. The Government shall have the right to perform sampling of suspected hazardous conditions.

6.3.45 Contract Disputes - Real Property by Reference (JAN 2017)

All contract disputes arising under or related to this Lease will be resolved through the FAA dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A Lessor may seek review of a final Government decision only after its administrative remedies have been exhausted.

All contract disputes will be in writing and will be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70
Federal Aviation Administration
800 Independence Avenue, S.W., Room 323,
Washington, DC 20591
Telephone: (202) 267-3290

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

SECTION 4 - FINANCIAL CLAUSES

6.4.1 System for Award Management - Real Property - SAM Waiver (JAN 2017)

The System for Award Management (SAM) is the Government's required method to receive vendor information. However, you have been granted an exception to SAM and therefore must provide your initial payment information and any future changes to your payment information to the RECO on a completed and signed "Vendor Miscellaneous Payment Information" form, together with any other required notice under this lease.

6.4.2 Payment by Electronic Funds Transfer (JAN 2017)

All payments by the Government under this Lease will be made by electronic funds transfer (EFT). The Government will make payment by EFT through the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association. The rules governing federal payments through the ACH are contained in 31 CFR Part 210. The Lessor is responsible for maintaining correct payment information with the Government. If the Lessor's EFT information is incorrect or outdated, the Government is not required to make payments to the Lessor until correct/current EFT information is submitted to the Government for payment distribution.

SECTION 5 - DESIGN AND CONSTRUCTION CLAUSE

6.5.22 Installation of Antennas, Cables & Other Appurtenances (JAN 2017)

The FAA shall have the right to install, operate and maintain antennas, wires and their supporting structures, including any linking wires, connecting cables and conduits atop and within buildings and structures, or at other locations, as deemed necessary by the Government. The Government will coordinate with the Lessor when installing antennas, cables, and other appurtenances.

SECTION 6 - GENERAL BUILDING REQUIREMENTS AND SPECIFICATIONS CLAUSES – Not Applicable

SECTION 7 - SERVICES, UTILITIES, AND MAINTENANCE CLAUSES

6.7.1-2 Services and Utilities (JAN 2017)

Services supplied to technical equipment will be supplied 24 hours a day, and seven days a week. The Government will have access to the leased premises at all times, including the use of electrical services without additional payment.

- A. ELECTRICITY
- B. SNOW REMOVAL
- C. GROUND MAINTENANCE

SECTION 8 - ENVIRONMENTAL OCCUPATIONAL SAFETY AND HEALTH CLAUSES – Not Applicable

SECTION 9 - SECURITY CLAUSES – Not Applicable

SECTION 10 - CLOSING

6.10.1 Notices (JUL 2017)

All notices/correspondence shall be in writing, referencing to the Lease number, and be addressed as follows:

TO THE LESSOR:

City of Ukiah
Airport
300 Seminary Ave
Ukiah, CA 95482

TO THE GOVERNMENT

Federal Aviation Administration
Real Estate & Utilities Group, AAQ-930
2200 S 216th
Des Moines, WA 98198

6.10.3 Signature Block (JUL 2017)

This Lease shall become effective when it is fully executed by all parties.

In witness whereof, the parties hereto have signed their names.

City of Ukiah

By: _____

Print Name: _____

Title: _____

Date: _____

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

By: _____

Print Name: Chris M. Bown

Title: Real Estate Contracting Officer

Date: _____

SECTION 11 – ATTACHMENTS/EXHIBITS/SPECIAL STIPULATIONS

[RECO to insert any special stipulations or conditions as an attachment]

Attachment/Exhibit List

Number	Title	Date	Number of Pages
1	Ukiah RCO Floor Plan "Exhibit A"	8/1/2018	1

[illegible]

CORPORATE / AIRPORT AUTHORITY / CITY / COUNTY CERTIFICATE

If agreement is made with a Corporation, City, or County, the Secretary, Assistant Secretary or City / County Clerk shall execute the following certificate:

I, _____, certify that I am the _____ of the
City named in the attached agreement; that _____ who signed said
agreement on behalf of the City was then _____ of said
City; that said agreement was duly signed for and in behalf of said City by authority of its
governing body, and is within the scope of its City powers.

CORPORATE / CITY SEAL



AGENDA SUMMARY REPORT

SUBJECT: Consideration of Approving One Landmark Tree Nomination, a Tulip Tree Located on Gobbi Street.

DEPARTMENT: Community Services

PREPARED BY: Tami Bartolomei

ATTACHMENTS:

[Attachment 1 - Landmark Tree Nomination](#)

[Attachment 2 Tulip Tree](#)

[Attachment 3 Tulip Tree](#)

Summary: City Staff and the Tree Advisory Group are recommending that the City Council approve adopting one Landmark Tree nomination, a Tulip tree located on Gobbi Street as a Landmark Tree.

Background: In Early 2009, a citizen advisory committee formed and became the Tree Advisory Group (TAG), an open and voluntary committee consisting of horticulture/tree professionals, interested community members, and City staff representatives.

In December 2010, Council adopted the Tree Management Guidelines developed by TAG in collaboration with City staff. At that time, goals for TAG were established, which included the creation of a Landmark Tree Program.

RECOMMENDED ACTION: Approve one Landmark Tree nomination, a Tulip Tree located on Gobbi Street for Landmark Tree Status.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

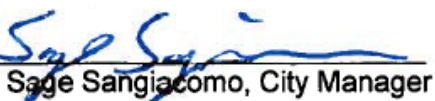
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved:


Sage Sangiacomo, City Manager

Discussion: In 2012, the Tree Advisory Group created a Landmark Tree Program that provides the City with a method to recognize noteworthy trees on public and private property. It also encourages private property owners to take part on a voluntary basis. The criteria for a Landmark tree is that the trees are outstanding specimens; are the largest or oldest in the City, have historic interest, have a distinctive form or aesthetic appeal and environmental value.

Included with this report is one nomination for a Tulip tree at 425 East Gobbi Street (Attachment 1). The Tulip tree is a straight trunked and shapely tree native to the eastern United States. It is mostly planted as a shade tree, featuring a spreading canopy capable of blocking sunlight. The Tulip tree with its tulip-like flowers adds visual interest and beauty to landscaping and has a life expectancy of up to 300 years. The residents of the Gobbi Street retirement community appreciate the trees aesthetic appeal at the gateway to the facility (Attachment 2 & 3). Staff and the Tree Advisory Group are recommending that the City Council adopt the Tulip tree located on Gobbi Street as a Landmark tree.

Property Owner Consent

Property Owner Name

Ukiah Autumn Leaves

Address

425 E 600th St

City, State Zip

Ukiah Ca 95482

Home Phone

(707) 462-5550

Email

autumnleaves@saber.net

I hereby authorize the City of Ukiah and/or their agents the right to enter onto my property to view a tree being submitted for nomination. I hereby give my consent to allow the public the opportunity to view the nominated tree on my property from the public street right-of-way if Landmark Tree status is obtained.

Property Owner Signature



Date

1/31/2018 4/16/18

Benefits

- ✦ Certificate of Recognition presented to owner
- ✦ Landmark Tree designation for the life of the tree
- ✦ Well maintained trees add to property value
- ✦ Trees provide shade and can reduce cooling and heating bills

Check List

- ✦ Nomination form
- ✦ Site map of tree location
- ✦ Picture of the tree(s)
- ✦ Brochures, newspaper clippings, or other supportive documentation
- ✦ Historical data or other significant information related to the tree
- ✦ Property owner consent

Submit Completed Nomination

City of Ukiah
Community Services Department
411 West Clay Street
Ukiah, California 95482
Attention: Landmark Tree Program

(707) 463-6231



Landmark Tree Program



COMMUNITY SERVICES

411 W. CLAY STREET

(707) 463-6231
www.cityofukiah.com

City of Ukiah



Tree Advisory Group

Landmark Tree Program

The Landmark Tree Program was created by the Tree Advisory Group of the City of Ukiah to identify remarkable trees within Ukiah.

The program accepts trees that are outstanding specimens; are the largest or oldest in the city; have historic interest; have distinctive form or aesthetic appeal; have environmental value.

The Landmark Tree Program includes specific trees within the city limits on public property but also extends to private property for owners who wish to participate on a voluntary basis.

Nomination Form

TREE LOCATION

Please include map of property and photo

425 E. Gobbi St

COMMON NAME OF TREE

Tulip Tree

TREE CATEGORY ☒ Specimen ☐ Size/Age ☐ Historic Interest ☒ Aesthetic Appeal ☐ Environmental Value
Pick all that apply. If other, please explain.

Nominator

Donald Lauenroth / Kent Westwood

Date Submitted

7/31/18

Address

425 E. Gobbi St Ukiah Ca.

Home Phone

707 462-5550

Cell Phone

707 489-3575

Email

dlaenroth@msn.com

Tree Owner Name

(if different than nominator)

Ukiah Autumn Leaves

Address

425 E Gobbi St

Home Phone

(707) 462-5550

Cell Phone

707 489 3575

Email

autumnleaves@ukiah.net

Significance of Tree/Grove

Highlight and justify the specific reason(s) you think the tree is significant. Include any documents like newspaper clippings, brochures or other historical documentation.

* straight-trunked, shapely tree defines

entry way

* residents appreciate aesthetic appeal

enclosed:

- photo

- map

- tree info







AGENDA SUMMARY REPORT

SUBJECT: Approve the Amendment of the Microsoft Enterprise License Agreement, to Include Microsoft365 Licenses in the Amount of \$49,062.75.

DEPARTMENT: Information Technology

PREPARED BY: Scott Shaver

ATTACHMENTS:

[Attachment 1 - Microsoft365 License Cost](#)

Summary: Council will consider approving an amendment of the City's Microsoft Enterprise License Agreement to include Microsoft365 licenses in the amount of \$49,062.75.

Background: Convergent Computing is our contract vendor for all Microsoft services related to operations for the City of Ukiah. Convergent Computing provides an audited roadmap of our Microsoft services for the upcoming Fiscal Year, including server operating systems, client operating systems and managed services. These services consist of local storage and server technology that are at the very core of the services that every department in the City of Ukiah depend on.

This roadmap allows the Information Technology department (IT) to stay up with the latest technology directives as they apply to services across our network. This roadmap is critical to budget decisions we make, which reflect on infrastructure policy decisions and purchasing decisions.

RECOMMENDED ACTION: Approve the Amendment of the Microsoft Enterprise License Agreement, to include Microsoft365 Licenses in the Amount of \$49,062.75.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: 20913900.54320: \$49,062.75

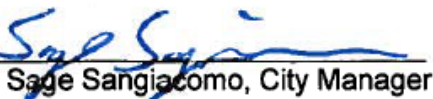
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: Contract No. 1617-193

COORDINATED WITH: Mary Horger, Procurement Manager

Approved:


Sage Sangiacomo, City Manager

The time taken by Microsoft to migrate our Office365 to Government Office365, delayed our Microsoft Services Roadmap provided by Convergent Computing for FY 18/19, as the roadmap was contingent on what services would be offered by Government Office365. This also delayed policy decisions regarding cloud services that are directly related to our network and server infrastructure goals. A roadmap was finally provided, but only after Microsoft completed the Office 365 migration and the FY 18/19 IT budget was submitted. One of the requirements for replacing software costs already budgeted in the FY 18/19 IT budget is contingent on purchasing Microsoft365 licensing.

Discussion: IT is constantly looking for ways to save cost in regard to software licensing and services associated with software. Our Microsoft Enterprise Agreement has been the most economical choice for delivering Microsoft software and services to the City of Ukiah, based on volume licensing. We will be evaluating this cost comparison against individual licensing purchases, as our associated Microsoft contract is up for renewal again in 2020.

We are also continually planning for cloud service cost saving features. During the last three months, services have opened up in Microsoft cloud services, which were not previously available. The replacement of our Box contract with our Microsoft Cloud services will pay for the Microsoft365 licenses. The license purchases will allow IT to proceed with our roadmap and start replacing current software budgeted in FY 18/19 (See Attachment 1 for Microsoft365 license cost). This will allow replacement of our current antivirus software with software we are already paying for within our Microsoft agreement. Additional services allowed will be 2-factor authentication (secondary security logons). This will increase security on all logins for Public Safety, as well as providing management, security and control of all mobile devices used by the City of Ukiah.

The delivery of operating system and application images to new computers as they are deployed is also a service provided by the IT Department. When Convergent surveyed our current System Center Software which provides this service, they determined it would be more cost effective to employ Microsoft Azure cloud service application for delivering these images, rather than spending a week upgrading our System Center software suite.

The Microsoft365 license purchases are the first step in planning our cloud services transition and Microsoft Roadmap for FY 18/19. The \$49,062.75 is the full price for the amendment for the balance of the contract, of which \$18,075.75 will be paid from the 18/19 fiscal year for the remaining 7 months of the current (2nd year) term of the contract, and \$30,987 from the 19/20 fiscal year funds for the 3rd and final year of the contract. The additional cost of this amendment, and the rollout of the Microsoft365 licenses, will allow discontinuation of other software licenses, which will result in a zero impact to the budget. Therefore, funds are available in IT Software Account# 20913900.54320



1940 E. Mariposa Ave., El Segundo, CA 90245


City of Ukiah - EA 53516581 / Off Riverside RIVCO-20800-015-12/19 - M365 E3 GCC Quote - R2

Part #	Item Name	Monthly Price	# of Months	Qty	Extended Price
Additional Products					
AAA-11979	M365 E3 Addon GCC ShrdSvr ALNG SubsVL MVL touserCoreCal	\$ 9.39	7	275	\$ 18,075.75
The above line is for Year 2 of 3 with usage dates of 10/1/2018 through 4/30/2019.			Year 2 Sub Total:		\$ 18,075.75
AAA-11979	M365 E3 Addon GCC ShrdSvr ALNG SubsVL MVL touserCoreCal	\$ 9.39	12	275	\$ 30,987.00
The above line is for Year 3 of 3 with usage dates of 5/1/2019 through 4/30/2020.			Year 3 Sub Total:		\$ 30,987.00
Year 2 Total - P.O. Due Upon Order:					\$ 18,075.75
Year 3 Total - P.O. Due 3/2/2019:					\$ 30,987.00
2 Year Total if Pre-Paying for Licenses UpFront - P.O. Due Upon Order:					\$ 49,062.75



AGENDA SUMMARY REPORT

SUBJECT: Adopt a Resolution Approving the Delegation of Claims Administration and Authorize Redwood Empire Municipal Insurance Fund (REMIF) and the Third Party Administrator to Accept or Reject Claims Filed Against the City of Ukiah.

DEPARTMENT: Human Resources

PREPARED BY: Sheri Mannion

ATTACHMENTS:

[Attachment 1 - Resolution Delegating Claims Admin](#)

Summary: The City Council is being asked to adopt a resolution approving the delegation of claims administration and authorizing Redwood Empire Municipal Insurance Fund (REMIF) and the third party administrator on behalf of REMIF to accept or reject claims filed against the City of Ukiah.

Background: Since 1976, the Redwood Empire Municipal Insurance Fund (REMIF), a joint powers authority, has been managing its members' pooled coverage programs, primarily worker's compensation and liability programs. The City of Ukiah is one of the seven founding members of REMIF. There are now fifteen cities that make up its membership. At the January 26, 2018 REMIF Board of Directors' Meeting, the Board directed the General Manager to enter into a three-year agreement with George Hills Co., a third party administrator, to administer the covered liability claims for member cities. As part of this change, the REMIF General Manager is requesting member cities to adopt a resolution granting REMIF and the third party administrator authority to accept or reject claims.

RECOMMENDED ACTION: Adopt resolution approving the delegation of claims administration and authorize Redwood Municipal Insurance Fund (REMIF) and the third party administrator on behalf of REMIF to accept or reject claims filed against the City of Ukiah.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: N/A

Approved: _____


Sage Sangiacomo, City Manager

Discussion: Government Code 912.6 empowers the City Council to act on a claim filed against the City by rejecting the claim or by paying the claim in total or in part. The Government Code also allows the City Council to delegate to a third party administrator the ability to respond to covered liability claims. The REMIF Memorandum of Coverage for the Liability Program (MOC) is a negotiated agreement amongst the members. The MOC gives REMIF the right to control the negotiation, investigation, defense, appeal or settlement of liability claims for its members. The Human Resources/Risk Management Director works closely and collaboratively with REMIF staff in the handling of claims. The City Manager, as delegated by Council per California Code Section 935.4 and Resolution No. 2009-34, has authority to reject, deny, settle, or compromise a claim up to \$50,000. The addition of George Hills, Co. does not significantly alter the process normally observed by the City of Ukiah. Instead of recommending that a claim be denied by the City Manager or Council, REMIF through George Hills, Co. would be authorized to deny or accept the claim while working closely with the City.

This request is designed to create consistency in claims handling across all the REMIF members and to expedite the claims process. The change has the added benefit of taking the paperwork burden off of the cities, along with the responsibility of meeting strict deadlines for rejection. It is worthy of noting that adoption of the proposed resolution does not change the City Council's authority. If the City disagreed with REMIF about the disposition of a claim, the City Council retains the authority to pay a claim or litigate a claim. In this case, REMIF would turn the claim over to the City to be paid or litigated at the City's expense.

Staff is recommending adoption of attached resolution (Attachment 1) authorizing delegation of claims administration to third party administer on behalf of REMIF and the City.

RESOLUTION NO. 2018-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING THE DELEGATION OF CLAIMS ADMINISTRATION AND AUTHORIZING REMIF AND THE THIRD PARTY ADMINISTRATOR ON BEHALF OF REMIF TO ACCEPT OR REJECT CLAIMS FILED AGAINST THE CITY OF UKIAH

WHEREAS, the City of Ukiah is a member of the Redwood Empire Municipal Insurance Fund (hereinafter referred to as REMIF), a self-insured joint powers authority; and

WHEREAS, REMIF provides, among other things, the City's liability coverage for those matters covered by the Memorandum of Liability Coverage; and

WHEREAS, REMIF has a Memorandum of Liability Coverage that outlines the liability coverage provided to the City of Ukiah and is bound by the By-Laws that, among other things, outline settlement authority; and

WHEREAS, REMIF works with a third party administrator to administer the City's liability claims that fall under the Memorandum of Liability Coverage; and

WHEREAS, Government Code 912.6 requires that the City of Ukiah act on a claim filed against the City in one of four ways: (1) If the Board finds the claim is not a proper charge against the public entity, it shall reject the claim; (2) If the Board finds the claim is a proper charge against the public entity and is for an amount justly due, it shall allow the claim; (3) If the Board finds the claim is a proper charge against the public entity but is for an amount greater than is justly due, it shall either reject the claim or allow it in the amount justly due and reject it as to the balance; or (4) If legal liability of the public entity or the amount justly due is disputed, the Board may reject the claim or may compromise the claim; and

WHEREAS, the City of Ukiah shall delegate and authorize REMIF and the third party administrator on behalf of REMIF, which is common practice amongst other cities, to respond to covered claims filed against the City as outlined in Government Code section 912.6. The City of Ukiah will work closely with REMIF and the third party administrator on behalf of REMIF to respond to covered claims. All decisions will be collaboratively discussed between the City and REMIF or the third party administrator on behalf of REMIF. Final authority is outlined in the Memorandum of Liability Coverage, the bylaws and the JPA agreement with REMIF; and

WHEREAS, whenever it is necessary for the City to reject or provide another form of notice to a claimant for a covered claim, the City of Ukiah hereby delegates to REMIF or the third party administrator on behalf of REMIF that authority, in collaboration with the City of Ukiah; and

WHEREAS, the City of Ukiah will immediately report every covered claim to REMIF and/or the third party administrator on behalf of REMIF (but in no case longer than 2 business days of claim filing); the City of Ukiah will provide REMIF and the third party administrator on behalf of REMIF any information/documentation that is needed immediately (but in no case longer than 10 days of claim filing) with information to determine the appropriate claim response.

NOW, THEREFORE, BE IT RESOLVED by the City of Ukiah that it does hereby delegate the authority of claims administration for covered claims and authorizes REMIF and the third party administrator on behalf of REMIF to respond to covered claims on behalf of the City of Ukiah.

The foregoing Resolution was passed and adopted at a regular meeting of the City Council on the 3rd day of October 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

KEVIN DOBLE, Mayor

ATTEST:

KRISTINE LAWLER, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Report of Purchase and Consideration and Possible Approval of Budget Amendment for Purchase and Installation of New Lighting at the Aquatics Facility in the Amount of \$9,316.

DEPARTMENT: Community Services

PREPARED BY: Jake Burgess

ATTACHMENTS:

[Attachment 1- Intercounty Mechanical Pool Light Invoice and Specs](#)

Summary: Council will consider and possibly approve a budget amendment in the amount of \$9,316 for the purchase and installation of new LED lighting at the Aquatics Facility.

Background: This year, the Community Services Department expanded the event offerings at the Aquatics Facility with the addition of several evening events. The existing lights at the Facility were over thirty years old, no longer functioned properly, and were not optimal for the later events. Therefore, new LED light fixtures were purchased and installed to provide proper lighting for the facility during evening events and for overnight security. The new 150 Watt LED lights are highly efficient and have an expected life of over 50,000 hours (see Attachment 1). The cost of the new lighting was offset by a \$380 rebate from Efficiency Services, bringing the total cost down to \$9,316.

The source for this expense was the Aquatics - Specialty Supplies budget, which is typically used for the purchase of chlorine and other supplies for the maintenance and operation of the pool facility. As this was a special purchase, it has impacted the budget for this account and not enough funds remain to cover operations

RECOMMENDED ACTION: Approve Budget Amendment in the amount of \$9,318 for the purchase and installation of new LED lighting at the City of Ukiah Aquatics Facility.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 10022300-54106: -\$130.04

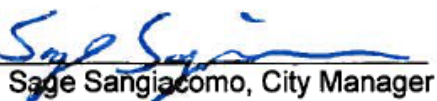
PROPOSED BUDGET AMOUNT: \$9,316

FINANCING SOURCE: General Fund

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mary Horger, Procurement Manager; Tami Bartolomei, Community Services Administrator; Jarrod Meyer, Parks Superintendent

Approved: _____


Sage Sangiacomo, City Manager

for the rest of this fiscal year.

Discussion: The new lighting has already enabled the Recreation Department to host four evening events including a "Dive In Movie" and three other special night swim events. These events have proven to be immediately popular with over 100 members of the community in attendance for each one. They will also allow for future expansion of program and event offerings with the only limiting factor now being water temperature.

Proposal

CONTRACTORS LICENSE NO. 926337

Page No. _____ of _____ Pages

INTERCOUNTY



MECHANICAL & ELECTRICAL, INC.

189 Wabash Avenue
 Ukiah, CA 95482
 Fax (707) 462-9801
 Ph (707) 462-9800

PROPOSAL SUBMITTED TO		PHONE	DATE
STREET		JOB NAME	
CITY, STATE and ZIP CODE		JOB LOCATION	
ARCHITECT	DATE OF PLANS	CONTACT	PHONE

We hereby submit specifications and estimates for:

~~We Propose~~ hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Payment to be made as follows: _____ dollars (\$ _____).

Upon completion and billing.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become as extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized
 Signature _____

**Note: This proposal may be
 withdrawn by us if not accepted within 30 days.**

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____

Signature _____

Signature _____

ENHANCED LED PERFORMANCE IN A CLASSIC DESIGN

Medium and Large LED floodlights available in 70w,100w,150w and 250w, replace up to 400W metal halide floodlights, operating for 50,000+ hours. This fixture is wet location rated for outdoor use. Rugged Die-cast aluminum housing, corrosion resistant and compact. Protective architectural dark bronze powder paint finish, ensures lasting performance in harsh environmental conditions. Variety of standard NEMA patterns. Slipfitter and Trunnion mounting available. Applications include building facades, displays, landscaping, security lighting, parking areas, walkways and other work areas.

FLOOD LIGHT

SKU	FD70W27V50KBD877	FD100W27V50KBD877
LIGHT OUTPUT	8,800 Lumens	12,000 Lumens
COLOR TEMP	5000K	5000K
POWER CONSUMPTION	70W	100W
COLOR ACCURACY	70CRI	70CRI
REPLACES	250W PSMH	320W PSMH
PRICE		

FLOOD LIGHT

SKU	FD150W27V50KBD877
LIGHT OUTPUT	18,000 Lumens
COLOR TEMP	5000K
POWER CONSUMPTION	150W
COLOR ACCURACY	70CRI
REPLACES	320W PSMH
PRICE	

FLOOD LIGHT

SKU	FD250W27V50KBD877
LIGHT OUTPUT	33,000 Lumens
COLOR TEMP	5000K
POWER CONSUMPTION	250W
COLOR ACCURACY	70CRI
REPLACES	400W PSMH
PRICE	

UL LISTING

UL listed for wet location.

DESIGNLIGHTS CONSORTIUM

DLC qualified at 4000K and 5000K.

LEDS

LM-80 certified high performance and reliable lumileds LEDs.

DRIVERS

Tailored constant-current LED power supply,UL class 2.

HOUSING

Die-cast aluminum with durable dark bronze power coat finish.

INSTALLATION

Slipfitter mounting, Wall mount and Trunnion mounting.

AMBIENT TEMPERATURE

Suitable for use in -40 C to 45 C.

WARRANTY

5 years limited warranty.

LED Flat Flood Light

Up to 12,000 + Lumens

Flood Light 70W & 100W

Dimensions: 12.402x13.228x3.071in.



Up to 18,000 + Lumens

Flood Light 150W

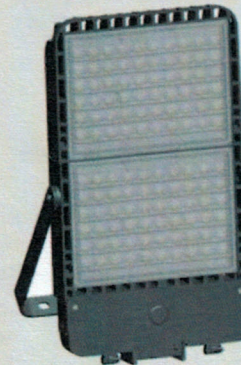
Dimensions: 12.402x16.228x3.071in.



Up to 33,000 + Lumens

Flood Light 250W

Dimensions: 12.402x23.838x3.071in.



nLED



AGENDA SUMMARY REPORT

SUBJECT: Adopt Resolution to Extend Local Preference Purchasing Policy.

DEPARTMENT: Finance

PREPARED BY: Mary Horger

ATTACHMENTS:

[Attachment 1 - Draft Bidding Preference Resolution for 2018](#)

Summary: The Council will consider approving a resolution to extend the Bidding Preference for Local Businesses without a time limit or expiration date for the continuation of the bidding preference.

Background: At the September 19, 2018, Council Meeting, staff presented a report reviewing the effect of the Local Preference Purchasing Policy in the past year. Based on this review, Council approved keeping the policy in place and extending it without expiration, and without further annual review.

Discussion: Provided as Attachment 1 is the draft resolution that formalizes the Council's direction.

RECOMMENDED ACTION: Adopt resolution to extend the local preference purchasing policy.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: David Rapport, City Attorney

Approved: _____


Sage Sangiacomo, City Manager

RESOLUTION 2018-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH EXTENDING THE BIDDING PREFERENCE FOR LOCAL BUSINESSES ENACTED BY CITY COUNCIL RESOLUTION NO. 2016-50.

WHEREAS:

1. On September 7, 2016, pursuant to Ukiah City Code Section 1522.D.4, the City Council adopted Resolution No. 2016-50, adopting a preference for local businesses on the City's procurement of certain goods or services; and

2. The local preference adopted by Resolution 2016-50 by its terms was to be repealed effective October 31, 2017, unless extended by City Council resolution, after conducting a review of the resolution a year after its adoption; and

3. On September 20, 2017, the City Council conducted the one-year review of the local preference and determined that the local preference adopted by Resolution No. 2016-50 should be extended for an additional year and to conduct another annual review of its impact on the City and local businesses; and

4. On October 4, 2017, the Council adopted Resolution 2017-46, extending the term for one additional year, to be repealed effective October 31, 2018, unless extended by City Council resolution, after conducting a second one-year review; and

5. On September 19, 2018, the City Council conducted a second one-year review of the local preference; and

6. The City Council determined that the local preference adopted by Resolution No. 2016-50 should be extended without expiration and without the requirement of an annual review of its impact on the City and local businesses;

NOW, THEREFORE, BE IT RESOLVED that:

1. Resolution No. 2016-50 is hereby extended without a time limit on its continuing in effect.

PASSED AND ADOPTED on October 3, 2018, by the following Roll Call Vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kevin Doble, Mayor

ATTEST:

Kristine Lawler, City Clerk



AGENDA SUMMARY REPORT

SUBJECT: Discussion Regarding Possible Cancellation of the November 21, 2018, and January 2, 2019, Regular Council Meetings, with the Option for the Mayor and/or City Manager to Call for a Special Meeting on an Alternate Date if Time Sensitive Business Arises.

DEPARTMENT: Clerk/Admin

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - Holiday Calendar 2018](#)

Summary: The City Council will discuss and decide whether or not to cancel their regular meetings of November 21, 2018, and January 2, 2019, due to the close proximity to holiday dates, with the option for the Mayor and/or City Manager to call for a special meeting on an alternate date if time sensitive business arises.

Background: Periodically throughout the year, if a regular council meeting falls on a date that is on or near a holiday, the Council may choose to cancel that meeting.

Discussion: The November 21, 2018, regularly scheduled meeting falls on the day before the Thanksgiving Holiday break, at a time when staff and possibly councilmembers may have plans to be away with family. Likewise, January 2, 2019, falls on the day after New Year's Day, when staff and councilmembers may already

RECOMMENDED ACTION: 1) Approve the cancellation of the November 21, 2018, and January 2, 2019, Regular City Council meeting(s), with the option for the Mayor and/or City Manager to call for a special meeting on an alternate date if time sensitive business arises, and direct the City Clerk to post the Notice of Cancellation(s) accordingly.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

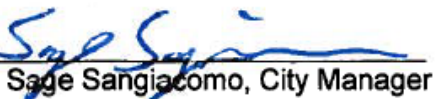
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Shannon Riley, Deputy City Manager

Approved:


Sage Sangiacomo, City Manager

be away and/or still travelling back home from the holiday.

Staff is recommending that Council discuss whether to cancel one or both of these meetings, with the option for the Mayor and/or City Manager to call for a special meeting on an alternate date if time sensitive business arises. One consideration for the January 2, 2019, meeting is that there will be one or more new councilmembers at that time. However, knowing ahead of time whether the meeting will take place, will help councilmembers and staff to make arrangements, if necessary, ahead of time. The 2018 Holiday Calendar (Attachment 1) has been attached for reference.



City of Ukiah

2018 Holiday & Payroll Calendar



JANUARY

(Fiscal Month 7)

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

January 1 - New Year's Day Holiday

January 15 - Martin Luther King Jr. Day

FEBRUARY

(Fiscal Month 8)

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

February 19 - President's Day

MARCH

(Fiscal Month 9)

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

APRIL

(Fiscal Month 10)

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

MAY

(Fiscal Month 11)

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

May 28 - Memorial Day

JUNE

(Fiscal Month 12)

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

JULY

(Fiscal Month 1)

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

July 4 - Independence Day

AUGUST

(Fiscal Month 2)

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

SEPTEMBER

(Fiscal Month 3)

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

September 3 - Labor Day

OCTOBER

(Fiscal Month 4)

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

October 8 - Columbus Day

NOVEMBER

(Fiscal Month 5)

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

November 12 - Veteran's Day

November 22 - Thanksgiving Day

November 23 - Day After Thanksgiving

DECEMBER

(Fiscal Month 6)

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

December 24 - Christmas Eve Holiday

December 25 - Christmas Holiday

December 31 - New Year's Eve Holiday

= Pay Date

= Time Sheets Due

= Holiday



AGENDA SUMMARY REPORT

SUBJECT: Receive Updates on City Council Committee and Ad Hoc Assignments.

DEPARTMENT: Administration

PREPARED BY: Kristine Lawler

ATTACHMENTS:

[Attachment 1 - 2018 City Council Special Assignments & Ad Hocs](#)

Summary: City Council members will provide reports and updates on their committee and ad hoc assignments.

Background: City Council members are assigned to a number of committees and ad hoc activities. These assignments are included as Attachment #1.

Discussion: Previously, the City Council discussed having more time allocated to reporting on committee and ad hoc activities. Often, the Council Reports section of the regular agenda is rushed due to impending business (i.e., public hearings), and not enough time is afforded for reports beyond community activities.

In an effort to foster regular updates on committee and ad hoc assignments, this item is being placed on the agenda to provide the City Council members an expanded opportunity to report on assignments.

RECOMMENDED ACTION: Receive report(s).

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

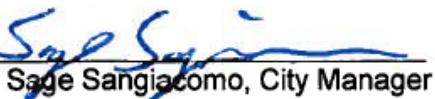
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Mayor Doble

Approved: _____


Sage Sangiacomo, City Manager

2018 COUNCIL ASSIGNMENTS

ATTACHMENT 1

COUNTY/REGIONAL OnGoing One + Alternate	MTG DATE/TIME	MEETING	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Mendocino Council of Governments (MCOG)	1st Monday of month, 1:30 p.m.	Board of Supervisors Chambers	501 Low Gap Road Ukiah, CA	Executive Director 367 N. State Street, Ste. 206 Ukiah, CA 95482 463-1859	Plan and allocate State funding, transportation, infrastructure and project County wide	Scalmanini Brown - Alternate	Rick Seanor , Deputy Director of Public Works; 463-6296 rseanor@cityofukiah.com
Mendocino County Inland Water and Power Commission (IWPC)	2nd Thursday of month, 6:00 p.m.	Civic Center	300 Seminary Avenue conference room 5	IWPC Staff P.O. Box 1247 Ukiah, CA 95482 391-7574 - Candace Horsley	Develops coordination for water resources and current water rights: Potter Valley project - Eel River Diversion	Doble Brown - Alternate	Sean White , Director of Water Resources; 463-5712 swwhite@cityofukiah.com
Mendocino Solid Waste Management Authority (MSWMA)	3rd Thursday of every other month (varies), 10:00 a.m.	Willits Council Chambers		Solid Waste Director 3200 Taylor Drive Ukiah, CA 95482 468-9710	County-wide Solid Waste JPA	Brown Doble - Alternate	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Mendocino Transit Authority (MTA) Board of Directors	Last Wednesday of month, 1:30 p.m.	Alternating locations - Ukiah Conference Center or Fort Bragg, or Point Arena		Executive Director 241 Plant Road Ukiah, CA 95482 462-1422	County-wide bus transportation issues and funding	Scalmanini Brown - Alternate	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
North Coast Opportunities (NCO)	4th Wednesday of month, 2 p.m.	Alternating locations - Ukiah and Lakeport		Ross Walker, Governing Board Chair North Coast Opportunities 413 North State Street Ukiah, CA 95482	Assist low income and disadvantaged people to become self reliant	Tami Bartolomei (Appointed 4/05/2017)	Tami Bartolomei , Community Services Administrator; 467-5765 tbartolomei@cityofukiah.com
North Coast Rail Authority (NCRA)	2nd Wednesday of month, 10:30 a.m.	Various Locations - announced		419 Talmage Road, Suite M Ukiah, CA 95482 463-3280	Provides a unified and revitalized rail infrastructure meeting the freight and passenger needs of the region	Mulheren (no alternate necessary)	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Russian River Watershed Association (RRWA)	4th Thursday of month, 9:00 a.m. (only 5 times a year)	Windsor Town Hall		Russian River Watershed Association Attn: Daria Isupov 425 South Main St., Sebastopol, CA 95472 666-4857	Consider issues related to Russian river - plans projects and funding requests	Doble Brown - Alternate	Sean White , Director of Water Resources; 463-5712 swwhite@cityofukiah.com
Ukiah Valley Basin Groundwater Sustainability Agency (GSA)	2nd Thursday of month, 1:30 p.m.	Board of Supervisors Chambers;	501 Low Gap Road Ukiah, CA	County Executive Office Nicole French 501 Low Gap Rd., Rm. 1010 Ukiah, CA 95482 463-4441	GSA serves as the Groundwater Sustainability Agency in the Ukiah Valley basin	Crane Doble - Alternate	Sean White , Director of Water Resources; 463-5712 swwhite@cityofukiah.com
COUNTY/REGIONAL One + Staff Alternate	MTG DATE/TIME	MEETING	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Depot Infrastructure Development	TBD	TBD		300 Seminary Avenue Ukiah, CA 95482	Review and advise regarding public infrastructure improvements in and around the railroad depot property and area	Doble (no alternate necessary)	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Economic Development & Financing Corporation (EDFC)	2nd Thursday of month, 2:00 p.m.	Primarily 631 S. Orchard Street (location varies)		Executive Director 631 South Orchard Avenue Ukiah, CA 95482 467-5953	Multi-agency co-op for economic development and business loan program	Doble Riley - Alternate	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Greater Ukiah Chamber of Commerce Liaison ex officio	4th Wednesday of month, 9:00 a.m.	Conference Center	200 S. School Street Ukiah, CA	200 S. School Street Ukiah, CA 95482 462-4705	To represent and set policy for Chamber and area businesses	Doble Riley - Alternate	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com; Kerry Randall , Facilities Admin; 463-6706 krاندall@cityofukiah.com
Homeless Services Action Group (HSAG)	Thursdays as needed, 4:00 p.m.	Manzanita Services Inc.	410 Jones Street Ukiah	631 Tokay Avenue Ukiah, CA 95482 or MCAVHN at: P.O. Box 1350 Ukiah, CA 95482 Judy Popowski - 463-6655	HSAG (Homeless Services Action Group)	Scalmanini	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Main Street Program Board of Directors ex officio	1st Thursday of month, 8:00 a.m.	200 South School Street	Ukiah, CA	200 S. School St. Ukiah, CA 95482 463-6729	Develops activities for downtown economic development program	Mulheren Riley - Alternate	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com Kerry Randall , Facilities Administrator; 463-6706 krاندall@cityofukiah.com
Sun House Guild ex officio	2nd Tuesday of month, 4:30 p.m.	Sun House	431 S. Main St. Ukiah, CA	431 S. Main Street Ukiah, CA 95482 467-2836	Support and expand Grace Hudson Museum	Scalmanini Sangiacomo - Alternate	Tami Bartolomei , Community Services Administrator; 467-5765 tbartolomei@cityofukiah.com
Mendocino Youth Project JPA Board of Directors	3rd Wednesday of month, 7:45 a.m.	776 S. State Street Conference Room		Mendocino Co. Youth Project 776 S. State Street, Ste. 107 Ukiah, CA 95482 707-463-4915	targets all youth with a focus on drug and alcohol prevention, healthy alternatives and empowering youth to make healthy choices	Brown Chief Dewey - Alternate	Chris Dewey , Police Chief; 463-6245 cdewey@cityofukiah.com

2018 COUNCIL ASSIGNMENTS

Northern California Power Agency (NCPA)	4th Thursday of month, 9:00 a.m. (see calendar from NCPA)	Roseville, CA and other locations	651 Commerce Drive Roseville, CA 95678 916-781-4202	Pool of public utilities for electric generation and dispatch	Crane Grandi - Alternate	Mel Grandi , Electric Utility Director; 463-6295 mgrandi@cityofukiah.com
LOCAL/COUNTY/REGIONAL/LIANSOS OnGoing One or Two Council and/or Staff	MTG DATE/TIME	LOCATION	MAILING ADDRESS/CONTACT	COMMITTEE FUNCTION	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
League of California Cities Redwood Empire Legislative Committee	Prior to Division Meetings, meets 3x in person and then via conference call	Various locations that are announced	Redwood Empire League President; Public Affairs Program Manager (916) 658-8243	Elected city officials and professional city staff attend division meetings throughout the year to share what they are doing and advocate for their interests in Sacramento	Mulheren Doble - Alternate	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
City Selection Committee	Called as required by the Clerk of the Board	BOS Conference Room 501 Low Gap Rd. Rm. 1090 Ukiah, CA	C/O: BOS 501 Low Gap Rd., Rm 1090 Ukiah, CA 95482 463-4441	Makes appointments to LAFCO and Airport Land Use Commission	Mayor	Kristine Lawler , City Clerk; 463-6217 klawler@cityofukiah.com
Investment Oversight Committee	Varies	Civic Center 300 Seminary Ave. Ukiah, CA 95482	Civic Center 300 Seminary Ave. Ukiah, CA 95482	Reviews City investments, policies, and strategies	Crane Alan Carter , Treasurer	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Library Advisory Board	3rd Wednesdays of alternate months (beginning January), 1:00 p.m.	Various Mendocino County Libraries	Ukiah County Library 463-4491	Review library policy and activities	Mulheren	Kristine Lawler , City Clerk; 463-6217; klawler@cityofukiah.com
Ukiah Players Theater Board of Directors	3rd Tuesday of month, 6:00 p.m	1041 Low Gap Rd Ukiah, CA 95482 462-1210	1041 Low Gap Rd Ukiah, CA 95482 462-1210	To oversee the activities, organization and purpose of the Ukiah Players Theater	Greg Owen , Airport Manager	Kristine Lawler , City Clerk; 463-6217 klawler@cityofukiah.com
Ukiah Unified School District (UUSD) Committee	Quarterly	511 S. Orchard, Ste. D Ukiah, CA 95482	511 S. Orchard Ukiah, CA 95482	Information exchange with UUSD Board Chair, Mayor, Superintendent, and City Manager	Mayor	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
Russian River Flood Control District (RRFCD)	1st Monday of month, 5:30 p.m.	151 Laws Ave., Suite D Ukiah, CA	151 Laws Ave., Ukiah, CA 95482; rrfc@pacific.net; 462-5278	Proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County	Doble	Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com
HHSA Advisory Board	2nd Wednesday of month; 9:00 a.m.	Big Sur Room County Department of Social Services	Executive Director Jackie Williams - 462-1934 c/o Ford St. Project 139 Ford St. Ukiah CA 95482	Discussions and possible work on health and human service issues	Brown - Liaison	Sage Sangiacomo , City Manager; 463-6221; ssangiacomo@cityofukiah.com
Mendocino County Local Area Formation Commission (LAFCO)	1st Monday of month, 9:00 a.m.	Board of Supervisors Chambers	Executive Director 200 S. School Street, Ste. 2 Ukiah, CA 95482 463-4470	Required by legislation - planning spheres of influence, annexation, service areas, and special districts	Doble	Craig Schlatter , Director of Community Development; 463-6219; cschlatter@cityofukiah.com
Mendocino County Airport Land Use Commission	As needed	BOS Conference Room 501 Low Gap Rd., Rm. 1090, Ukiah, CA	Mendocino County Executive Office 501 Low Gap Rd. Rm. 1010 Ukiah, CA 95482	To formulate a land use compatibility plan, provide for the orderly growth of the airport and the surrounding area, and safeguard the general welfare of the inhabitants within the vicinity	None from Ukiah Council currently	Kristine Lawler , City Clerk; 463-6217 klawler@cityofukiah.com
Mendocino County 2nd District Liaison	1st Wednesdays of month, 8:00 a.m.	Civic Center Annex conference room #5 411 West Clay St. Ukiah, CA 95482	Civic Center 300 Seminary Ave. Ukiah, CA 95482	To coordinate activities and policy development with the City's 2nd District Supervisor	Brown / Mulheren (Alternate)	Sage Sangiacomo , City Manager; 463-6221; ssangiacomo@cityofukiah.com
Fire Executive Committee	2nd Wednesdays of month, 7:00 p.m.	Ukiah Valley Conference Center, 200 S. School Street Ukiah, CA	Stephanie Abba Civic Center 300 Seminary Ave. Ukiah, CA 95482 sabba@cityofukiah.com	Per the recently adopted agreement between the City of Ukiah and the Ukiah Valley Fire Protection District	Brown / Doble	Dan Grebil , Fire Authority Administrator; 462-7921 x400; dgrebil@cityofukiah.com

2018 AD HOC COMMITTEES

COMMITTEE	ASSIGNED TO	PRINCIPAL STAFF SUPPORT
Electric Grid Operational Improvements	Crane/Scalmanini	Mel Grandi , Electric Utility Director; 463-6295 mgrandi@cityofukiah.com
Rate Studies for Electric, Water, Sewer	Crane/Doble	Mel Grandi , Electric Utility Director; 463-6295 mgrandi@cityofukiah.com Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Sales Tax Sharing	Crane/Doble	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com Guy Mills , Project and Grant Administrator; 467-5719 gmills@cityofukiah.com David Rapport , City Attorney; 467-2800 drapport@cityofukiah.com Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Ukiah Valley Sanitation District Mediation	Crane/Doble	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com Sean White , Water Resources Director; 467-5712 swhite@cityofukiah.com
Water Bonds	Crane/Doble	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Marijuana Legislation and Policy	Mulheren/Brown	Chris Dewey , Police Chief; 463-6245 cdewey@cityofukiah.com Craig Schlatter , Director of Community Development; 463-6219 cschlatter@cityofukiah.com
Strategic Planning	Crane/Doble	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
Landfill Closure	Crane/Scalmanini	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
City Water Rights	Doble/Crane	Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com
Downtown Parking Management	Mulheren/Brown	Shannon Riley , Deputy City Manager; 467-5793 sriley@cityofukiah.com
Budget Development Best Practices and Financial Policy	Crane/Doble	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com Sheri Mannion , Human Resource Director/Risk Manager; 463-6272, smannion@cityofukiah.com
Public Works Project Specification Development	Crane/Doble	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Uniform Cost Accounting	Crane/Mulheren	Tim Eriksen , Public Works Director/City Engineer; 463-6280 teriksen@cityofukiah.com
Cost Allocation Plan	Crane/Doble	Dan Buffalo , Director of Finance; 463-6220 dbuffalo@cityofukiah.com
Vichy Springs Resort Litigation	Scalmanini/Brown	Sage Sangiacomo , City Manager; 463-6221 ssangiacomo@cityofukiah.com
Marbut Study Ad Hoc	Brown/Scalmanini	Justin Wyatt , Police Operations Captain, 463-6760 jwyatt@cityofukiah.com
Solar Proposal-Application Project	Crane/Scalmanini	Sean White , Director of Water Resources; 463-5712 swhite@cityofukiah.com



AGENDA SUMMARY REPORT

SUBJECT: Adoption of Resolution(s) Approving Successor Memoranda of Understanding for Employee Bargaining Units.

DEPARTMENT: Human Resources

PREPARED BY: Sheri Mannion

ATTACHMENTS:

[Attachment 1 - Resolution Successor MOUs 2018-2021](#)

[Attachment 2 - IBEW MOU 2018-2021 \(Final\)](#)

[Attachment 3 - Department Head MOU 2018-2021 \(Final\)](#)

[Attachment 4 - Management Unit MOU 2018-2021 \(Final\)](#)

[Attachment 5 - Water Utilities Mechanics Comprehensive MOU 2018-2021 \(Draft\)](#)

Summary: The Council is be asked to adopt a resolution(s) approving the successor Memoranda of Understanding between the City of Ukiah and employee bargaining units.

Background: The Myers-Milias Brown Act (MMBA) is the law in California that establishes mandatory rights and duties by which all local agencies must abide with regard to labor relations. Within the requirements of MMBA, the City's negotiator, City Manager, received authority from the City Council on matters within the scope of representation, and then proceeded to meet and confer with bargaining units on successor Memoranda of Understanding (MOU).

RECOMMENDED ACTION: Adopt a resolution(s) approving the successor Memoranda of Understanding between the City of Ukiah and employee bargaining units.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: Budgeted FY 2018/2019

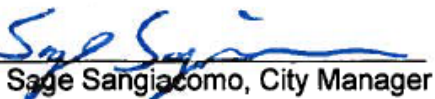
PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sage Sangiacomo, City Manager

Approved: _____


Sage Sangiacomo, City Manager

Discussion: The City Manager, Human Resources Director, and representatives from all bargaining units have been meeting over the past couple of months to negotiate successor labor agreements which have expired as of September 19, 2018. The City will bring ratified tentative agreements to the Council for consideration as they become available.

A number of agreements are nearing completion and will be considered by the Council. Resolution(s) and agreements are under development and will be distributed upon completion and/or at the night of the meeting.

A Closed Session has been agendized (Item 14c) should Council need additional discussion before adopting the Resolution(s).

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH
ADOPTING MEMORANDA OF UNDERSTANDING
BETWEEN THE CITY OF UKIAH AND THE LOCAL 1245 OF INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS, DEPARTMENT HEAD,
MANAGEMENT, AND WATER UTILITIES/MECHANICS BARGAINING UNITS**

WHEREAS, the Employee/Employer Relations Officer and Human Resources Director have met and conferred in good faith with representatives of the Local 1245 of the International Brotherhood and Electrical Workers, and the Department Head, Management, and Water Utilities/Mechanics Units; and

WHEREAS, Memoranda of Understanding for the term of September 19, 2018 through September 18, 2021 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 are hereby adopted and the Employee/Employer Relations Officer is authorized to enter into these Agreements.

PASSED AND ADOPTED this 3rd day of October 2018, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kevin Doble, Mayor

ATTEST:

Kristine Lawler, City Clerk

MEMORANDUM OF UNDERSTANDING

CITY OF UKIAH

And

LOCAL 1245 of the

International Brotherhood of Electrical Workers

2018 - 2021

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**MEMORANDUM OF UNDERSTANDING
CITY OF UKIAH
LOCAL 1245
of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

PREAMBLE: This Memorandum of Understanding (MOU) is entered into pursuant to the Meyers-Millias-Brown Act (Calif. Gov't Code §3500 et seq.) and applicable ordinances and resolutions of the City of Ukiah, between the City of Ukiah (hereinafter "City") and the Local 1245 of the International Brotherhood of Electrical Workers (hereinafter "Local 1245"). As a result of meet and confer sessions, the City and IBEW have agreed to the following understandings.

I. RECOGNITION

1.1 The City of Ukiah formally acknowledges the Local 1245 of the International Brotherhood of Electrical Workers as the sole recognized employee organization and exclusive representative for employer-employee relations matters of those job classifications set forth in Appendix A to this Agreement.

1.2 Union may use portions of City bulletin boards under the following conditions:

- a. All materials must receive the approval of the Director of Personnel in charge of the departmental bulletin board.
- b. All materials must be dated and must identify the organization that published them.
- c. The actual posting of materials will be done by the City as soon as possible after they have been approved. Unless special arrangements are made, materials posted will be removed 31 days after the publication date. Materials, which the department head considers objectionable will not be posted, provided however, the department head shall first discuss this denial with the City Manager.
- d. The City reserves the right to determine where bulletin boards shall be placed and what portion of them are to be allocated to employee organizations materials.
- e. An employee organization that does not abide by these rules will forfeit its right to have materials posted on City bulletin boards

1.3 Reasonable access to employee work locations shall be granted officers of Local 1245 and their officially designated representatives, for the purpose of processing grievances or contacting members of the organization concerning business within the scope of representation. Such officers or representatives shall not enter any work location without the consent of the Department head or the Municipal Employee Relations Officer. Access shall be restricted so as not to interfere with the normal operations of the department or with established safety or security requirements.

Solicitation of membership and activities concerned with the internal management of an employee organization, such as collecting dues, holding membership meetings, campaigning for office, conducting elections and distributing literature, shall not be conducted during working hours.

1.4 Only a formally recognized employee organization (i.e. Local 1245 of the International Brotherhood of Electrical Workers) may be granted permission by the Municipal Employee Relations Officer to have the regular dues of its members deducted from their paychecks, in accordance with the procedures prescribed by the Municipal Employee Relations Officer. Provided however, this shall not preclude the continuation of dues check-off heretofore granted to any employee organization.

Dues deduction shall be for a specified amount and shall be made only upon the voluntary written authorization of the member. Dues deduction authorization may be cancelled and the dues check-off payroll discontinued at any time by the member upon voluntary written notice to the Municipal Employee Relations Officer. Dues deduction authorization or cancellation shall be made upon cards provided by the Municipal Employee Relations Officer. Dues deduction may be continued only upon voluntary written authorization of the member for a period time not to exceed one year. Employee payroll deduction authorizations shall be in uniform amounts for dues deductions.

The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues check-off authorized. When a member in good standing of the formally recognized employee organization is in a non-pay status for an entire pay period, no dues withholding will be made to cover that pay period from future earnings nor will the member deposit the amount with the City which would have been withheld if the member had been in a pay status during that period. In the case of an employee who is in a non-pay status during only a part of the pay period and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over Local 1245 dues.

Dues withheld by the City shall be transmitted to the officer designated in writing by the employee organization as the person authorized to receive such funds, at the address specified.

All employee organizations that receive dues check-off shall indemnify, defend, and hold the City of Ukiah harmless against any claims made and against any suit instituted against the City of Ukiah on account of check-off of employee organization dues. In addition, all such employee organizations shall refund to the City of Ukiah any amounts paid to it in error upon presentation of supporting evidence.

1.5 Union Security

The following provisions shall apply to all employees represented by Local 1245 of the International Brotherhood of Electrical Workers.

DUES/FEES

Any employee of the City in a classification represented by the Local 1245 who is not on leave of absence may become a member of the Local 1245, or may pay Local 1245 a fair share service fee in an amount not to exceed periodic dues and general assessments of Local 1245. Such amounts shall be determined by Local 1245 and implemented by the City in the first payroll period after receipt of written notification of employee authorization from Local 1245.

UNION RESPONSIBILITIES

- A. Local 1245 shall keep an adequate itemized record of its financial transactions and shall, by April 1 of each year, make available to the City, and to all bargaining unit employees, a detailed written financial report for the fiscal year ending the preceding December 31, in the form of a balance sheet and an operating statement, certified as to its accuracy by its president and the treasurer or corresponding principal officer, or by a certified public accountant.
- B. Local 1245 certifies to the City that it has adopted, implemented, and will maintain procedures in accordance with applicable statutes, any decisions by a court of competent jurisdiction, and any other applicable legal authority.
- C. Hold Harmless: Local 1245 agrees to indemnify and hold the City harmless against any and all liability including but not limited to such items as wages, damages, awards, fines, court costs, and attorney fees which may arise by reason of the result of the operation of this Article.

CHANGE OF LAW

In the event there is a change in the law whereby any provision hereof becomes invalid or if for any reason any provision of this Article is rendered unlawful by any published appellate court decision, the parties hereto shall meet-and-confer within thirty (30) days to negotiate a substitute provision which conforms to said law or court decision.

NEW EMPLOYEES & NEW EMPLOYEE ORIENTATION

In accordance with applicable state law and Assembly Bill 119 the City shall provide Local 1245 and its designated representatives mandatory access to all new employee orientations of classifications it represents. The City will work with Local 1245 to provide advanced notice, of not less than 10 days, of the new hire orientation so an exclusive representative of Local 1245 will have access to new employee orientations for up to thirty minutes.

Local 1245 agrees to provide the City a list of shop stewards/representative(s) that Local 1245 will use for the new hire orientations throughout the year. Local 1245 will identify which steward/representative will attend the new employee orientation or, alternatively, schedule to meet with the newly hired employee at a time more acceptable to operational needs, but with ten (10) days of hire.

Additionally, the City will provide Local 1245 the following information within 30 days of hiring a Local 1245 represented employee; the name, job title, department, work location, work, home, and personal cellular telephone numbers; personal email addresses on file with employer, and the home address of the new hire. The City will provide Local 1245 with a list of all information for all employees in the bargaining unit every 120 days.

II. HOURS OF WORK/OVERTIME

2.1 The regular workweek is defined as seven (7) consecutive days, Sunday through Saturday, in which an employee normally works his/her 40 hours. Flex schedules may be authorized upon approval by the Department Head and the City Manager.

2.2 Overtime

Non-exempt employees receive one and one-half times their regular hourly rate of pay for time actually worked in excess of 40 hours in their designated workweek. Overtime is charged in one-half hour increments, with any time worked from 1 to 30 minutes credited as one-half hour of overtime.

- a. Except as otherwise provided herein, overtime will mean rate of pay equivalent to one and one-half (1 ½) times the regular straight time rate of pay.
- b. Employees will be paid overtime compensation at a rate of pay equivalent to two (2) times the regular straight time rate of pay for all time worked in excess of twelve (12) consecutive hours.
- c. Employees will be paid overtime compensation at a rate of pay equivalent to two (2) times the regular straight time rate of pay for time worked on non-scheduled holidays in an emergency capacity.

2.3 CTO

Compensatory time off may be taken at straight time during the workweek. If used after the workweek in

which it was earned, it is taken at time and one-half as agreed by the employee and Department Head. No employee shall accumulate more than 50 hours of compensatory time.

2.4 Call-Back

Callbacks are paid at a two hour minimum at time and one half pay. The second callback is paid at actual time worked with a one-hour minimum at time and one-half pay, as long as the second callback is not within the first callback timeframe.

2.5 Standby

a. Standby pay is at the rate of two hours pay at straight time on weekdays and four hours pay at straight time on weekends and holidays.

b. Vehicle Usage: No City vehicle shall be routinely assigned to employees. When called in on standby, employees will be reimbursed for mileage in accordance with the City's current travel reimbursement policy. An employee called back to work from standby shall receive a \$5.00 stipend for each call-back.

2.6 Rest Period Agreement

The following language concerning the definition of rest period for extended overtime has been agreed upon as follows:

1. Any employee in this Unit who has worked eight hours or more at the overtime rate during the 15-1/2-hour period immediately preceding the beginning of his regular work hours on a workday shall be entitled to a rest period of eight consecutive hours on the completion of such overtime work.
2. There shall be included as part of the eight hours worked at the overtime rate in such 15-1/2-hour period any travel time and mealtime to which an employee is entitled.
3. If the eight hour rest period in part or in whole overlaps the employee's regular work period, the employee shall receive the straight time rate for the extent of the overlap except that the time taken during such overlap for any meal to which they are entitled for overtime hours worked shall be paid at the applicable overtime rate.
4. If the employee is called back to work during the first six hours of the rest period, a new rest period shall commence at the end of such work.
- 5a. If the rest period overlaps his/her regular work hours, but does not extend to the second half of the workday, the employee shall be excused with pay at the regular rate until the next full hour of his/her regular workday.
- b. If the rest period overlaps the second half of the regular workday, the employee shall be excused with pay until the next full hour of his/her next regular shift.
6. An employee entitled to the rest period may nevertheless be required to work during the regular work hours on a workday without having said rest period, in which event, employee shall be paid at two (2) times the straight-time rate for all work performed until he/she has been relieved from duty for at least eight (8) consecutive hours.

7. If the person on call works past the 16-hour limit and is entitled to the aforementioned rest period, he/she shall be relieved from call by the supervisor until said rest period is concluded. Calls shall be routed to the supervisor, who then shall dispatch according to the needs of the department.

2.7 On-Call and Stand-By Response

All employees of the Electric Unit that are scheduled to be on Standby Duty or On-Call status during their rotational work week will be required to reside, either permanently or temporarily within a zone allowing response to the City of Ukiah Corporation Yard within 35 minutes of notification to respond.

III. SALARY PLAN

3.1 Salary Plan

Year 1: 4% increase to base salary effective the first full pay period following September 19, 2018.

Year 2: 3% increase to base salary effective the first full pay period following September 19, 2019.

Year 3: 3% increase to base salary, effective the first full pay period following September 19, 2020, 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 2018/19. 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 3%. In no case shall this result in a decrease in compensation.

3.2 Cost Sharing Agreement

For FY 2013-14 and 2014-15 the Unit agreed to an ongoing 5% salary concession and the City agreed to restore and refund an amount equivalent to a portion of revenue if actual revenues exceed adopted budgeted revenues in the General Fund according to the formula listed in the sections below. Given that the formula is based on fiscal year audited revenues, the provisions of this section shall remain in full effect beyond the two year term of this agreement until the audit is completed and available for the purposes of implementing this section of the MOU. The total 5% salary concession for this Unit on an annual basis is \$64,555.24.

This provision provides for the restoration and refund of the concession amount should the total audited revenues of each fiscal year corresponding to the term of this agreement exceed the adopted budgeted revenues of the General Fund for Fiscal year 2013-14 by \$100,000 or more.

- The City shall restore an amount equivalent to a percentage calculated by taking the difference in audited revenue for each corresponding year of this MOU and the base year revenue adopted in the FY 2013-14 General Fund budget and dividing the absolute value by the adopted General Fund FY 2013-14 identified deficit. This shall occur the first full pay period following the City Council's receipt of the audit.

EXAMPLE:

$$\frac{(\text{Audited GF Revenue}^1 - \text{Base Year Adopted FY 13-14 GF Revenue}^2)}{\text{Adopted FY 2013-14 GF Deficit}^3} = \text{"\% of Concession Returned"}$$

¹ Audited GF Revenue for the corresponding agreement year

² Base Year GF Revenue as identified in the adopted FY 13-14 Budget (\$14,375,555), Page ES-6

³ GF Deficit as adopted in FY 13-14 Budget (\$978,894)

- The concession restoration amount will be applied to base salary at an amount equivalent to the calculated percentage multiplied to the base salary of each Unit member up to an amount that shall not exceed the concession amount.
- Furthermore, the City shall refund in a lump sum payment to each Unit member the concession amount in part retained by the City over each corresponding fiscal year of the term of this MOU if audited revenues exceed the base year revenue. The lump sum payment shall be equal to the calculated percentage from the formula above multiplied by the base salary received during the same term.
- In accordance with CalPERS law, this payment will not be reported as "pay rate" or "special compensation" and will not be reported to CalPERS for the purposes of pension calculations.

This language reflects the current 2013-14 Fiscal Year City of Ukiah budget methodology. If the City changes the way revenue is accounted, the Unit will be notified in writing and the City shall meet and confer with the Unit to develop equivalent methodology for determining General Fund revenue.

Audited revenue is subject to review by the Unit and City staff. Any discrepancies will be identified by the Unit and shall be submitted to the City. Discrepancies identified by the Unit will be reviewed by the City and shall be applied for the purposes of this provision as agreed to by the City and Unit.

The audited revenues are typically found on "Schedule I – General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the Year Ended June 30, ____" in the *Audited Financial Statements*.

Year 1 – Example 1 (\$64,555.24 x 3/12 of a year, based on the 4/02/2014 MOU Adoption Date)

$$\frac{\$14,456,000 - \$14,376,000}{\$978,894} = \$80,000 = 0\% \text{ Concession Restored}$$

*Rounded for purpose of illustration

Year 1 – Example 2

$$\frac{\$14,876,000 - \$14,376,000}{\$978,894} = \$500,000 = .5108 \text{ or } 51.08\% \text{ of Concession Restored } (\$8,243.49)$$

Year 2 – Example 1

$$\frac{\$14,436,000 - \$14,376,000}{\$978,894} = \$60,000 = 0\% \text{ Concession Restored}$$

Year 2 – Example 2

$$\frac{\$15,076,000 - \$14,376,000}{\$978,894} = \frac{\$700,000}{\$978,894} = .7151 \text{ or } 71.51\% (\$46,162.98)$$

of Concession Restored, which includes the 51.08% in the Year 1 Example

CITY OF UKIAH
SUMMARY BY ACTIVITY OR FUNCTION
FISCAL YEAR 2013-2014 BUDGET

FUND #	FUND NAME	7/1/2013 FUND BALANCE	REVENUE	EXPENSE	NET INCOME (LOSS)	NET TRANSFERS IN (OUT)	6/30/2014 FUND BALANCE
G	General Fund	500,000	14,375,555	15,354,449	(978,894)	978,894	500,000
GR	Strategic Reserve	4,566,739	-0-	19,000		(978,894)	3,568,844
R	Other Grant & Restricted Use Funds	1,244,015	3,307,177	5,166,840	(1,859,663)	-	(615,448)
E,W,S	Utilities	28,294,826	27,123,887	34,128,665	(7,004,778)	2,193,186	23,483,234
LF, A, P, M, B, L, CC	Other Business Activities	-0-	2,578,307	4,457,880	(1,879,573)	-0-	(1,879,573)
I	Internal Service Funds	957,894	2,979,553	3,476,794	(497,241)	(37,000)	423,653
C	Capital Project Funds	3,492,473	172,172	881,697	(709,525)	7,000	2,789,948
	Total City Funds	39,055,947	50,536,651	63,485,125	(12,948,474)	2,163,186	28,270,659

UTILITY AND OTHER BUSINESS ACTIVITIES DETAIL							
E	Electric Utility	14,832,369	15,422,680	19,328,640	(3,905,960)		10,926,409
W	Water Utility	2,292,835	5,974,163	4,247,439	1,726,724	(250,000)	3,769,559
S	Sewer Utility	11,387,962	5,727,044	10,552,586	(4,825,542)	2,443,186	9,005,606
LF	Solid Waste Disposal	(251,779)	100,025	1,352,370	(1,252,345)		(1,504,124)
A	Airport	288,764	1,627,335	1,756,355	(129,020)		159,744
P	Parking	162,740	107,741	179,126	(71,385)		91,355
M	Museum	201,638	93,282	345,281	(251,999)		(50,361)
B	Golf	(1,015,519)	182,307	182,307	-		(1,015,519)
L	Street Lighting	408,228	176,095	328,989	(152,894)		255,334
CC	Conference Center	(12,411)	291,522	313,452	(21,930)		(34,341)
	Total Utility And Other Business Activities Detail	28,294,826	29,702,194	38,586,545	(8,884,351)	2,193,186	21,603,661

Refer to the "Combining Fund Schedule" for a listing of the funds in each category

CITY OF UKIAH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	General	
<u>REVENUES</u>				
Taxes:				
Property	\$ 745,056	\$ 1,245,056	\$ 1,213,479	\$ (31,577)
Sales and use	6,333,756	6,333,756	6,465,410	131,654
Property transfer	33,700	33,700	24,770	(8,930)
Transient occupancy	691,108	691,108	775,547	84,439
Business license	315,291	315,291	325,674	10,383
Franchise	535,400	547,400	567,486	20,086
Licenses and permits	131,800	131,800	434,492	302,692
Fines, forfeitures, and penalties	52,662	52,662	46,960	(5,702)
From other agencies	1,374,988	1,374,988	1,350,289	(24,699)
Use of money and property	829,571	829,571	856,146	26,575
Charges for current services	892,204	892,204	1,146,590	254,386
Other	1,000	1,000	4,498	3,498
Total Revenues	11,936,536	12,448,536	13,211,341	762,805
<u>EXPENDITURES</u>				
Current:				
General government	1,728,729	2,231,319	1,817,593	413,726
Public safety	8,183,289	8,511,076	8,660,148	(149,072)
Streets and roads	927,891	942,321	1,087,896	(145,575)
Parks and recreation	1,840,654	1,845,654	1,970,035	(124,381)
Community development	98,255	225,755	67,839	157,916
Debt service	5,546	5,546	38	5,508
Capital outlay	149,329	173,641	46,593	127,048
Total Expenditures	12,933,693	13,935,312	13,650,142	285,170
Excess (Deficiency) of Revenues Over Expenditures	(997,157)	(1,486,776)	(438,801)	1,047,975
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,022,219	1,022,219	1,065,910	43,691
Total Other Financing Sources (Uses)	1,022,219	1,022,219	1,065,910	43,691
Net Change In Fund Balances	25,062	(464,557)	627,109	1,091,666
Fund Balances, July 1,	6,237,800	6,237,800	6,237,800	-
Fund Balances, June 30,	\$ 6,262,862	\$ 5,773,243	\$ 6,864,909	\$ 1,091,666

3.3 Salary Plan Administration

Employees occupying a position in a classification covered by this Memorandum of Understanding shall be paid the base salary range specified for their classification, as contained in Appendix "B" entitled "Salary Ranges Effective", attached hereto and incorporated herein, setting forth the salary ranges.

3.4 Salary Plan - Original Appointment

Salary ranges have been developed for each classification. Each salary range consists of a schedule of steps with a 5% differential between steps. These steps provide increases based on time in the position and on level of performance. Upon being hired at Step A of a pay range, the City will consider an increase to Step B on or after the first six months, if performance is satisfactory. Employees may be hired at steps higher than A, based on prior experience.

3.5 Promotion

Employees promoted from one classification to another shall receive at least the next higher pay step than that which the employee was earning. If the employee would have received a step increase in their previous position within six months of the promotion, they will receive at least 5% higher than that step increase upon promotion.

The City Council will adopt and revise as necessary the Classification and Pay Plans as recommended by the City Manager. The City Manager may make revisions to job descriptions that do not significantly change the nature of the job without City Council approval.

3.6 Electric Unit Classification Salary Steps

a. Effective July 1, 1990, the Lineman/Linewoman and Electrical Sub-Supervisor position classifications shall spend only six months at Steps A, C, and D before being eligible for step advancement. Step B has been eliminated. Advancement is dependent upon successful and satisfactory performance evaluations and upon recommendation by the Department Director.

b. Employees must serve at least one year in each of Steps B through D before they may be considered for a higher step. Each year, until you reach the top of the pay range for your classification, your performance will be evaluated and a step increase considered by your supervisor. Step increases are not automatic but are based on satisfactory service, performance rating and recommendation by your Department Head. The City Manager may grant an increase to a higher step based on exceptional performance.

3.7 Lineman Apprentice Program

The Apprentice Program was established as a career path advancement for a Groundperson who qualifies for training through the program to become a Step E Lineman/Linewoman. Apprentice positions will only be considered when a new Lineman position has been created or a vacancy exists. An Apprentice position will be created solely at the discretion of the Director and the approval of the City Manager.

A. Qualifications

The Program duration will be forty-two months. However, the program can be completed with a minimum of thirty months with the satisfactory completion of testing and performance reviews. Applicants who have 18 months experience as a Groundperson, with at least 1 year employed in the City's Electric Department of the Groundperson position will be considered for the Apprentice Program. 15

As recommended by the Electric Utility Director and approved by the City Manager, the time in position and experience required may be decreased to a minimum of six (6) months.

B. Selection

Should more than one candidate be eligible for the Apprentice Program, applicants will be selected through the city's current bid and interview process.

C. Advancement

When chosen as an apprentice, the applicant will be advanced to a Step D Apprentice Line Attendant and will receive the corresponding salary increase. The apprentice will receive a performance review every six months. If the applicant satisfactorily completes the program they will advance as follows:

Step D Apprentice Line Attendant	One Year
Step E Apprentice Line Attendant	One Year
Step D Lineman/Linewoman	Six Months
Step E Lineman/Linewoman	

If the Apprentice does not receive a satisfactory performance review, they will be required to repeat the current six-month training period, without a salary increase.

D. Apprentice Salary Increases

The Apprentice will be reviewed every six months. However, salary increases will be made only at the satisfactory completion of Step D Apprentice Lineman/Linewoman, Step E Apprentice Lineman/Linewoman, and Step D Lineman/Linewoman.

3.8 Apprenticeship Certification Program

The City will provide the State with the documentation necessary for State certification of the Department's Apprentice Program.

3.9 Working Out of Class

The City will pay 5%, or Step A, whichever is greater, for represented employees who are assigned to work at a higher level of classification whenever the employee works a minimum of four (4) hours in a work day or shift. The City will pay 10% for properly and formally assigned working out of classification, whenever the employee works a minimum of four (4) hours in a workday or shift, for those employees who have been assigned in the out of classification capacity for a cumulative total of one year or more.

a. Employees working out of class for a period of one month (30 calendar days) or longer will be paid holidays and sick leave of one week or less in duration at the out of class differential rate after the 30th day.

b. Employees working out of class in exempt positions will be paid overtime earned at the Out of Class rate, until they have worked out of class continuously for one month (30 calendar days), after which time overtime will no longer be paid.

3.10 Payroll/Timesheets

The pay period is Sunday through the second Saturday. Paychecks are issued every other Friday, reflecting the two-week pay period ending the previous Saturday. Time sheets must be turned in to Payroll no later than 9:00

a.m. on pay week Monday for employees not working the weekend, and Noon of pay week Monday for those working the weekend. PAF's are due in the Payroll Office the week prior to pay week. Time sheets must be signed by the employee and supervisor/designee. If the time sheet is not completely signed, checks will be held in the Payroll Office pending signature. Deductions will be taken for the required federal and state taxes, employee authorized deductions, or court ordered garnishments.

Checks will be distributed on Friday to the employees or to the Department Heads or their designated representative, who will, in turn, distribute checks to all employees. No exceptions can be made to this policy without City Manager approval. No checks will be issued to anyone other than the designated employee, unless prior written authorization has been given by the employee. Direct Deposit is available for all full-time and year-round part-time employees. Contact the Payroll Office for more information. If payday falls on a holiday, checks will be distributed on the working day immediately before the holiday.

For purposes of payroll, "base rate salary" is defined as the monthly base salary shown on the salary schedule for the specific position and does not include variable items, such as longevity, incentive pay, or overtime.

3.11 Salary Supplement

Employees hired on or before 6/30/86 shall receive a salary supplement of \$388.24 payable with the first pay warrant in December. Employees hired after June 30, 1986, shall not receive the salary supplement.

3.12 Longevity

Only employees hired prior to July 1, 1990 shall be eligible and grandfathered at the rate of 1% of salary after seven years and an additional 2% for a total of 3% of salary after fourteen years.

3.13 High Voltage Electrical Rubber Gloving Certification*

As soon as administratively possible, but in no event more than sixty (60)-days after of approval of this agreement, the City shall have provided High Voltage Rubber Glove Certification training for all classifications within the IBEW 1245 Electric bargaining unit.

Upon completion of High Voltage Rubber Glove Certification training, Electric employees shall receive Rubber Glove Certificate pay equivalent to six (6%) percent of base salary effective the first full pay period following the certification date for the High Voltage Rubber Glove incentive. (Local 1245 to provide a draft of the City of Ukiah High Voltage Rubber Gloving Manual.) Any employee, including current employees in the named voluntary classifications and new hires, shall receive the six (6%) effective the first full pay period following the certification date.

*Non-electrical-worker classifications of Electrical Engineering Technician I-III and Electrical Utility Technician I-II, which do not perform work in proximity to high voltage electrical conductors, or equipment, shall be certified as Qualified Rubber Glove Observers, qualifying them as Qualified Electrical Workers in order to qualify for the six (6%) High Voltage Electrical Rubber Glove pay.

The City shall provide any necessary High Voltage Rubber Glove refresher training for all employees, and High Voltage Rubber Gloving Certification Training for future hire IBEW Bargaining Unit employees. All employees hired after April 2, 2014 (MOU Adoption Date) shall be required to obtain Rubber Glove Certification within 60 days following their date of hire, subject to the City providing said training within that timeframe.

The exception to mandatory Rubber Glove Certification is as follows: Employees in the classifications of Electric Engineering Technician and Electrical Utility Technician shall have the individual choice whether or not to obtain the Rubber Glove Certification. If a new employee is hired and has the Rubber Glove Certification as of their date of hire, they shall receive the 6% certificate pay effective on their date of hire.

All class specifications shall be amended to reflect the Rubber Glove Certification requirement, with the exception of the two classifications noted above that will be amended to note the individual employee choice.

IV. CAREER STEP PROGRAM

The "Career Step Program" that the City has offered to other bargaining units is extended to members of the Electric Unit.

The City of Ukiah values its long-term employees and desires to reward continued exemplary performance for employees beyond their achievement of E Step in their individual job classification. The Career Step Program is designed to provide a monetary incentive and motivation for continued good performance and high achievement throughout an employee's career with the City.

4.1 Eligibility

Regular, full-time employees who have completed 7 years of service with the City of Ukiah and have attained E Step with "3" (meets expectations) or above rating on their most current annual performance evaluations are eligible to apply for the first career step increase.

4.2 Provisions

1.
 - a. Employees who have completed 7 years of service will be eligible to apply on their performance evaluation date for a career step increase of 1%, if their performance evaluation is "3" (Satisfactory) or above.
 - b. Employees who have completed 14 years of service will be eligible to apply on their performance evaluation date for a career step increase of 2% (for a total of 3%), if their performance evaluation is "4" (very competent) or above.
 - c. Employees who have completed 21 years of service will be eligible to apply on their performance evaluation date for a career step increase of 2% (for a total of 5%), if their performance evaluation is "4" (very competent) or above rating.
2. Employees may request a pre-evaluation meeting with their Supervisor up to 6 months before their annual evaluation date for the purpose of discussing the employee's current job performance, goals set during the last evaluation period, and any areas potentially in need of improvement. This meeting will provide the employee and the Supervisor an opportunity to discuss performance issues and address solutions prior to the annual evaluation.
3. Employees who have applied for a career step increase and are denied due to their performance level will be given specific standards of performance to achieve. They may then re-apply on their performance evaluation date the following year for their career step.
4. After receiving a career step increase, if any performance evaluation falls below the minimum performance rating required for that level, the last percentage increase will be lost. Example: If an employee has received their additional 2% at the end of 14 years of service, and falls below the "4" (very competent) level in their next performance evaluation, they will only lose the last percentage received, or 2% in this case. If

lost, the employee will be given standards of performance to achieve and may re-apply within six months to reinstate that career step level.

5. An employee may appeal the denial of their career step application or the loss of the current career step payment to the City Manager. The City Manager will meet with the employee and the Supervisor in order to make a final determination on the appeal.

6. Employees cannot receive both longevity and career step pay. Any employee eligible for longevity will be required to make a determination as to which program they prefer and sign a PAF to that effect.

V. HEALTH & WELFARE BENEFITS

5.1 All regular full-time employees are eligible to be enrolled in the following insurance programs.

Major Medical
Dental
Life Insurance
Vision Care
Prescription Drug Plan

Effective date of coverage depends on the health plan you choose. During certain designated months, you may change from one plan to another. At retirement, employees with ten (10) or more years of service with the City may continue health coverage by pre-paying the monthly premium to the City payroll office, in order to comply with REMIF retirement insurance eligibility requirements, standardized for all REMIF cities. Employees nearing retirement should check their individual health plan for years of enrollment in the plan prior to retirement requirements. If you have a change in family status, such as the birth of a child, you must enroll your new dependent within 30 days. Contact the Personnel Department immediately for any change in family status.

The plan specifics and carriers will change from time to time. If you have any questions regarding insurance, please contact the Human Resources Department.

Workers Compensation Insurance is provided to all employees, regardless of status, immediately upon hire.

Effective upon ratification of this Agreement, and for all incumbent employees electing to do so, the City will pay 85% of the REMIF EPO 500, PPO 500, and HSA medical plans, including dental and vision plans. For employees electing the REMIF EPO 250 plan, the City will pay equivalent to the 85% portion paid for the EPO 500 plan.

After July 1, 2018, Unit members not currently enrolled in the City's health may enroll in the City health plans during the first or any Open Enrollment period, or qualifying event, during the term of this agreement. Once enrolled in the plan, Unit members will no longer be eligible for the Section VI flex plan.

Upon ratification of this agreement, all new hires will only be eligible for the 85% contribution plan as described above, based on actual enrollments, and will not be eligible of the flex plan.

For incumbent employees electing to do so, the City will continue to pay up to \$1,283.82 per month towards each Unit member's health insurance premiums, as agreed to in the 2015-2018 Agreement, based upon actual enrollments, in lieu of the Section VI "flex dollars". For incumbent employees electing "employee only"

coverage, the City will continue to pay the employee-only premiums plus \$200.00 a month, not to exceed the \$1,283.82. Current employees not electing this contribution will remain on the existing flex plan.

Those employees who choose not to have City health coverage must show proof of health coverage under another plan. An employee who is covered under a non-City health plan can only enter a City plan upon a qualifying event approved by the health plan, or during open enrollment period of the health plan.

5.2 Health Plan Advisory Committee for Health, Vision & Dental Benefits/Contributions

The City will establish a Health Plan Advisory Committee to review and provide input relative to proposed health and dental plans for employees. This Committee will consist of one representative from each of the City's bargaining units.

During the term of the Agreement, by mutual consent, the City and Local 1245 may agree to meet and discuss, in good faith, health and welfare plans (including dental and vision), covering topics such as plan costs, plan options and the potential standardization of such plans for existing and new employees, if applicable.

Should the City Manager, during the term of this agreement, convene the Health Benefit Advisory Committee, Local 1245 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.

5.3 Section 125 Cafeteria Plan

Effective March 1, 1998, the City of Ukiah implemented a Section 125 Plan, also known as a Cafeteria Plan, which may provide tax savings for employees through pre-tax premium payments and flexible spending accounts as allowed by IRS regulations. All full-time employees are eligible to participate in the Cafeteria Plan and may enroll in any of the following options:

1. Pre-tax insurance premium payments
2. Flexible Spending Account for unreimbursed medical costs
3. Flexible Spending Account for dependent care costs
4. Pre-tax premium payments for miscellaneous insurance plans offered by the Cafeteria Plan Administrator

The plan year for the Cafeteria Plan is July 1 through June 30 of each year. An open enrollment period will occur each year in the month of January, at which time employees may elect or change any of the above options. If there is a change in family status, you have 30 days in which to make a revision to your plan. For further information on the Cafeteria Plan or reimbursement procedures for the Flexible Spending Accounts, please contact the Personnel Department.

Those employees who choose not to have City health coverage must show proof of health coverage on another Plan. An employee who is covered under a non-City health plan cannot enter a City plan unless they have a qualifying event approved by the insurance carrier, or until the next regular open enrollment period of the health plan.

5.4 REMIF Life Insurance

The City will pay the employee's portion of the REMIF \$10,000 Life Insurance policy.

5.5 Long-Term Disability

A Long-Term Disability Plan is available to all full-time employees and is paid by the employee. Participation will be voluntary and automatic payroll deductions will be available for those that join the plan.

5.6 Employee Assistance Program (EAP)

All full-time employees and their eligible dependents are covered under the City's Employee Assistance Program (EAP). The program offers a variety of benefits, such as marital and family counseling, financial planning, drug and alcohol abuse counseling, and much more at no cost to the employee. Contact the Personnel Department for more information.

5.7 Post-Retirement Medical Benefit Study

When the City of Ukiah completes the post-retirement medical benefits study for the Department Head Unit, a copy of the study shall be provided to IBEW 1245/Electrical Unit.

VI. FLEX PLAN

6.1 For incumbent employees as described in Section 5.1 (added 01/2016), the City provides the employees with a Flex Plan System as follows:

a. Effective January 1, 2011, flex dollars will be converted from the 11.5% of base salary plus \$100.00 per month to a dollar amount, and capped at that amount, to arrive at a flat monthly rate flex dollar amount for existing employees, with a minimum of \$750.00 per month. New employees will receive \$750.00 per month flex dollars.

Insurance premiums will be deducted from Flex Plan dollars. Any Flex Plan dollars not used for insurance premiums will automatically be included in the employee's paycheck.

Each employee will be given an Electric Unit Flex Plan form showing their total dollars available for the Flex Plan and their insurance costs whenever there is a change.

Employees hired after ratification of the 2015-2018 Memorandum of Understanding are not eligible to receive flex dollars, but will receive a monthly health contribution as provided for in Section 5.1.

6.2 The City contribution to the Flex Plan System shall be investigated to determine if such contribution is subject to PERS. If PERS determines the amount taken as cash or portion thereof is PERS-able, then the City shall report the cash portion as "PERS-able" compensation.

VII. PUBLIC EMPLOYEES RETIREMENT SYSTEM

7.1 Pension Reform Act of 2013 (PEPRA)

The Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement Law (PERL) amendments in Assembly Bill (AB) 340 became law on September 12, 2012, and the provisions were effective January 1, 2013.

The Electric Unit and the City agree to implement all PEPPA provisions, and all applicable amendments thereto. Effective January 1, 2013 Electric Unit employees defined by PEPPA as “*new members*” shall pay 50% of the total normal cost for the new Miscellaneous PERS pension formula 2% @ 62, which is currently 6.75% of reportable compensation, with a three-year final compensation period. “*Classic members*” (employees hired prior to January 1, 2013) will retain the 2.7% @ 55 Miscellaneous PERS formula, 8% member contribution (EPMC), with a one-year final compensation period.

The PEPPA defines a “*new member*” as : a) A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California public retirement system; b.) A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system; c.) A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer after a break in service of greater than six months.

VIII. MEALS

8.1 The City will provide meals for employees as described below. All meals earned will be paid/reimbursed at \$16.00 per meal. Meals earned and not taken will result in a missed meal payment of thirty minutes pay at the appropriate overtime rate plus \$16.00.

If an employee is required to work two (2) or more hours before regular starting time, the City will provide such an employee with a meal.

If an employee is called in on an emergency call out more than two (2) hours before regular starting time, the City will further provide such employee with lunch.

If the City requires an employee to perform work for one and one-half (1-1/2) hours beyond regular quitting time, the City will provide such employee with a meal and shall continue to provide meals at four (4) hour intervals until the employee is dismissed from work.

If an employee is called in on an emergency call-out the City will provide such employee with a meal at four (4) hour intervals until the employee is dismissed from work.

When an employee is pre-arranged to work on a non-workday or outside of normal work hours, the City will provide meals at intervals as described for workdays. The cost of such meals and the time taken to consume them shall be at the City’s expense and shall be taken at a restaurant acceptable to the City and the employees within the City limits unless no restaurant is open at the time provided for the meals to be taken.

8.2 Store Stops

Employees may make store stops, at the nearest convenient store, during their breaks for the purchase of refreshments, snacks, and medicine during their normal and overtime work hours upon express consent of their immediate supervisor. Loitering or consumption of the purchased items on the premises is not permitted, and employees are responsible, along with their supervisors, for policing this policy. Continued abuse will be reported to the supervisor; an employee with more than two violations may lose the store stop privilege for six months, along with additional disciplinary action for continued violations. Failure to properly control this privilege may result in the withdrawal of this policy to all employees in this Unit.

IX. EDUCATIONAL REIMBURSEMENT

9.1 Training may be developed for employees by the Department Head or Personnel Department. Training may include on-site programs, formal correspondence courses, adult education classes, outside college courses, etc.

If you participate in and successfully complete special formalized courses, you will have the accomplishment noted in your personnel file.

If you plan to take a college class or special course which is not required by the City but would enhance your knowledge and ability on the job and is directly related to your position with the City, you may request in advance of the class, reimbursement for the costs of tuition, travel, and book expenses. In order to receive reimbursement, you must submit your expense receipts, and show proof of a passing grade of "C" or better for the class. Contact your supervisor for more information and the "Pre-Approval for Course Reimbursement" forms.

X. TRAVEL REIMBURSEMENT

The City will reimburse reasonable expenses incurred by you in performance of your job, in accordance with the City Travel & Expense Administrative Policy. Contact your supervisor if you incur, or anticipate incurring, any work related expenses. Travel expense forms must be returned to the Finance Department within a month of the trip or the advanced amount will be taken out of your paycheck until the form is returned and reconciled.

The City will not reimburse for traffic citations, including parking tickets that are received by employees; nor may any private automobile receive gasoline, oil or service from City facilities.

XI. HOLIDAYS

Employees are provided with the following paid holidays:

<u>DATE</u>	<u>HOLIDAY</u>
December 31	New Year's Eve
January 1	New Year's Day
3rd Monday, January	Martin Luther King Birthday
3rd Monday, February	Washington's Day
Last Monday, May	Memorial Day
July 4	Independence Day
1st Monday, September	Labor Day
2nd Monday, October	Columbus Day
November 11	Veterans' Day
4th Thursday, November	Thanksgiving Day
4th Friday, November	Day following Thanksgiving
December 24	Christmas Eve
December 25	Christmas Day
Added to vacation accrual each fiscal year	8 hours floating holiday credit

The 8-hour floating holiday credit is added to each employee's vacation accrual in the beginning of the fiscal

year of each year.

When a holiday falls on a Saturday the holiday will be observed on the Friday before the holiday. When a holiday falls on a Sunday the holiday will be observed on the Monday following the holiday. Admission's Day Holiday (September 9) shall be eliminated as a recognized City holiday beginning in 2012 in exchange for full-day (8.00) holidays on Christmas Eve and New Year's Eve.

XII. VACATION SCHEDULE

12.1 Vacation is earned and accrued hourly each pay period according to the following schedule:

Years	Hourly Factor	Maximum Accrual
0 – 3 years	4.0 hours/pay period	224.0 hours
4 – 8 years	4.7 hours/pay period	260.4 hours
9 – 15 years	6.2 hours/pay period	338.4 hours
16 – 19 years	6.8 hours/pay period	369.6 hours
20 years plus *	8.0 hours/pay period	432.0 hours

Effective upon adoption of the 2012-2013 Memorandum of Understanding, employees with 20 or more years of service will begin accruing vacation at 8.0 hours per pay period.

12.2 Personal Leave

The City grants twenty-four (24) hours of personal leave annually. These hours are for purposes such as emergencies, family illness, or other personal situations. These hours are credited in full on July 1 of each year. They are non-accumulative and, if not used within the year, will be deleted from the employee's paid leave time on the following June 30th.

Approval of each request for use of Personal Leave depends on the departmental workload and scheduling restraints. Personal Leave may be used during an employee's introductory period.

12.3 Vacation Cash Out

Employees who reach their maximum vacation accrual may cash out one (1) week (40 hours) vacation, limited to one (1) time per fiscal year. This may be requested within two pay periods to the employee reaching their vacation accrual maximum.

XIII. SICK LEAVE

Sick leave benefits are to be used for medical and dental appointments and absences due to mental or physical illness, or personal injury only. These benefits are not to be used for any other purpose. Every regular, full time employee will accrue one sick day for each month of service.

Sick leave usage is computed in one-half hour increments. On half-hour increments shall be computed by rounding to zero for less than 15 minutes and rounding to one-half hour for 15 minutes or more. During or after an absence due to illness, you may be required to furnish a doctor's written statement indicating the nature of your illness and your expected recovery time. If you have been ill for longer than five (5) consecutive days or suffered an acute injury, you may be asked to obtain a doctor's release before returning to work.

When all sick leave benefits have been used, you may use your accrued vacation benefits. If you have used both the sick and vacation accrual, you may submit a request to the City Manager for up to a thirty day unpaid leave of absence in special consideration for extended serious illness or injury. (Also refer to Section 4.05.5, Family and Medical Leave Act, which may also apply.) Sick leave benefits will not be accumulated during unpaid leaves of absence.

13.2 Family Sick Leave

Effective with new California State law on January 1, 2000, full-time employees may use up to six (6) of their accrued sick leave days per calendar year to attend to an illness of a **child** (biological, foster, adopted, stepchild, legal ward or a child of a person standing in loco parentis), **parent** (biological, foster, adoptive, stepparent, or legal guardian) or **spouse**.

There is no maximum on the accumulation of unused sick leave. Upon retirement from City service, your unused sick leave will be converted to additional service credits at the rate of .004 years of service credit for each day of unused sick leave.

If you are going to be absent, you must notify your supervisor as soon as possible of your inability to work, normally no later than the start of your shift. Sick leave is a privilege. Violations or abuse will result in disciplinary action.

XIV. LEAVES OF ABSENCE

14.1 Jury Duty

If you are called to serve on a jury for 15 days (three weeks) or less, or are compelled to appear by legal process as a witness for the City in court, you will receive your base pay. You are required to furnish your Department Head with a copy of your official notice and to let us know the expected duration of your absence. If you are released from jury duty before the end of your working shift, you are expected to return to work for the remainder of the day. Court Payment Checks for jury duty, excluding travel expenses, must be turned in to the City cashiers in order to be eligible for this paid leave. You need to inform the Judge of the City's 15-day paid leave policy so that you will not be appointed to trials of longer duration.

14.2 Bereavement Leave

Employees who lose an immediate family member are allowed three days paid bereavement leave. An additional two days may be granted for travel exceeding 350 miles one way. Refer to Unit Sections for specific details. Immediate family is defined as father, mother, grandfather, grandmother, or grandchild of the employee or the employee's spouse, and the spouse, son, stepson, foster-son, son-in-law, daughter, stepdaughter, foster-daughter, daughter-in-law, brother or sister of the employee, or any immediate relative living in the immediate household of the employee or employee's spouse.

14.3 Unpaid Leave of Absence

You may request an unpaid leave of absence for periods of up to thirty days. Any unpaid leave may be granted with approval of the City Manager. In deciding whether to grant the request the City Manager may consider the reason for the leave (ex: extend pregnancy leave beyond disability; extended illness due to injury where accumulated sick and vacation leave, CTO, and any other accrued paid leave have been used), the department's workload, and the availability of qualified staff to handle the workload.

If you are seeking an unpaid leave, you must submit a written request to your supervisor, stating the reason for and duration of the leave. Sick or vacation accrual, retirement, uniform allowance, medical coverage or related benefits are not paid or credited while an employee is on unpaid leave of absence. You will begin to receive these benefits again when you return to work. You may keep your medical insurance in effect by pre-paying the full monthly premium.

An employee who takes a personal leave of 30 days or less will be returned to his/her present position or to a substantially similar position. If no position is available due to staff reduction, the employee will be placed on layoff. Employees who do not report to work on the next working day, without prior authorization of the City, may be administratively terminated upon expiration of the leave.

14.4 Disability Leave

Employees may join the City's Long-Term Disability Plan to help cover financial needs during a non-work related injury disability period. Monthly premiums will be at the employee's expense and will be paid through automatic payroll deductions.

Employees requesting a disability leave of absence must fill out City request forms and provide a written statement from a physician that briefly states the need for the leave and the expected duration of the absence. This paperwork should be provided at least four weeks prior to the effective date of the leave. During the leave of absence, employees must notify the City of any changes in the duration of leave or the estimated date of return. Within 5 days of the end of the disability, you must notify Personnel that you are available to return to work and submit a doctor's release to return to work.

Accrued sick and vacation time may be taken to provide income during a disability leave of absence. You may keep your health insurance in effect during the disability (over 30 days) by pre-paying the full premium to Payroll by the first of the month.

14.5 Pregnancy Leave

A leave of absence without pay for a disability due to pregnancy may be requested for the duration of the disability, up to a maximum of four months upon a doctor's written statement. Accrued sick and vacation time may be taken to provide income during a pregnancy leave of absence. The City will pay the monthly health insurance premium for the four months with a doctor's statement. Upon returning to work, the employee will be placed in her original position or to a substantially similar position. If no position is available due to staff reductions, the employee will be placed on layoff.

14.6 Family & Medical Leave Act (FMLA)

Under the Family and Medical Leave Act and the California Family Rights Act, "eligible" employees may request an unpaid, job-protected leave of absence for periods of up to 12 weeks in a 12-month period for any of the following reasons:

- a. To care for the employee's child after birth, or placement for adoption or foster care;
- b. To care for the employee's spouse, son, daughter, or parent, who has a serious health condition; and
- c. For a serious health condition that makes the employee unable to perform the employee's job.

The City and Local 1245 agree to comply with the FMLA and CFRA Act, as per policy in Section 4.06.5 of the City of Ukiah Employee Manual.

14.7 Military Leave

If you are a member of the Armed Forces National Guard or Military Reserve, you will be allowed time off without pay for 180 days for temporary active military duty or training in accordance with the California Military and Veterans Code. After one year of service with the City, you are allowed thirty days paid leave for these purposes. If called upon in a declared emergency, members of the National Guard will be given paid leave for up to 30 calendar days, regardless of length of service with the City. If you receive orders to report for military duty, provide a copy of your orders to your supervisor.

The City and Local 1245 agree to comply with the provisions of the California Military and Veterans Code.

XV. WORKER'S COMPENSATION

Employees who suffer an injury or illness due to work are generally covered under Workers Compensation Insurance. If you are injured or become ill due to work-related causes, you must notify your supervisor immediately. You will be given a form to complete and, if necessary, referred to the Ukiah Valley Medical Center (unless you have a note previously placed in your Personnel file, stating the name, address and phone number of your physician of choice). Covered doctor bills and hospital expense are paid directly by the City's Workers Compensation Carrier.

After three consecutive days off, Workers Comp pays 66% of your pay up to a maximum determined by state law. If you are hospitalized, or if you are disabled for longer than 14 days, the three-day waiting period is waived. Accumulated sick leave will be used for the first three days off and, upon its exhaustion; vacation leave may be combined with workers comp pay up to a maximum of your regular pay. If an employee chooses not to supplement his/her workers compensation pay with available leave credits, he/she must notify Payroll with a Personnel Action Form (PAF) within 15 calendar days from the time the injury was reported.

XVI. SAFETY

City will comply with all applicable Title 8, SB198, Cal-OSHA, and Federal OSHA Safety rules.

16.1 Inclement Weather Gear

The City will provide rain and protective gear for all employees required to work outside in inclement weather, to include hat, coat, pants and boots.

16.2 Attire

Employees shall be required to wear appropriate long sleeve shirts when directed to do so by their Supervisor. The shirts shall be provided by the City. The Electrical Sub-Supervisor may make determinations concerning the wearing of long sleeve shirts provided his/her determination is made in conformance with the Department's written policy.

XVII. DISCIPLINE

17.1 Refer to City of Ukiah Employee Manual, Addendum E, for Disciplinary Policy.

17.2 Grievance Procedure

A “grievance” is a formal written allegation by a grievant that he/she has been adversely affected by a violation of the specific provisions of this Agreement. Actions to challenge or change the provisions of this Agreement or the policies of the City as set forth in City policies or undertaken through separate legal processes. Matters for which a specific method of review is provided by law, by the rules and regulations of the City Council or by the administrative regulations and procedures of the City are not within the scope of this procedure.

- a. Informal Level: Before filing a formal written grievance, the grievant shall attempt to resolve it by an informal conference with his/her immediate supervisor.
- b. Formal Level:
 - Level 1: Supervisor
 - Level 2: Department Head
 - Level 3: Personnel Officer
 - Level 4: City Manager

Please refer to Grievance Procedure in Addendum B of the City of Ukiah Employee Manual for details and timelines associated with Grievance Procedure.

XVIII. PROBATIONARY PERIOD

There is an introductory period of six months for new appointments and promotions, except for Police and Fire Unit personnel who have a twelve-month introductory period. During this period you and the City can evaluate each other to determine if employment should continue. This introductory employment period is used to closely observe your work. It may be extended by your Department Head for up to six months if your performance warrants it. You may be terminated during the introductory period any time without approval of the Civil Service Board, without cause, and without the right of appeal.

A promoted employee has the right to be reassigned to his/her original position during the introductory period.

Within four weeks of the conclusion of this introductory period you will, and at any time during the introductory period, you may receive a performance evaluation. These evaluations will give you and your supervisor or manager an opportunity to assess your performance to date, evaluate your on-the-job skills, and determine your ongoing relationship with the City.

Regardless of classification status or length of service, you are expected to meet and maintain City standards for job performance and behavior throughout your employment with the City.

XIX. JOB VACANCIES

Vacancies in the classified service are generally filled by re-employment, transfer, demotion, promotional list, or from eligible applicants, certified by the Personnel Director, from an appropriate eligibility list. In the absence of a sufficient number of qualified eligible persons for appointment in these ways, or if a job requires special skills or expertise, the Personnel Director will obtain applications for the position and conduct appropriate examinations to establish a list of persons with eligible qualifications for appointment.

Reasonable prior notice of all tests for positions in the classified service shall be published by posting

announcements in City Hall and, in the case of non-promotional recruitment, by a "want ad" in a local newspaper. Announcements shall consist of the applicable job description with other pertinent information such as the deadline date for receiving applications and ADA requirements.

Applications may be rejected for failure to meet the minimum job requirements for experience and/or education. The most qualified applicants will be tested by verbal, written, practical demonstration, or any other testing technique, or combination of testing techniques, which would establish a relative ability of the applicant to perform the duties of the position. Failure in one part of the test may be grounds for declaring such applicants as failing in the entire test or as disqualified for subsequent parts of a test. Any candidate who has taken and failed the exam twice within a three-year period shall be ineligible to take the test for a period of two years from the date he/she last took the test.

Any applicant has the right to inspect his/her own test results depending on the testing procedure. An error in grading or rating, if called to the attention of the Personnel Director within one month after posting the employment lists resulting from the examination, will be corrected. However, correction will not invalidate certification or appointments made before the error was brought to the attention of the Personnel Director. As soon as possible after the conclusion of the tests, the Personnel Director will prepare and keep available an employment list consisting of the names of persons successfully passing the tests. Whenever identical grades exist, they will receive the same ranking order on the list.

Eligible and promotional lists will become effective upon the approval by the City Manager and the lists will remain in effect for six months. Eligible lists may be extended by the City Manager for additional six-month periods but, in no event, will these lists remain in effect for more than eighteen months. At any time after an eligible list has been used, and if the remaining names have been passed over previously for valid reasons, the City Manager may cancel the entire list and order another examination when an eligible list is requested.

Whenever a Department Head wishes to fill a vacancy, he/she will consult with the Personnel Director, to determine if the position will be filled through a closed promotional, from existing City employees, or by open recruitment. If sufficient applications are not received from qualified applicants to conduct a closed promotional examination, the vacancy may be advertised as an open recruitment vacancy. In the case of an open recruitment vacancy, the Department Head may initially interview up to the top five eligible on the list. If unable to appoint from the top five, the Department Head may continue to interview from the list according to ranking.

If a promotional applicant is in the top five on an open recruitment eligible list and is, in the opinion of the Department Head, at least as capable of performing the job duties as the non-promotional applicants, then the Department Head may give preference in selection to the promotional candidate.

XX. DEMOTION AND LAYOFF

Certain budgetary conditions and the efficient operation of the City may require that we reorganize, reduce staffing or eliminate positions. Although the City hopes to avoid layoffs, this isn't always possible.

If a reduction of personnel becomes necessary, the City Manager will prepare a written analysis of the reduction necessary and submit it to the City Council.

The first employees in a department to be laid off will be temporary and part-time employees; resulting vacancies will be offered to qualified, regular, full time employees.

Reorganization may also require demotions, in which case employees in higher classifications who have more seniority than employees in lower classifications within the same division may replace these employees. If you are demoted as a result of a re-organization, you will not lose eligibility to go back to your original position with all prior employment status, accrued benefits, and tenure rights if you are capable to perform the duties and if a vacancy occurs for that position within five years of the demotion.

If a layoff of some but not all employees in a position occurs, the City will normally retain some employees and lay off others on the basis of length of service with the City. Length of service is calculated from the employees' date of hire as a full time regular employee within the Department affected and does not include any unpaid leave time of any kind. Promoted employees with up to five years of service in their new position may have bumping rights in their previous position. Refer to the Civil Service Ordinance (attached) for more details.

After a layoff, you will have the right to be rehired with prior employment status in your previous position if a vacancy occurs within a period of two years from the termination date.

XXI. MANAGEMENT RIGHTS

21.1 In order to ensure that the City shall continue to carry out its public service functions, programs and responsibilities to the public imposed by law, and to maintain efficient public service for the citizens of Ukiah, the City continues to reserve and retain solely and exclusively all management rights, regardless of whether they have been exercised in the past, including those rights and responsibilities set forth by law and those City rights set forth in the city's Civil Service Ordinance. No portion of this City Management Rights Section shall be construed to obligate the city in any way. In the exercising of its rights, the City shall not require an employee to perform an act or acts contrary to law. The rights, powers and authorities of the City include, but are not limited to, the following:

1. To manage the departments and determine mission, policies and procedures and the right to manage the affairs of the departments.
2. To take into consideration the existence or non-existence of facts, which are the bases of the management decision in compliance with State law.
3. To determine the necessity, organization, implementation and termination of any service or activity conducted by the City and to expand or diminish City services.
4. To direct, supervise, recruit, select, hire, evaluate, promote, transfer, reassign, discipline, discharge, terminate, demote, reduce, suspend, layoff, reprimand, withhold salary increases and benefits for disciplinary or non-disciplinary reasons or otherwise take action in accordance with department, City Personnel policies and/or Civil Service Rules and Regulations.
5. To determine the nature, manner, means, extent, type, time, quantity, quality, standard and level of City services to be provided to the public.
6. To require performance of other public services not specifically stated herein in the event of emergency or disaster, as deemed necessary by the City.
7. To lay off employees of the represented departments because of lack of work or funds or under conditions where continued work would be inefficient or ineffective.
8. To determine and/or change the facilities, methods, technology, equipment, operations to be performed, organizational structure, and allocate and assign work by which City operations are to be conducted.
9. To determine method of financing.
10. To plan, determine and manage department budgets, which include, but are not limited to, the right to contract or subcontract any work or operations of the represented departments.
11. To communicate fully and openly with its employees on any subject at any time orally, in writing, both

at work or through the U.S. Mail.

12. To determine the size and composition of the City work force, assign work to employees of the City in accordance with requirements determined by the departments and to establish and require compliance to work hours and work schedules, including call back, standby, overtime and assignments.
13. To establish and modify goals and objectives related to productivity and performance programs and standards, including but not limited to quality and quantity, and require compliance therewith.
14. To determine qualification, skills, abilities, knowledge, selection procedures and standards, job classifications, job specifications, and to reallocate and reclassify employees in accordance with Civil Service Rules and Regulations and City Personnel Policies.
15. To determine the issue of public policy and the overall goals and objectives of the represented departments and to take necessary action to achieve the goals and objectives of the represented departments.
16. To determine policies, procedures and standards for recruiting, selecting, training, transferring, assigning, dismissing, demoting and promoting employees in accordance with City Personnel Policy.
17. To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety and order, and to require compliance therewith.
18. To evaluate and maintain order and efficiency in City facilities and operation.
19. To restrict the activity of an employee organization on City facilities and on City time.
20. To take any and all necessary steps and actions to carry out the service requirements and mission of the City in emergencies or any other time deemed necessary by the City and not specified above.
21. To make reasonable rules and regulations pertaining to employees consistent with this Agreement.

21.2 Impact of Management Rights

Where required by law the City agrees prior to implementation to meet and confer or consult with Local 1245 over the impact of the exercise of a management right upon the wages, hours, and terms and condition of employment on unit members unless the impact consequences of the exercise of a management right upon unit members is provided for in this Memorandum of Understanding, Civil Service Rules and Regulations, or Departmental Rules and Regulations.

21.3 Authority of Third Party Neutral – Management Rights

All management rights, powers, authority, and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the City. No third party neutral shall have the authority to diminish any of the management rights which are included in the Agreement, exclusive of a competent court having subject matter jurisdiction.

21.4 No Strike/Job Action Provision

1. Prohibited Conduct

The Unit, its officers, agents, representatives, and/or members when on duty, agree that they will not call, cause, engage, or condone any strike, walkout, sit down, work stoppage, slowdown, sickout, pretended illness, or engage or honor any other form or type of job action by Union employees or by any other employees of the City

or employees of any other employer by withholding or refusing to perform services or honor any type or form of picket line of any union or employee organization.

2. Employee Termination

Any employee who participates in any conduct prohibited in Section 21.4.1 above shall be considered on unauthorized absence and shall be subject to discharge or other disciplinary action by the City, regardless of whether Local 1245 carries out in good faith its responsibilities set forth below.

3. Union Responsibilities

a. In the event that Local 1245, its officer, agents, representatives, and/or members engage in any of the conduct prohibited in 1. "Prohibited Conduct", above, Local 1245 shall immediately instruct any persons engaging in such conduct that their conduct is in violation of this Memorandum of Understanding and unlawful, and they must immediately cease engaging in conduct prohibited in 21.4.1. "Prohibited Conduct" above, and return to work.

b. If Local 1245 performs all of the responsibilities in good faith set forth in 3a. above, its officers, agents, and representatives shall not be liable for damages for prohibited conduct performed by employees who are covered by this Agreement in violation of 1. "Prohibited Conduct" above.

XXII. CONTINUATION

The City and Local 1245 of the International Brotherhood of Electric Workers 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 MOU shall continue in effect and shall not be affected by the terms of this MOU.

XXIII. WAIVER AND FINALITY

The provisions set forth above are final, and no change or modification shall be offered, urged or otherwise presented by Local 1245 of the International Brotherhood of Electrical Workers prior to the term of this agreement.

XXIV. SEPARABILITY

In the event that any provision of this Memorandum of Understanding is declared by a Court of competent jurisdiction to be illegal or unenforceable that provision of this Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

XXV. TERM

The term of this Agreement is September 19, 2018 through September 18, 2021.

This Memorandum of Understanding is ratified and adopted on 10/3/2018, pursuant to the recommendations of the following representatives:

CITY OF UKIAH

Sage Sangiacomo, City Manager

**International Brotherhood of Electrical Workers,
LOCAL 1245**

James Jeffers, Local 1245 of the IBEW
Employee Representative

Ben Keffeler, Local 1245 of the IBEW
Employee Representative

Janval Macor, Local 1245 of the IBEW
Business Representative

Tom Dalzell, Local 1245 of the IBEW
Business Manager

APPENDIX A

City of Ukiah Electric Unit Classifications:

Apprentice Line Attendant
Electrical Crew Foreman
Electric Engineering Technician I, II, III
Electrical Utility Technician I/II
Groundperson
Lineman/Linewoman

APPENDIX B

City of Ukiah Electric Unit Salary Schedule Effective September 23, 2018 <i>4% COLA</i>						
Job Class Title	Grade	Monthly				
		Step 0	Step 1	Step 2	Step 3	Step 4
Groundman	5080	4,183.82	4,393.01	4,612.66	4,843.29	5,085.45
Electrical Engineering Technician I	5182	5,506.06	5,781.36	6,070.43	6,373.95	6,692.65
Apprentice Lineman	5282	5,540.46	5,817.48	6,108.35	6,413.77	6,734.46
Electrical Engineering Technician II	5085	6,331.97	6,648.57	6,981.00	7,330.05	7,696.55
Lineman	5083	6,648.56	6,980.99	7,330.04	7,696.54	8,081.37
Electrical Utility Technician I	5183					
Electrical Engineering Technician III	5187					
Electric Crew Foreman	5086	7,313.42	7,679.09	8,063.04	8,466.19	8,889.50
Electric Utility Technician II	5186					

Reportable Special Compensation	
Career Step Pay & Longevity Pay	1%-5% in addition to base
High Voltage Rubber Glove Incentive Pay	6% in addition to base

City of Ukiah
Electric Unit Salary Schedule
Effective September 22, 2019
3% COLA

Job Class Title	Grade	Monthly				
		Step 0	Step 1	Step 2	Step 3	Step 4
Groundman	5080	4,309.33	4,524.80	4,751.04	4,988.59	5,238.02
Electrical Engineering Technician I	5182	5,671.24	5,954.80	6,252.54	6,565.17	6,893.43
Apprentice Lineman	5282	5,706.67	5,992.00	6,291.60	6,606.18	6,936.49
Electrical Engineering Technician II	5085	6,521.93	6,848.03	7,190.43	7,549.95	7,927.45
Lineman	5083	6,848.02	7,190.42	7,549.94	7,927.44	8,323.81
Electrical Utility Technician I	5183					
Electrical Engineering Technician III	5187					
Electric Crew Foreman	5086	7,532.82	7,909.46	8,304.93	8,720.18	9,156.19
Electric Utility Technician II	5186					

Reportable Special Compensation

Career Step Pay & Longevity Pay	1%-5% in addition to base
High Voltage Rubber Glove Incentive Pay	6% in addition to base

MEMORANDUM OF UNDERSTANDING
Department Head Unit
2018 - 2021

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

The term of this Agreement shall be three (3) years, effective September 19, 2018, through September 18, 2021.

2. COMPENSATION

Year 1: 4% increase to base salary effective the first full pay period following September 19, 2018.

Year 2: 3% increase to base salary effective the first full pay period following September 19, 2019.

Year 3: 3% increase to base salary effective the first full pay period following September 19, 2020, 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 2018/19. 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 3%. In no case shall this result in a decrease in compensation.

3. FLEX DOLLARS

Unit members currently participate in the City's flex plan system, subject to the rules and procedures of the City's flex plan system. Effective the first full pay period following September 19, 2018 and to be applied on a cost-neutral basis to the City, the City agrees to add the Unit's \$1,858.87/month flex dollars to the each unit classification monthly base salary, adjusted to \$1,312.99/month for the Fire Chief classification and \$1,453.64 for all other classifications. Unit members will no longer be eligible to receive flex dollars in addition to base salary.

3. HEALTH INSURANCE CONTRIBUTION

The City shall offer employees and their eligible dependents, a health insurance program under the terms set forth below:

Effective upon the ratification of this Agreement, the City will pay 85% of the REMIF EPO 500, PPO 500 and HSA medical plans, including dental and vision plans. For employees electing the REMIF EPO 250 plan, the City will pay equivalent to the 85% portion for the EPO 500 plan.

Those employees who choose not to have City health coverage must show proof of health coverage under another plan. An employee who is covered under a non-City health plan can only enter a City plan upon a qualifying event approved by the health plan, or during open enrollment 37

period of the health plan .

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 3rd day of October , 2018.

CITY OF UKIAH

Sage Sangiacomo
City Manager

MANAGEMENT UNIT

Tim Eriksen, Public Works Director/City Engineer

Mel Grandi, Electric Utility Director

MEMORANDUM OF UNDERSTANDING
Management Unit
2018 - 2021

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 **Management 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, 2018, through September 18, 2021.

2. COMPENSATION

Year 1: 4% increase to base salary effective the first full pay period following September 19, 2018.

Year 2: 3% increase to base salary effective the first full pay period following September 19, 2019.

Year 3: 3% increase to base salary effective the first full pay period following September 19, 2020, 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 2018/19. 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 3%. In no case shall this result in a decrease in compensation.

3. HEALTH INSURANCE CONTRIBUTION

The City shall offer employees and their eligible dependents, a health insurance program under the terms set forth below:

Effective upon the ratification of this Agreement, and for all incumbent employees electing to do so, the City will pay 85% of the REMIF EPO 500, PPO 500 and HSA medical plans, including dental and vision plans. For employees electing the REMIF EPO 250 plan, the City will pay equivalent to the 85% portion for the EPO 500 plan.

After July 1, 2019, Unit members not currently enrolled in the City's health may enroll in the City health plans during the first or any Open Enrollment period, or qualifying event, during the term of this agreement. Once enrolled in the plan, Unit members will no longer be eligible for the flex plan.

Upon ratification of this agreement, all new hires will only be eligible for the 85% contribution plan as described above, based on actual enrollments, and will not be eligible for the flex plan.

For incumbent employees, electing to do so the City will continue to pay up to \$1,283.82 per month towards each Unit member's health insurance premiums, as agreed to in the 2015-2018 Agreement, based upon actual enrollments, in lieu of receiving flex dollars from the previous agreement. For incumbent employees electing "employee only" coverage, the City will continue to

pay the employee-only premiums plus \$200.00 a month, not to exceed the \$1,283.82. Current employees not electing this contribution will remain on the existing flex plan.

In exchange for the new health benefit, existing members who are currently on the flex plan, agree to decrease their Management Incentive Pay from 120 hours per fiscal year, to reflect industry standard and achieve savings in PERS liability (Refer to "Management Incentive Pay/Executive Leave" section). Once existing employees make the election to convert from flex dollars to the monthly health contribution, flex dollars will no longer be available to them.

Those employees who choose not to have City health coverage must show proof of health coverage under another plan. An employee who is covered under a non-City health plan can only enter a City plan upon a qualifying event approved by the health plan, or during open enrollment period of the health plan .

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.

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 19th day of September, 2018.

CITY OF UKIAH

Sage Sangiacomo
City Manager

MANAGEMENT UNIT

Kerry Randall, Facilities Administrator

Rick Seanor, Dep. Director of Public Works

Jarod Thiele, Management Analyst

2018 – 2021

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CITY OF UKIAH

AND THE

OPERATING ENGINEERS LOCAL NO.3

WATER UTILITIES/MECHANICS UNIT

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1. PREAMBLE/RECOGNITION

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.

Should a subject be covered in both the MOU and a City policy or regulation the Memorandum of Understanding shall prevail and all relevant portions of the subject in the City policy shall not be followed and shall not be applicable for any reason.

The City recognizes the Operating Engineers, Local Union No. 3, as the exclusive representative for the purpose of establishing wages, hours, and other terms and conditions of employment for full-time employees in the classified service in the classifications of positions set forth in Appendix "A", attached hereto and made a part hereof.

2. TERM

The term of this Agreement shall be three (3) years, effective September 19, 201~~8~~⁵, through September 18, 20~~21~~¹⁸.

3. 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. 4% increase to base salary effective the first full pay period following September 19, 2018.~~

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. 3% increase to base salary effective the first full pay period following September 19, 2019.~~

YEAR 3: ~~2.53% 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 2018/19. 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 2.53%. In no case shall this result in a decrease in compensation.~~

4. COST SHARING AGREEMENT

For FY 2013-14 and FY2014-15, the Unit agreed to concessions and the City agreed to restore and refund an amount equivalent to a portion of revenue if actual revenues exceed adopted budgeted revenues in the General Fund according to the formula listed in the sections below. Given that the formula is based on fiscal year audited revenues, the provisions of this section shall remain in full effect beyond the two year term of this agreement until the audit is completed and available for the purposes of implementing this section of the MOU. The total salary concession for this Unit on an annual basis is \$230,140.

This provision provides for the restoration and refund of the concession amount should the total audited revenues of each fiscal year corresponding to the term of this agreement exceed the adopted budgeted revenues of the General Fund for Fiscal year 2013-14 by \$100,000 or more.

- The City shall restore an amount equivalent to a percentage calculated by taking the difference in audited revenue for each corresponding year of this MOU and the base year revenue adopted in the FY 2013-14 General Fund Budget and dividing the absolute value by the adopted General Fund FY 2013-14 identified deficit. This shall occur the first full pay period following the City Council's receipt of the audit.

EXAMPLE:

$$\frac{(\text{Audited GF Revenue}^1 - \text{Base Year Adopted FY 13-14 GF Revenue}^2)}{\text{Adopted FY 2013-14 GF Deficit}^3} = \text{"\% of Concession Returned"}$$

¹ Audited GF Revenue for the corresponding agreement year

² Base Year GF Revenue as identified in the adopted FY 13-14 Budget (\$14,375,555), Page ES-6

³ GF Deficit as adopted in FY 13-14 Budget (\$978,894)

- The concession restoration amount will be applied as agreed to between the City and the Unit, subject to meet and confer, at the time the restoration is calculated.
- Furthermore, the City shall refund in a lump sum payment to each Unit member the concession amount in part retained by the City over each corresponding fiscal year of the term of this MOU if audited revenues exceed the base year revenue. The lump sum payment shall be equal to the calculated percentage from the formula above multiplied by the base salary received during the same term.
- In accordance with CalPERS law, this payment will not be reported as "pay rate" or "special compensation" and will not be reported to CalPERS for the purposes of pension calculations.

This language reflects the current 2013-14 Fiscal year City of Ukiah budget methodology. If the City changes the way revenue is accounted, the Unit will be notified in writing and the City shall meet and confer with the Unit to develop equivalent methodology for determining General Fund revenue.

Audited revenue is subject to review by the Unit and City staff. Any discrepancies will be identified by the Unit and shall be submitted to the City. Discrepancies identified by the Unit will be reviewed by the City and shall be applied for the purposes of this provision as agreed to by the City and Unit.

The audited revenues are typically found on “Schedule 1- General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the Year Ended June 30, _____” in the *Audited Financial Statements*.

Year 1 – Example 1 (9/12 of a year, based on the 9/18/2013 MOU adoption date)

$$\frac{\$14,456,000 - \$14,376,000^* = \$80,000}{\$978,894} = 0\% \text{ Concession Restored}$$

* Rounded for purpose of illustration

Year 1 – Example 2

$$\frac{\$14,876,000 - \$14,376,000 = \$500,000}{\$978,894} = .5108 \text{ or } 51.08\% \text{ of concession Restored } (\$88,167)$$

Year 2 – Example 1

$$\frac{\$14,436,000 - \$14,376,000 = \$60,000}{\$978,894} = 0\% \text{ Concession Restored}$$

Year 2 – Example 2

$$\frac{\$15,076,000 - \$14,376,000 = \$700,000}{\$978,894} = .7151 \text{ or } 71.51\% (\$164,573) \text{ of Concession Restored, which includes the } 51.08\% \text{ in the Year 1 Example}$$

CITY OF UKIAH
SUMMARY BY ACTIVITY OR FUNCTION
FISCAL YEAR 2013-2014 BUDGET

FUND #	FUND NAME	7/1/20013 FUND BALANCE	REVENUE	EXPENSE	NET INCOME (LOSS)	NET TRANSFERS IN (OUT)	6/30/2014 FUND BALANCE
G	General Fund	500,000	14,375,555	15,354,449	(978,894)	978,894	500,000
GR	Strategic Reserve	4,566,739	-0-	19,000		(978,894)	3,568,844
R	Other Grant & Restricted Use Funds	1,244,015	3,307,177	5,166,640	(1,859,463)	-	(615,448)
E,W,S	Utilities	28,294,826	27,123,887	34,128,665	(7,004,778)	2,193,186	23,483,234
LF, A, P, M, B, L, CC	Other Business Activities	-0-	2,578,307	4,457,880	(1,879,573)	-0-	(1,879,573)
I	Internal Service Funds	957,894	2,979,553	3,476,794	(497,241)	(37,000)	423,653
C	Capital Project Funds	3,492,473	172,172	881,697	(709,525)	7,000	2,789,948
	Total City Funds	39,055,947	50,536,651	63,485,125	(12,948,474)	2,163,186	28,270,659

UTILITY AND OTHER BUSINESS ACTIVITIES DETAIL							
E	Electric Utility	14,832,369	15,422,680	19,328,640	(3,905,960)	-	10,926,409
W	Water Utility	2,292,835	5,974,163	4,247,439	1,726,724	(250,000)	3,769,559
S	Sewer Utility	11,387,962	5,727,044	10,552,586	(4,825,542)	2,443,186	9,005,606
LF	Solid Waste Disposal	(251,779)	100,025	1,352,370	(1,252,345)		(1,504,124)
A	Airport	288,764	1,627,335	1,756,355	(129,020)		159,744
P	Parking	162,740	107,741	179,126	(71,385)		91,355
M	Museum	201,638	93,282	345,281	(251,999)		(50,361)
B	Golf	(1,015,519)	182,307	182,307	-		(1,015,519)
L	Street Lighting	408,228	176,095	328,989	(152,894)		255,334
CC	Conference Center	(12,411)	291,522	313,452	(21,930)		(34,341)
	Total Utility And Other Business Activities Detail	28,294,826	29,702,194	38,586,545	(8,884,351)	2,193,186	21,603,661

Refer to the "Combining Fund Schedule" for a listing of the funds in each category

ES-6

CITY OF UKIAH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	General	
<u>REVENUES</u>				
Taxes:				
Property	\$ 745,056	\$ 1,245,056	\$ 1,213,479	\$ (31,577)
Sales and use	6,333,756	6,333,756	6,465,410	131,654
Property transfer	33,700	33,700	24,770	(8,930)
Transient occupancy	691,108	691,108	775,547	84,439
Business license	315,291	315,291	325,674	10,383
Franchise	535,400	547,400	567,486	20,086
Licenses and permits	131,800	131,800	434,492	302,692
Fines, forfeitures, and penalties	52,662	52,662	46,960	(5,702)
From other agencies	1,374,988	1,374,988	1,350,289	(24,699)
Use of money and property	829,571	829,571	856,146	26,575
Charges for current services	892,204	892,204	1,146,590	254,386
Other	1,000	1,000	4,498	3,498
Total Revenues	11,936,536	12,448,536	13,211,341	762,805
<u>EXPENDITURES</u>				
Current:				
General government	1,728,729	2,231,319	1,817,593	413,726
Public safety	8,183,289	8,511,076	8,660,148	(149,072)
Streets and roads	927,891	942,321	1,087,896	(145,575)
Parks and recreation	1,840,654	1,845,654	1,970,035	(124,381)
Community development	98,255	225,755	67,839	157,916
Debt service	5,546	5,546	38	5,508
Capital outlay	149,329	173,641	46,593	127,048
Total Expenditures	12,933,693	13,935,312	13,650,142	285,170
Excess (Deficiency) of Revenues Over Expenditures	(997,157)	(1,486,776)	(438,801)	1,047,975
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,022,219	1,022,219	1,065,910	43,691
Total Other Financing Sources (Uses)	1,022,219	1,022,219	1,065,910	43,691
Net Change In Fund Balances	25,062	(464,557)	627,109	1,091,666
Fund Balances, July 1,	6,237,800	6,237,800	6,237,800	-
Fund Balances, June 30,	\$ 6,262,862	\$ 5,773,243	\$ 6,864,909	\$ 1,091,666

5. GRIEVANCE PROCEDURE

There are both formal and informal levels for filing a grievance.

A. Definitions:

1. Grievance: A “grievance” is a formal written allegation by a grievant that he/she has been adversely affected by a violation of the specific provisions of this Agreement. Actions to challenge or change the provisions of this Agreement or the policies of the City as set forth in City policies are undertaken through separate legal processes. Matters for which a specific method of review is provided by law, by the rules and regulations of the City Council or by the administrative regulations and procedures of the City are not within the scope of this procedure.
2. Grievant: A “grievant” is an employee of the City covered by the terms of this Agreement.
3. Day: A “day” is any day in which City Hall of the City is open for business.
4. Immediate Supervisor: The “immediate supervisor” is the lowest level supervisor having immediate jurisdiction over the grievant who has been designated to adjust grievances.
5. Conferee: A “conferee” is a person who is not a party to a grievance, who is asked by either party to serve as that party’s advisor or representative.

B. Informal Level:

Before filing a formal written grievance, the grievant shall attempt to resolve it by an informal conference with his/her immediate supervisor.

C. Formal Level:

1. Level I:

Within fifteen (15) days after the occurrence of the act or omission giving rise to the grievance, the grievant must present the grievance in writing on the appropriate form to his/her immediate supervisor. No grievance shall be entertained or processed unless it is submitted at level I within the fifteen (15) day time limit. If a grievance is not presented within the time limit set forth above it shall be considered waived.

This statement shall be a clear, concise statement of the grievance, the specific provision of the agreement alleged to have been violated, the circumstances involved, the decision rendered at the informal conference and the specific remedy sought.

Within the specified time limits, the grievant or the immediate supervisor may request a personal conference.

The immediate supervisor shall communicate his/her decisions to the employee in writing within ten (10) days after receiving the grievance. If the immediate supervisor does not respond within the time limits, the grievant may appeal to the next level.

2. Level II:

In the event the grievant is not satisfied with the decision at Level I, he/she must appeal the decision on the appropriate form to the Department Head within ten (10) days.

This statement shall include a copy of the original grievance, the decision rendered, and a clear, concise statement of the reasons for the appeal.

The Department Head shall communicate his/her decision within ten (10) days after receiving the appeal. Either the grievant or the Department Head may request a personal conference within the above time limits. If the Department Head does not respond within the time limits, the grievant may appeal to the next level.

3. Level III:

In the event the grievant is not satisfied with the decision at Level II, he/she must appeal the decision on the appropriate form to the Personnel Officer within ten (10) days.

This statement shall include a copy of the original grievance and appeal, the decisions rendered, and a clear, concise statement of the reasons for the appeal.

The Personnel Officer shall communicate a decision to the Grievant within ten (10) days. Either the grievant or the Personnel Officer may request a personal conference within the above time limits. If the Personnel Officer does not respond within the time limits, the grievant may appeal to the next level.

4. Level IV:

In the event the grievant is not satisfied with the decision at Level III, he/she must appeal the decision in writing within ten (10) days to the City Manager. The City Manager alone has the power to render a final and binding determination of a grievance, subject to right of established judicial review.

- a. Any party to a grievance may, at any step in the formal level, request one other person to serve as a conferee and to be present during the proceeding.
- b. A decision rendered at any step in these procedures becomes final unless appealed within the time limits specified.
- c. Time limits given in these procedures may be modified by written agreement of the parties involved.

- d. If the same complaint or substantially the same complaint is made by more than one employee against one party, only one employee on behalf of himself/herself and the other complainants, may process the grievance or complaint through the grievance procedure. Names of all aggrieved parties shall appear on all documents related to the processing of the grievance. This provision may be waived by all parties concerned.
- e. Any unit member may present grievances in accordance with this Article without intervention of the unit, so long as the adjustment is not inconsistent with the terms of this agreement.
- f. All documents resulting from the processing of a grievance shall be kept in a separate grievance file and will not be kept in an employee's personnel file.

6. MANAGEMENT RIGHTS

A. Management Rights

In order to ensure that the City shall continue to carry out its public service functions, programs and responsibilities to the public imposed by law, and to maintain efficient public service for the citizens of Ukiah, the City continues to reserve and retain solely and exclusively all management rights, regardless of whether they have been exercised in the past, including those rights and responsibilities set forth by law and those City rights set forth in the City's Civil Service Ordinance. No portion of this City Management Rights Section shall be construed to obligate the City in any way. In the exercising of its rights, the City shall not require an employee to perform an act or acts contrary to licensing law. The rights, powers and authorities of the City include but are not limited to the following:

1. To manage the departments and determine mission, policies and procedures and the right to manage the affairs of the departments.
2. To take into consideration the existence or non-existence of facts which are the basis of the management decision in compliance with State law.
3. To determine the necessity, organization, implementation and termination of any service or activity conducted by the City and to expand or diminish City services.
4. To direct, supervise, recruit, select, hire, evaluate, promote, transfer, reassign, discipline, discharge, terminate, demote, reduce, suspend, layoff, reprimand, withhold salary increases and benefits for disciplinary or non-disciplinary reasons or otherwise take action in accordance with department, City Personnel Policies and /or Civil Service Rules and Regulations.
5. To determine the nature, manner, means, extent, type, time, quantity, quality, standard and level of City services to be provided to the public.

6. To require performance of other public services not specifically stated herein in the event of emergency or disaster, as deemed necessary by the City.
7. To lay off employees of the represented departments because of lack of work or funds or under conditions where continued work would be inefficient or ineffective.
8. To determine and/or change the facilities, methods, technology, equipment, operations to be performed, organizational structure, and allocate and assign work by which City operations are to be conducted.
9. To determine method of financing.
10. To plan, determine and manage department budgets, which includes, but is not limited to, the right to contract or subcontract any work or operations of the represented departments.
11. To communicate fully and openly with its employees on any subject at any time orally, in writing, both at work or through the U.S. Mail.
12. To determine the size and composition of the City work force, assign work to employees of the City in accordance with requirements determined by the departments and to establish and require compliance to work hours and work schedules, including call back, standby, overtime and assignments.
13. To establish and modify goals and objectives related to productivity and performance programs and standards, including but not limited to quality and quantity, and require compliance therewith.
14. To determine qualification, skills, abilities, knowledge, selection procedures and standards, job classifications, job specifications, and to reallocate and reclassify employees in accordance with Civil Service Rules and Regulations and City Personnel Policies.
15. To determine the issue of public policy and the overall goals and objectives of the represented departments and to take necessary action to achieve the goals and objectives of the represented departments.
16. To determine policies, procedures and standards for recruiting, selecting, training, transferring, assigning, dismissing, demoting and promoting employees in accordance with City Personnel Policy.
17. To establish, implement and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety and order, and to require compliance therewith.
18. To evaluate and maintain order and efficiency in City facilities and operation.

19. To restrict the activity of an employee organization on City facilities and on City time.

20. To take any and all necessary steps and actions to carry out the service requirements and mission of the City in emergencies or any other time deemed necessary by the City and not specified above.

21. To make reasonable rules and regulations pertaining to employees consistent with this Agreement.

B. Impact of Management Rights

Where required by law the City agrees prior to implementation to meet and confer or consult with the Union over the impact of the exercise of a management right upon the wages, hours, and terms and conditions of employment on unit members unless the impact consequences of the exercise of a management right upon unit members is provided for in this Memorandum of Understanding, Civil Service Rules and Regulations, or Departmental Rules and Regulations.

C. Authority of Third Party Neutral – Management Rights

All management rights, powers, authority, and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the City. No third party neutral shall have the authority to diminish any of the management rights which are included in this Agreement, exclusive of a competent court having subject matter jurisdiction.

7. RETIREMENT

A. Pension Reform Act of 2013 (PEPRA)

The Public Employee's Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement law (PERL) amendments in Assembly Bill (AB) 340 became law on September 12, 2012, and the provisions were effective January 1, 2013.

The Water Utilities/Mechanics Unit and the City agree to implement all PEPRA provisions and all applicable amendments thereto. Effective January 1, 2013 Miscellaneous Unit employees defined by PEPRA as "*new members*" shall pay 50% of the total normal cost for the new Miscellaneous pension formula 2%@62, which is currently 6.75% of reportable compensation, with a three-year final compensation period. "*Classic members*" (employees hired prior to January 1, 2013) will retain the 2.7%@55 Miscellaneous PERS formula, 8% member contribution, with a one-year final compensation period.

The PEPRA defines a "*new member*" as: a) A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California public retirement system; b) A new hire who is brought

into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system; c) A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer after a break in service greater than six months.

B. PERS Employee Member Contribution

Employees in this Unit pay the full required PERS employee member contribution of 8%. Employer paid member contributions (EPMC) is in place with the City reporting the value of EPMC to CalPERS as additional compensation.

8. HEALTH & WELFARE CONTRIBUTIONS / FLEX PLAN

A. Health & Welfare Premiums

Effective upon the ratification of this Agreement, for all incumbent employees electing to do so, the City will contribute 85% of the REMIF EPO 500, PPO 500, and HSA medical plans, including Dental and Vision plans. For employees electing the REMIF EPO 250 plan, the City will contribute equivalent to the 85% portion for the EPO 500 plan.

After July 1, 2018, Unit members not currently enrolled in the City's health may enroll in the City health plans during the first or any Open Enrollment period, or qualifying event, during the term of this contract. Once enrolled in the City's health plan, the Unit member will no longer be eligible for the flex plan.

Upon ratification of this agreement, all new hires will only be eligible for the 85% contribution plan as described above, based on actual enrollments, and will not be eligible for the flex plan.

The City will pay up to \$1,283.82 per month for each Unit member's health insurance premiums, based upon actual enrollments, in lieu of the current \$621.60 health contribution and the 1.5% + \$175.00/month flex dollars. For Unit members electing "employee-only" coverage, the City will pay the employee-only premiums plus \$200.00/month, not to exceed the \$1,283.82 maximum.

Those employees who choose not to participate in the City's health plans must show proof of health insurance on another plan. An employee who is covered under a non-City health plan cannot enter the REMIF plan until the annual open enrollment period, or upon a qualifying event.

B. Retiree Medical Insurance Requirements

The minimum years of City service required to continue participation in the City's medical, dental and/or vision insurance plans upon retirement will be increased from 7 years to 10 years, effective 7-1-2014, in order to comply with REMIF retirement insurance eligibility requirements, standardized for all REMIF cities.

A represented employee retiring with ten or more years of city of Ukiah service after July 1, 1984, shall have the opportunity to purchase REMIF or Operating Engineers

insurance coverage if offered by the carrier and subject to the carrier's requirements. The City must receive the monthly premium amount from the retiree prior to the carrier's billing due date. The City is not responsible for notifying the retiree when a payment is due. In the event the retiree does not make the monthly payment on time, the City shall drop the retiree from the insurance program. Once a retiree has discontinued coverage, she/he shall no longer be eligible to continue coverage at a later date. By participating, retirees agree to indemnify and hold the City harmless against all claims arising as a result of purchased coverage or the discontinuance thereof.

C. 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.

9. OVERTIME

A. Non-Exempt Employee

1. For non-exempt employees working an eight hour shift, overtime is defined as actually working more than 40 hours in your designated seven (7) day work week.

B. Calculation

1. Overtime will be charged in increments of one-half hour. Any time worked from 1 to 30 minutes shall be computed as one-half hour of overtime.

10. PAID LEAVE

A. Employee Sick Leave

Sick leave benefits are to be used for medical and dental appointments and absences due to mental or physical illness, or personal injury only. These benefits are not to be used for any other purpose. Every regular, full time employee will accrue one sick day for each month of service. Part-time employees working year round and at least 20 hours per week are eligible for pro-rated sick leave hours based upon the number of hours worked. These benefits are non-accruing.

Sick leave usage is computed in one-half hour increments. One half-hour increments shall be computed by rounding to zero for less than 15 minutes and rounding to 30 minutes for 15 minutes or more. During or after an absence due to illness, you may be required to furnish a doctor's written statement indicating the nature of your illness and your expected recovery time. If you have been ill for longer than five (5) consecutive days or suffered an acute injury, you may be asked to obtain a doctor's release before returning to work.

When all sick leave benefits have been used, you may use your accrued vacation benefits. If you have used both the sick and vacation accrual, you may submit a request to the City Manager for up to a thirty day unpaid leave of absence in special consideration for extended serious illness or injury. (Also refer to Section 4.06.5, Family and Medical Leave Act, which may also apply.) Sick leave benefits will not be accumulated during unpaid leaves of absence.

There is no maximum on the accumulation of unused sick leave. Upon retirement from City service, your unused sick leave will be converted to additional service credits at the rate of .004 years of service credit for each day of unused sick leave.

If you are going to be absent, you must notify your supervisor as soon as possible of your inability to work, normally no later than the start of your shift.

Sick leave is a privilege. Violations or abuse will result in disciplinary action.

B. Family Sick Leave

Full-time employees may use up to six (6) of their accrued sick leave days per calendar year to attend to an illness of a **child** (biological, foster, adopted, stepchild, legal ward or a child of a person standing in loco parentis), **parent** (biological, foster, adoptive, stepparent, or legal guardian) or **spouse**.

C. Holidays

The following shall be the officially observed City holidays for this Unit:

1. 1st day of January, New Year's Day
2. Martin Luther King Day
3. 3rd Monday of February, Washington's Birthday
4. Last Monday in May, Memorial Day
5. 4th of July, Independence Day
6. 1st Monday in September, Labor Day
7. 2nd Monday in October, Columbus Day
8. 11th of November, Veteran's Day
9. 4th Thursday in November, Thanksgiving Day
10. Day following Thanksgiving
11. 24th of December, Christmas Eve
12. 25th of December, Christmas Day
13. December 31st, New Year's Eve

In addition to the above each employee shall be given eight hours leave with pay as a floating holiday. The floating holiday hours are credited to your vacation accrual balance in ~~August of each year~~ in the beginning of the fiscal year each year.

Should any of these Holidays fall on Saturday, the preceding Friday shall be considered the paid Holiday. Should any of these Holidays fall on Sunday, the following Monday shall be considered a paid Holiday.

D. Vacation Leave

Vacation is earned and accrued hourly each pay period according to the following schedule:

Years of Service	Hours Earned Per Pay Period	Maximum Accrual
0 – 3	4.0 Hours	224.0 Hours
4 – 8	4.7 Hours	260.4 Hours
9 – 15	6.2 Hours	338.4 Hours
16 – 19	6.8 Hours	369.6 Hours
20 Plus	8.0 Hours	432.0 Hours

E. Vacation Cash Out

Employees who reach their maximum vacation accrual may cash out one (1) week (40 hours) vacation, limited to one (1) time per fiscal year. This may be requested within two pay periods prior to the employee reaching their vacation accrual maximum.

F. Bereavement Leave

Represented employees shall be entitled to a maximum of three (3) days leave of absence without loss of salary for the death of any member of the employee's immediate family. If travel exceeding 350 miles one way is required, an employee may be granted a maximum of two (2) days additional paid bereavement leave. This leave shall not be charged to sick leave.

Member of the "immediate family" is defined as the father, mother, grandfather, grandmother, or grandchild of the employee or the employee's spouse, and the spouse, son, stepson, foster son, son-in-law, daughter, stepdaughter, foster daughter, daughter-in-law, brother or sister of the employee, any relative living in the immediate household of the employee or the employee's spouse.

G. Personal Leave

The City and the Union agree that the members of this Union shall receive three (3) days of personal leave annually, credited in full on July 1 of each year. This leave shall not be considered a portion of vacation leave. This leave will be non-accumulative, and if not used within a year it will be deleted from the employees paid leave time.

City and Union agree that the intent of personal leave was to provide time off for employees for personal emergencies and needs regarding family members and other personal business. The City has allowed these personal leave days to the employees realizing that there are these special times that require time off that does not really fit into the vacation and sick leave accruals. The Union has requested to use their personal leave days in conjunction with vacation. The City will agree to allow the use of

personal leave with vacation, but strongly suggests to the Union members that the intent of this leave be considered and that they use their personal leave with vacation sparingly.

H. Workers Compensation

Employees who suffer an injury or illness due to work are generally covered under Workers Compensation Insurance. If you are injured or become ill due to work-related causes, you must notify your supervisor immediately. Minor injuries not requiring medical treatment or time lost from work should be recorded in the Department's "Minor Injury Log".

Please refer to the Employee Manual and/or the Human Resources Department for further detail.

11. UNPAID LEAVE OF ABSENCE

You may request an unpaid leave of absence for periods of up to thirty days. Any unpaid leave may be granted with approval of the City manager. In deciding whether to grant the request the City Manager may consider the reason for the leave (ex: extend pregnancy leave beyond disability; extended illness due to injury where accumulated sick and vacation leave, CTO and any other accrued paid leave have been used), the department's work load, and the availability of qualified staff to handle the work load.

If you are seeking an unpaid leave, you must submit a written request to your supervisor, stating the reason for and duration of the leave. Sick or vacation accrual, retirement, uniform allowance, medical coverage or related benefits are not paid or credited while an employee is on unpaid leave of absence. You will begin to receive these benefits again when you return to work. You may keep your medical insurance in effect by pre-paying the full monthly premium.

An employee who takes a personal leave of 30 days or less will be returned to his/her present position or to a substantially similar position. If no position is available due to staff reduction, the employee will be placed on layoff. Employees who do not report to work on the next working day, without prior authorization of the City, may be administratively terminated upon expiration of the leave.

A. Family and Medical Leave (FMLA)

Under the Family and Medical Leave Act ("FMLA") and the California Family Rights Act ("CFRA", "eligible" employees may request an unpaid, job-protected leave of absence for periods of up to 12 weeks in a 12-month period for any of the following reasons:

1. The birth of an employee's child and to care for the newborn after birth, or placement of a child with an employee for adoption or foster care;
2. To care for the employee's spouse, domestic partner, son, daughter, or parent, who has a serious health condition;

3. For a “qualifying exigency” arising out of the fact that the employee’s spouse, son, daughter, or parent is on covered active duty or call to active duty status (Under the FMLA only, not the CFRA): and

4. To care for a spouse, son, daughter, parent, or “next of kin” who is a covered service member of the United States Armed Forces who has a serious injury or illness incurred in the line of duty while on active military duty or existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty in the Armed Forces (this leave can run up to 26 weeks of unpaid leave during a single 12-month period – under the FMLA only, not the CFRA).

Eligible employees include those persons employed by the City of Ukiah for at least 12 months and who have completed 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave.

Please refer to the Employee Manual and/or the Human Resources Department for further detail.

12. SPECIAL PAYS

A. Bilingual Pay

A proficient Spanish/English bilingual employee in the following classifications: Customer Service Representative I, II and III; Receptionist; Police Records Clerk, who passes the oral and written bilingual test, receives a flat, per month, pay differential of \$75.00. Employees who have served for 10 years or more with the City of Ukiah and have passed the bilingual oral and written test will receive a total of \$100 per month. Any other classification that utilizes bilingual speaking as a major function in the performance of their duties and responsibilities shall be considered for bilingual pay eligibility upon mutual agreement by the City and the Unit.

B. Specialty Pay

1. Pesticide Spraying

Any employee who applies pesticides which require a County I.D.# or Restricted Permit for purchase, must hold a Qualified Applicator’s Certificate or License and will be paid at a rate of \$3.00 per hour over salary for every hour of spraying. These records will be kept by the department and recorded separately on the time card for payroll use.

2. Water Division Educational Incentive Plan

City shall recognize the certification program for Water Division personnel developed by the State of California pursuant to Sections 4060 to 4095 of the California Health and Safety Code and described in Title 17, California Administrative Code part 1, Chapter 5, Subchapter 1. Upon the attainment of a State of California water treatment, distribution, or wastewater certificates which

are not a minimum requirement of the related classification, a 2 ½% salary increase over base pay shall be granted, and upon the attainment of a second certificate which is not a minimum requirement of the related classification, an additional 5% salary increase over base pay shall be granted, to a maximum of 7.5%

EXAMPLE:

Senior Wastewater Operator position requires a Grade III Wastewater Certification. If employee obtains a Grade IV Wastewater Certificate he/she is eligible for 2.5% over base pay. If same employee obtains a Grade V Wastewater Certificate he/she is eligible for an additional 5% over base pay, to a maximum of 7.5%.

The following classifications are included in this certificate program:

- a. Water and Sewer Maintenance Attendant I & II
- b. Water and Sewer Service Attendant
- c. Water and Sewer Lead Worker
- d. Water Treatment Plant Operator/~~Mechanic~~ & Senior Operator
- e. Wastewater Treatment Plant Operator/~~Mechanic~~, Lead & Senior
- f. ~~Wastewater Treatment Plant Senior Operator/Mechanical Technician~~
Water Utilities Equipment Mechanic

13. MISCELLANEOUS PROVISIONS

A. Inclement Weather Gear

The City will provide rain and protective gear for all employees required to work outside in inclement weather, to include hat, coat, pants and boots.

B. 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.

C. Replacement of Job Required Equipment

Replacement at City expense of eyeglasses and job required equipment damaged or destroyed while on duty to be considered on the merits of each individual case.

D. Compensatory Time Off (CTO)

Unit members may accrue CTO at the time and a half rate up to a maximum of 50 hours. Actual use of the CTO time will be approved by the Departments after reasonable consideration of the workload and vacation and sick time schedules of other personnel.

E. Store Stop Policy

Water Utilities/Mechanics Bargaining Unit employees may make store stops for the purchase of refreshments, snacks, and medicine during their normal and overtime work hours upon express consent of their immediate supervisor.

The stops shall not interfere with any work or job assignment, as store stops will only be allowed for breaks and upon the consent and convenience of the immediate supervisor.

The store stop shall be at the nearest convenient store in the area. All stops are to be for purchase only and there will be no loitering at the store location.

The employees and management shall police this policy. The employees shall bring it to the attention of any employee abusing this policy. If the employee continues the abuse, they shall be reported to their immediate supervisor, who may at their discretion issue a verbal reprimand for the first violation, and an employee with more than two violations may lose their store stop privilege for six months. Disciplinary action following continued violations will be as determined by the Department.

After a six month store stop suspension, the employee will be reinstated, providing they have properly complied in that six month period. Failure to properly control this privilege may result in the withdrawal of this policy to all employees in the Unit.

F. Emergency Meals

Employees required to work in increments of four (4) consecutive hours outside of their normal working day because of an emergency situation which does not allow the employee to provide for a meal shall be furnished one meal for each four (4) hours worked if not furnished from other sources.

G. Section 125 Plan

The City will provide a Section 125 (Cafeteria) Plan for employees in this Unit.

H. Longevity

Only employees hired prior to July 1, 1990 shall be eligible and grandfathered at the rate of 1% salary after seven years, and an additional 2% of salary for a total of 3% of salary after fourteen years.

I. Career Step Program

The City of Ukiah values its long-term employees and desires to reward continued exemplary performance for employees beyond their achievement of E Step in their individual job classification. The Career Step Program is designed to provide a monetary incentive and motivation for continued good performance and high achievement throughout an employee's career with the City.

1. Eligibility – Regular, full-time employees who have completed 7 years of service with the City of Ukiah and have attained E Step with “3” (meets expectations) or above rating on their most current annual performance evaluation are eligible to apply for the first career step increase.

Provisions for eligibility are as follows:

- a. Employees who have completed 7 years of service will be eligible to apply on their performance evaluation date for a career step increase of 1%, if their performance evaluation is “3” (Satisfactory) or above.
 - b. Employees who have completed 14 years of service will be eligible to apply on their performance evaluation date for a career step increase of 2% (for a total of 3%), if their performance evaluation is “4” (very competent) or above.
 - c. Employees who have completed 21 years of service will be eligible to apply on their performance evaluation date for a career step increase of 2% (for a total of 5%), if their performance evaluation is “4” (very competent) or above rating.
2. Employees may request a pre-evaluation meeting with their Supervisor up to 6 months before their annual evaluation date for the purpose of discussing the employee’s current job performance, goals set during the last evaluation period, and any areas potentially in need of improvement. This meeting will provide the employee and the Supervisor an opportunity to discuss performance issues and address goals prior to the annual evaluation.
3. Employees who have applied for a career step increase and are denied due to their performance level will be given specific standards of performance to achieve. They may then re-apply on their performance evaluation date the following year for their career step.
4. After receiving a career step increase, if any performance evaluation fall below the minimum performance rating required for that level, the last percentage increase will be lost. Example: if an employee has received their additional 2% at the end of 14 years of service, and falls below the “4” *(very competent) level in their next performance evaluation, they will only lose the last percentage received, or 2% in this case. If lost, the employee will be given standards of performance to achieve and may re-apply within six months to reinstate that career step level.
5. An employee may appeal the denial of their career step application or the loss of the current career step payment to the City Manager. The City Manager will meet with the employee and the supervisor in order to make a final determination on the appeal.

6. Employees cannot receive both longevity and career step pay. Any employee eligible for longevity will be required to make a determination as to which program they prefer and sign a PAF to that effect.

J. Career Development Program

It is the intent of the City of Ukiah (City) to recognize the future growth of both the City and its employees by adopting a Career Development Program which will encourage employees to avail themselves of job-related educational opportunities. The purpose of this action is to advance the employees' knowledge and interest in the direction of their career with the City, expand the employees' base of promotability, and enhance the City's effectiveness by improving the overall level of municipal service.

This proposal is made with the realization that such a policy must be within the financial capability of the City, that the work for which the employee was originally appointed is given first priority, and that the City shall not expend, nor the employee accept, training funds with the intent of enabling the employee to secure a position with other agencies or business entities.

Such training programs may include college or university courses, lectures, seminars, or continuing education courses.

Provisions for the Career Development Program are as follows:

1. Preparation for classes and their requirements are to be completed on the employee's own time.
2. To be eligible for funds, the employee must receive advance written approval by his/her Department Head and City Manager or designate.
3. Funds to the employee shall be predicted upon a grade point of 2.0 or better; or verifiable attendance of lectures or seminars.

Department Head and City Manager approval of all employee training courses shall be based upon the degree of value to the City, continuing development of employees, job skills, and the employee's stated intent to promote within the City.

Mutual benefit training is coursework of equilateral benefits to the City and employee. This would include job related coursework and general courses applied to a degree related to the employee's present position or broad based promotability within the City. Criteria for this assessment would be based upon applicability of subject matter to a relevant degree or certification and be made by the employee's Department head.

Up to 50% off the general education courses taken toward a degree related to the employee's field with the City may be covered by the program.

The City shall try to allow up to three (3) flex hours per week for employees who need to take classes during working hours if no other non-working hour class is available. City participation shall consist of registration and costs of books and related materials.

The City Manager shall cause a file to be kept in the Personnel Office in which a record of the Career Development Program is maintained. In addition, a record of each employee's participation in the program is to be placed in his/her personnel file.

K. Jury Duty

If you are called to serve on a jury for 15 days or less (a day is any day in which court is held without regard to the number of actual court hours), you will receive your base pay. You are required to furnish your department head a copy of your official notice and to let him/her know the expected duration of your absence. If you are released from jury duty before the end of your working shift, you are expected to return to work for the remainder of the day. Court Payment Checks for jury duty, excluding travel expenses, must be turned in to the City cashiers in order to be eligible for this paid leave. You need to inform the Judge of the City's 15 day paid leave policy so that you will not be appointed to trials of longer duration.

L. Residency / Response Time

Water/Sewer employees shall establish residency within a [2030](#)-minute notification to respond zone.

Wastewater Treatment Plant employees shall establish residency within a 45-minute notification to respond zone.

The City and the Union agree they have met and conferred on the issue of residency requirements. The Union recognizes that the City has the right to establish residency requirements as applies to the classifications addressed in Personnel Policies Chapter XIII, Section 4, paragraph 8, All Other Employees.

M. Rest Period Agreement

The following language concerning the definition of rest period for extended overtime has been agreed upon as follows:

1. Any employee in this Unit who has worked eight hours or more at the overtime rate from the end of their regularly scheduled shift and the beginning of their next regularly scheduled shift on a workday shall be entitled to a rest period of eight consecutive hours on the completion of such overtime work.
2. There shall be included as part of the eight hours worked at the overtime rate, during the period between the end of their regularly scheduled shift and the beginning of their next regularly scheduled shift on a workday, any travel time and mealtime to which an employee is entitled.
3. If the eight hour rest period in part or in whole overlaps the employee's regular work period, the employee shall receive the straight time rate for the extent of the overlap except that the time taken during such overlap for any meal to which they are entitled for overtime hours worked shall be paid at the applicable overtime rate.

4. If the employee is called back to work during the first six hours of the rest period, a new rest period shall commence at the end of such work.

a. If the rest period overlaps his/her regular work hours, but does not extend to the second half of the workday, the employee shall be excused with pay at the regular rate until the next full hour of his/her regular workday.

b. If the rest period overlaps the second half of the regular workday, the employee shall be excused with pay until the next full hour of his/her next regular shift.

5. An employee entitled to the rest period may nevertheless be required to work during the regular work hours on a workday without having said rest period, in which event, employee shall be paid at two (2) times the straight-time rate for all work performed until he/she has been relieved from duty for at least eight (8) consecutive hours.

6. If the person on call works past the 16-hour limit and is entitled to the aforementioned rest period, he/she shall be relieved from call by the supervisor until said rest period is concluded. Calls shall be routed to the supervisor, who then shall dispatch according to the needs of the department.

N. Probationary Period

There is an introductory period of six months for new appointments and promotions. During this period you and the City can evaluate each other to determine if employment should continue. This introductory employment period is used to closely observe your work. It may be extended by your Department Head for up to six months if your performance warrants it. You may be terminated during the introductory period any time without approval of the Civil Service Board, without cause, and without the right of appeal.

A promoted employee has the right to be reassigned to his/her original position during the introductory period.

Within four weeks of the conclusion of this introductory period you will, and at any time during the introductory period, you may receive a performance evaluation. These evaluations will give you and your supervisor or manager an opportunity to assess your performance to date, evaluate your on-the-job skills, and determine your ongoing relationship with the City.

Regardless of classification status or length of service, you are expected to meet and maintain City standards for job performance and behavior throughout your employment with the City.

Vacation and sick time accrued during the probationary period may be used as it is accrued.

O. Reclassification of Unit Positions

The City will provide advance notice to Operating Engineers Local No. 3 and the Miscellaneous Unit Representatives of any proposed new classifications, amended class specifications, and reclassifications. Upon request of Operating Engineers Local No. 3 the parties will meet and confer regarding the City's proposed action.

P. Disciplinary Action/Written Reprimands

The City agrees to secure the record of a written reprimand disciplinary action after 3 years if no similar violations occur. The following language will be added to the City of Ukiah Disciplinary Procedures, Section II.A. Reprimand:

"An employee has the right to request in writing that a letter of reprimand be secured within the employee's personnel file if three (3) years have elapsed from the date of reprimand and no similar violations occur. The employee may submit a request to Personnel to have the reprimand placed in a secured envelope within the Personnel file. The Personnel Officer, after conferring with the employee's Supervisor, will provide a written determination of the employee's request within 14 days. If similar violations of policy occur, the envelope may be opened for information to the Supervisor."

Q. Out of Classification Pay

Any employee properly and formerly assigned to perform the duties of a higher paid classification for one or more shifts, shall be paid retroactively for completion of each shift at the rate of 5% or Step A of the classification, whichever is higher.

Employees working out of class in exempt positions will be paid overtime earned at the out of class rate, until they have worked out of class continuously for one month (30 calendar days) in the exempt classification, after which time overtime will not be paid at the out-of-class rate. Employees working out of class for a period of one month (30 calendar days) or longer will be paid holidays and sick leave of one week or less at the out of class differential rate after the 30th day.

R. Call Back

The first callback shall be paid at a two-hour minimum at time and one half pay. If an employee works over 2 hours on the first call back they will be immediately eligible for an additional 2 hours pay for the first call back. The 2nd call back is paid at the actual time worked with a one hour minimum at time and one half pay as long as the second call back is not within the first call back time frame.

S. Standby Pay

Standby Pay is at the rate of two hours pay at straight time on weekdays and four hours pay at straight time on weekends and holidays. Employees who are scheduled without regard to weekends and holidays, because of staffing seven days per week, will be paid two hours of pay at straight time on a weekend or holiday in which they work a regular shift.

T. Dues Deduction

City will make payroll deduction of union dues bi-weekly when furnished by the union with an acceptable authorization signed by the employee prior to the 15th of the month during which the initial deduction is to be made.

U. No Strike/Job Action Provision

1. Prohibited Conduct

The Unit, its officers, agents, representatives, and/or members when on duty, agree they will not call, cause, engage, or condone any strike, walkout, sit down, work stoppage, slowdown, sickout, pretended illness, or engage or honor any other form or type of job action by Union employees or by any other employees of the City or employees of any other employer by withholding or refusing to perform services or honor any type or form of picket line of any union or employee organization.

2. Employee Termination

Any employee who participates in any conduct prohibited in Section 1, Prohibited Conduct, (above), shall be considered on unauthorized absence and shall be subject to discharge or other disciplinary action by the City, regardless of whether the Union carries out in good faith its responsibilities set forth below.

3. Union Responsibilities

a. In the event that the Union, its officers, agents, representatives, and/or members engage in any of the conduct prohibited in Section 1, Prohibited Conduct, above, the Union shall immediately instruct any persons engaging in such conduct that their conduct is in violation of this Memorandum of Understanding and unlawful, and they must immediately cease engaging in conduct prohibited in 1, Prohibited Conduct, above, and return to work.

b. If the Union performs all of the responsibilities in good faith set forth in item a. above, its officers, agents, and representatives shall not be liable for damages for prohibited conduct performed by employees who are covered by this Agreement in violation of 1, Prohibited Conduct, above.

V. 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 20196 and October of 202017.

W. 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 2nd day of December, 2015.

CITY OF UKIAH

Sage Sangiacomo, City Manager

**OPERATING ENGINEERS WATER
UTILITIES/MECHANICS UNIT**

Matthew Anliker, WWTP OIT

Mario Dogali, Water/Sewer Attendant II

OPERATING ENGINEERS LOCAL NO. 3

Joe Louis Wildman, Business Representative

APPENDIX “A”

WATER UTILITIES/MECHANICS UNIT CLASSIFICATIONS

Environmental Lab Technician I, II, III

Equipment Mechanic

Lead Equipment Mechanic

Lead Wastewater Treatment Plant Operator

Sr. Equipment Mechanic

Sr. Wastewater Treatment Plant Operator

Sr. Wastewater Treatment Plant Operator/Mechanical Technician

Wastewater Treatment Operator-in-Training

Wastewater Treatment Plant Operator

Wastewater Treatment Plant Operator/Mechanic

Water & Sewer Service Attendant

Water Treatment Operator-in-Training

Water Treatment Plant Operator/Mechanic

Water/Sewer Attendant I, II

Water/Sewer Lead Worker

APPENDIX “B”

WATER UTILITIES/MECHANICS UNIT SALARY SCHEDULE

City of Ukiah
Water Utilities/Mechanics Unit Salary Schedule
Effective September 23, 2018
4% COLA

Job Class Title	Grade	Monthly				
		Step 0	Step 1	Step 2	Step 3	Step 4
Wastewater Treatment Plant OIT Water Treatment Plant OIT	6029 6129	3,310.05	3,475.55	3,649.33	3,831.80	4,023.39
Water & Sewer Attendant I	6232	3,564.56	3,742.79	3,929.93	4,126.43	4,332.75
Water & Sewer Attendant II	6135	3,838.65	4,030.58	4,232.11	4,443.72	4,665.91
Environmental Laboratory Technician I Water & Sewer Service Attendant	6536 6236	3,934.62	4,131.35	4,337.92	4,554.82	4,782.56
Equipment Mechanic	6038	4,133.81	4,340.50	4,557.53	4,785.41	5,024.68
Environmental Laboratory Technician II Wastewater Treatment Plant Operator Water Treatment Plant Operator	6239 6139 6339	4,237.15	4,449.01	4,671.46	4,905.03	5,150.28
Sr. Wastewater Treatment Plant Operator Sr. Water Treatment Plant Operator Water & Sewer Lead Worker	6144 6344 6044	4,793.95	5,033.65	5,285.33	5,549.60	5,827.08
Environmental Laboratory Technician III	6145	4,913.80	5,159.49	5,417.46	5,688.33	5,972.75
Lead Wastewater Treatment Plant Operator	6046	5,036.65	5,288.48	5,552.90	5,830.55	6,122.08

Reportable Special Compensation

Bilingual Pay	\$75 - \$100 per month
Career Step Pay & Longevity Pay	1%-5% added to base
Water Division Certificate pay	2.5%-7.5% added to base

City of Ukiah
Water Utilities/Mechanics Unit Salary Schedule
Effective September 22, 2019
3% COLA

Job Class Title	Grade	Monthly				
		Step 0	Step 1	Step 2	Step 3	Step 4
Wastewater Treatment Plant OIT Water Treatment Plant OIT	6029 6129	3,409.35	3,579.82	3,758.81	3,946.75	4,144.09
Water & Sewer Attendant I	6232	3,671.50	3,855.08	4,047.83	4,250.22	4,462.73
Water & Sewer Attendant II	6135	3,953.81	4,151.50	4,359.08	4,577.03	4,805.88
Environmental Laboratory Technician I Water & Sewer Service Attendant	6536 6236	4,052.66	4,255.29	4,468.05	4,691.45	4,926.02
Equipment Mechanic	6038	4,257.82	4,470.71	4,694.25	4,928.96	5,175.41
Environmental Laboratory Technician II Wastewater Treatment Plant Operator Water Treatment Plant Operator	6239 6139 6339	4,364.26	4,582.47	4,811.59	5,052.17	5,304.78
Sr. Wastewater Treatment Plant Operator Sr. Water Treatment Plant Operator Water & Sewer Lead Worker	6144 6344 6044	4,937.77	5,184.66	5,443.89	5,716.08	6,001.88
Environmental Laboratory Technician III	6145	5,061.21	5,314.27	5,579.98	5,858.98	6,151.93
Lead Wastewater Treatment Plant Operator	6046	5,187.75	5,447.14	5,719.50	6,005.48	6,305.75

Reportable Special Compensation

Bilingual Pay	\$75 - \$100 per month
Career Step Pay & Longevity Pay	1%-5% added to base
Water Division Certificate pay	2.5%-7.5% added to base