



CITY OF RIVERBANK
**REGULAR CITY COUNCIL AND THE
LOCAL REDEVELOPMENT AUTHORITY BOARD
MEETINGS**

(The City Council also serves as the LRA Board)
City Hall North • Council Chambers

6707 Third Street • Suite B • Riverbank • CA • 95367

AGENDA

TUESDAY, FEBRUARY 27, 2018– 6:00 P.M.

(THE AGENDA PACKET IS POSTED AT THE CITY CLERK’S OFFICE AND AT WWW.RIVERBANK.ORG)

- CALL TO ORDER:** Mayor/Chair Richard D. O’Brien
- FLAG SALUTE:** Mayor/Chair Richard D. O’Brien
- INVOCATION:** Riverbank Ministerial Association
- ROLL CALL:** Mayor/Chair Richard D. O’Brien
Vice Mayor/Chair Darlene Barber-Martinez (CM-District 4)
Council/Authority Member District 2 Cindy Fosi
Council/Authority Member Cal Campbell
Council/Authority Member Leanne Jones Cruz

CHANGES TO THE AGENDA: Mayor/Chair Richard D. O’Brien

CONFLICT OF INTEREST

Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.

1. PRESENTATIONS

Item 1.1: Crossroads West Project Update / Process Presentation.

2. PUBLIC COMMENTS (No Action Can Be Taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 5 minutes** per person and each person may speak once during this time; time cannot be yielded to another person. Under State Law, matters presented during the public comment period cannot be discussed or acted upon. For record purposes, state your name and City of residence. Please make your comments directly to the City Council/LRA Board.

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

Item 3.A: Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: Approval of the February 13, 2018, City Council and Local Redevelopment Authority Minutes.

Recommendation: It is recommended that City Council/LRA Board approve the Consent Calendar items by roll call vote.

4. UNFINISHED BUSINESS There are no items to consider.

5. PUBLIC HEARINGS

The public notice for Item 5.1 was published in the Riverbank News on 2/14/2018.

Item 5.1: **A Resolution Approving the Fiscal Year 2017-18 Mid-Year Budget Amendments** – It is recommended that the City Council consider approval of the Fiscal Year 2017-18 Mid-Year Budget Amendments.

6. NEW BUSINESS

Item 6.1: **A Resolution Approving the Appointments of Mallorie Fenrich and Steve Link (Alternate) to the Planning Commission** – It is recommended that the City Council consider the appointments presented by Mayor O'Brien to fill a primary and alternate seat on the Planning Commission, adopt the proposed resolution for approval of the appointments, and have the Oath of Office administered to the Commissioners.

Item 6.2: **A Resolution for the Approval of an Employment Agreement between the City of Riverbank and Michael Riddell as Public Works Director** – It is recommended that the Riverbank City Council ("City Council") approve the attached resolution which approves and authorized execution of the attached Employment Agreement ("Agreement") between the City of Riverbank ("City") and Michael Riddell as Public Works Director.

7. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of business shall be made. The Brown Act does not allow for discussion or action by the City Council.

Item 7.1: Staff

Item 7.2: Council/Authority Member

Item 7.3: Mayor/Chair

8. CLOSED SESSION

The public will have a limit of 5 minutes to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board adjourning to Closed Session.

Item 8.1: **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (b) of Government Code § 54956.9: (3) potential cases

9. REPORT FROM CLOSED SESSION

Item 9.1: Report from Closed Session Item 8.1: **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** (3) potential cases

ADJOURNMENT (The next regular City Council meeting – Tuesday, March 13th @ 6:pm)

UPCOMING EVENTS:

City Hall Friday Office Hours	<ul style="list-style-type: none"> • <u>City Offices are Closed Alternating Fridays</u> <ul style="list-style-type: none"> ○ Friday: February 23 and March 9 & 23 – CLOSED ○ Friday: March 2, 16, & 30 – OPEN from 8:00 am to 5:00 p.m.
2018 Canceled Regular City Council Meetings	<ul style="list-style-type: none"> • <u>City Council voted to cancel the following regular meetings:</u> <ul style="list-style-type: none"> ○ Tuesday, July 10, 2018 ○ Tuesday, August 14, 2018 ○ Tuesday, November 27, 2018 ○ Tuesday, December 25, 2018

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted 72 hours prior to the meeting in accordance to the Brown Act.

Posted this 22nd day of February, 2018

/s/ Annabelle H. Aguilar, CMC, City Clerk / LRA Recorder

Notice Regarding Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (209) 863-7122 or cityclerk@riverbank.org. Notification (72) hours before the meeting will enable the City to make reasonable arrangements to ensure any special needs are met. [28 CFR 35.102-35.104 ADA Title II].

Notice Regarding Non-English Speakers: Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank City Council/LRA Board shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

GENERAL INFORMATION

Meeting Schedule	The City Council Members also serve as the LRA Board Members. The Riverbank City Council/LRA Board meets in the City Hall North Council Chambers. Regular City Council meetings are held on the 2nd and 4th Tuesdays of each month at 6:00 p.m. The Local Redevelopment Authority Board meets on an "as needed" basis. Meetings are held as indicated, unless otherwise noticed.
City Council / LRA Agenda & Reports	The City Council/LRA Board agenda is posted pursuant to the California Brown Act, which only requires these agenda title pages to be posted near the entrance of the location where the meeting is to be held and, when available, on the City's website. Additional documents may be provided by the City in its efforts of transparency to keep the public well informed. The agenda packet (agenda plus supporting documents) are posted for public review at the City Clerk's Office, 6707 Third Street, Riverbank, CA and at www.riverbank.org upon distribution to a majority of the City Council/LRA Board. A subscription to receive the agenda can be purchased for a nominal fee through the City Clerk's Office.
Public Hearings	In general, a public hearing is an open consideration within a regular meeting of the City Council or a meeting of the LRA, for which special notice has been given and may be required. During a specified portion of the hearing, any resident or concerned individual is invited to present protests or offer support for the subject under consideration.
Televised / Video of Meetings	City Council/LRA meetings are televised on Charter Channel 2 and AT&T Uverse Channel 99. Video of the meeting and the schedule of replays may be seen on the City's website, under the "Action 2" Icon. (Note: Technical difficulty occurs on occasion preventing the televising or recording of the meeting.)
Questions	Contact the City Clerk at (209) 863-7122 or aaguilar@riverbank.org

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 1.1

SECTION 1: PRESENTATION

Meeting Date:	February 27, 2018
Subject:	Crossroads West Project Update / Process Presentation
From:	Sean Scully, City Manager

RECOMMENDATION

It is recommended that the Riverbank City Council ("City Council") receive a presentation providing a project update on the Crossroads West Project and future process related to the project.

SUMMARY

As Council is aware, the Crossroads West project has (for many years) been in the formulation and project planning stages. Over the past year, as the project has become more fully formed, the City has begun the process of CEQA review. A draft EIR document is in the final stages of preparation and will be available for public review in the near future. As such, staff considered it prudent to give a brief project update and presentation on the project design process, CEQA process and future steps that are required to advance the project to Council for formal consideration.

This item will be presented by the City's Contract Planner John Anderson who has been the project lead on behalf of the City. The presentation is intended to be informative for Council and also provide Council the opportunity to ask questions.

STRATEGIC PLAN

This item directly relates to the strategic plan section "Expand Economic Development Opportunities for Business" as well as a key step in "Achieving and Maintaining Financial Stability".

FINANCIAL IMPACT

None at this time.

RIVERBANK CITY COUNCIL / LRA AGENDA ITEM NO. 3.A

SECTION 3: CONSENT CALENDAR

Meeting Date:	February 27, 2018
Subject:	Waiver of Readings
From:	Sean Scully, City Manager
Submitted by:	Annabelle Aguilar, CMC, City Clerk / LRA Recorder

RECOMMENDATION

It is recommended that the City Council / LRA Board approve the waiver of readings of Ordinances and Resolutions, except by title.

SUMMARY

The approval of the waiver of readings will allow Ordinances and Resolutions to be introduced by title only and acted upon without the need to read the entire text of the item into the public record. The documents related to proposed Ordinances and Resolutions are available for review by the public on the City's website and in the City Clerk's office at City Hall (North).

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

There are no attachments to this report.

**RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 3.B**

SECTION 3: CONSENT CALENDAR

Meeting Date:	February 27, 2018
Subject:	Approval of the February 13, 2018, City Council and Local Redevelopment Authority Minutes
From:	Sean Scully, City Manager
Submitted by:	Annabelle Aguilar, CMC, City Clerk / LRA Recorder

RECOMMENDATION

It is recommended that the City Council / Local Redevelopment Authority Board approve the City Council /LRA Meeting Minutes as presented.

SUMMARY

The Draft Minutes of the February 13, 2018, regular City Council and the Local Redevelopment Authority Board meetings have been prepared for review and approval.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENT

1. February 13, 2018, City Council and LRA Minutes



**City of Riverbank
REGULAR CITY COUNCIL AND
LOCAL REDEVELOPMENT AUTHORITY BOARD**
(The City Council also serves as the LRA Board)

**MINUTES OF
TUESDAY, FEBRUARY 13, 2018**

Verbatim proceedings of the meetings may be viewed on-line or a copy may be provided for a fee.

CALL TO ORDER:

The City Council and Local Redevelopment Authority Board of the City of Riverbank met at 6:00 p.m. on this date at the Riverbank City Council Chambers, 6707 Third Street, Suite B, Riverbank, California, with Mayor/Chair Richard D. O'Brien presiding.

FLAG SALUTE: Mayor/Chair Richard D. O'Brien

INVOCATION: Riverbank Ministerial Association

ROLL CALL: Mayor/Chair Richard D. O'Brien
Present Vice Mayor/Chair Darlene Barber-Martinez (CM-District 4)
Council/Authority Member Cal Campbell
Council/Authority Leanne Jones Cruz

Absent Council/Authority Member District 2 Cindy Fosi

AGENDA CHANGES: Mayor/Chair Richard D. O'Brien – *There were no changes.*

CONFLICT OF INTEREST

Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.

No one declared a conflict.

1. PRESENTATIONS There were no presentations.

2. PUBLIC COMMENTS (No Action Can Be Taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 5 minutes** per person and each person may speak once during this time; time cannot be yielded to another person. Under State Law, matters presented during the public comment period cannot be discussed or acted upon. For record purposes, state your name and City of residence. Please make your comments directly to the City Council/LRA Board.

John Vetter, spoke in opposition of the sale of marijuana and approval of the Flavors Dispensary.

Eddie Mendoza, Jeff Denham representative, reported on services offered.

Vicky Holt, Riverbank Library Manager, provided an update on the library activities.

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless otherwise requested by an individual Council/Authority Member for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Item 3.A: Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: Approval of the December 12, 2017, City Council and Local Redevelopment Authority Minutes.

Item 3.B-1: Approval of the January 9, 2018, City Council and Local Redevelopment Authority Minutes.

Item 3.B-2: Approval of the January 17, 2018, Special City Council Minutes.

Item 3.B-3: Approval of the January 23, 2018, City Council and Local Redevelopment Authority Minutes.

Item 3.C: A **Resolution [No. 2018-006]** Approving the Appointment of Alternate Planning Commissioner Melissa Hughes to the Primary Seat Vacated by Planning Commissioner Larry King for Completion of the Unexpired Four-Year Term Ending December 31, 2019.

Item 3.D: Public Works Construction Standards: A **Resolution [No. 2018-007]** to Replace in its Entirety CITY OF RIVERBANK STANDARD SPECIFICATIONS – Design Standards and Standard Plans for Section 5 - Water and add Section 9 – TRASH ENCLOSURE with new specifications and drawings.

Reference Item. 3.B: *City Clerk Annabelle Aguilar, reported that the minutes of December 12, 2017, would be amended in regards to Item 9.1 in the minutes, to reflect the Mayor's reporting out of Closed Session, which would state "Mayor O'Brien reported that direction was provided to staff."*

Recommendation:

It is recommended that City Council/LRA Board approve the Consent Calendar items by roll call vote.

ACTION: *By motion moved and seconded (Jones Cruz / Campbell / passed 4-0) to approve Consent Calendar Items 3.A, 3.B with Amendment, and 3.B-1 to 3.D as presented; Motion carried by unanimous City Council and LRA Board roll call vote.*

*AYES: Campbell, Jones Cruz, Barber-Martinez, and Mayor/Chair O'Brien
 NAYS: None / ABSENT: Fosi / ABSTAINED: None*

4. UNFINISHED BUSINESS There were no items to consider.

5. PUBLIC HEARINGS There were no items to consider.

6. NEW BUSINESS

Item 6.1: Riverbank Cheese & Wine Festival Evaluation – It is recommended that the City Council review the evaluation of the Riverbank Cheese & Wine Festival and provide direction to staff.

Parks and Recreation Director Sue Fitzpatrick presented the staff report. City Council and Staff discussed the item.

ACTION: *By motion moved and seconded (Jones Cruz / O'Brien / passed 4-0) to approve Option 1: Continue planning for this year's event and renew the contract with Chris Ricci Presents, Inc. Use the bid information toward next year's decision if the City Council feels the need to review other options. Begin the bid process in November, 2018 to allow adequate time and not delay planning. Motion carried by unanimous City Council roll call vote.
 AYES: Campbell, Jones Cruz, Barber-Martinez, and Mayor O'Brien
 NAYS: None / ABSENT: Fosi / ABSTAINED: None*

Item 6.2: Consideration of City Council Appointments to Intergovernmental Boards and Committees and City Council/LRA Appointments to Internal City Committees for the Year 2018 – It is recommended that the City Council / Local Redevelopment Authority Board:

City Manager Sean Scully presented the report and City Council made the following changes:

INTERGOVERNMENTAL BOARDS AND COMMITTEES	COUNCIL REPRESENTATIVE (2018 - Appointments)
LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION EXECUTIVE COMMITTEE	Councilmember Cal Campbell (Alternate) Mayor Richard D. O'Brien
LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE VOTING DELEGATE(S)	Primary and Alternate to be determined in June.

NORTH COUNTY CORRIDOR TRANSPORTATION EXPRESSWAY AUTHORITY BOARD	Mayor Richard D. O'Brien (Alternate) Vice Mayor Darlene Barber-Martinez
San Joaquin Valley Air Pollution Control District Special City Selection Committee	Vice Mayor Darlene Barber-Martinez Councilmember Leanne Jones Cruz (Alt.)
STANCOG – POLICY BOARD	Mayor Richard D. O'Brien (Alternate) Councilmember Cal Campbell
STANISLAUS OFFICE OF EMERGENCY SERVICES DISASTER COUNCIL	Vice Mayor Darlene Barber-Martinez Councilmember Leanne Jones Cruz (Alt.) (The appointed Councilmember serves a 2-year term; ending 12/2018.)
WORKFORCE DEVELOPMENT BOARD	Councilmember Cal Campbell (Term expires 06/20/2018)
Lower Stanislaus River Trail Improvement Plan Committee <i>*No representative would be assigned until further notice.</i>	Councilmember Cal Campbell Vice Mayor Darlene Barber-Martinez (Alt.)

CITY/LRA COMMITTEES	COUNCIL/LRA LIAISON (2017 – Appointments)
BUDGET ADVISORY COMMITTEE (BAC).	Councilmember Cindy Fosi Councilmember Leanne Jones Cruz (Alt.)
FRIENDS OF JACOB MYERS PARK (JMP) (A non-profit organization)	Co-Primary Councilmember Cindy Fosi and Councilmember Cal Campbell Vice Mayor Darlene Barber-Martinez Councilmember Leanne Jones Cruz (Alt.)
LOCAL REDEVELOPMENT AUTHORITY (LRA) COMMUNITY ADVISORY COMMITTEE <i> This committee voluntarily decided to suspend meetings indefinitely.</i>	Vice Chair Darlene Barber-Martinez Authority Member Leanne Jones Cruz (Alt.)
SISTER CITY COMMITTEE <i>No representatives until further notice.</i>	Vice Mayor Darlene Barber-Martinez Councilmember Leanne Jones Cruz (Alt.)

ACTION: *By motion moved and seconded (Campbell / Jones Cruz / passed 4-0) to the ratification of the Board and Committee appointments for the year 2018. Motion carried by unanimous City Council roll call vote.*

AYES: Campbell, Jones Cruz, Barber-Martinez, and Mayor O'Brien

NAYS: None / ABSENT: Fosi / ABSTAINED: None

Item 6.3: **Adjustments to 2018 City Council Meeting Schedule** – It is recommended that the City Council:

- 1) Cancel the meetings of July 10, November 27, and December 25, for a modified summer schedule and to minimize conflicts with Holiday activities.

City Manager Sean Scully presented the staff report.

ACTION: *By motion moved and seconded (Barber-Martinez / Jones Cruz / passed 4-0) to approve the cancellation of the regular City Council meetings on July 10, 2018, August 14, 2018, November 27, 2018, and December 25, 2018. Motion carried by unanimous City Council roll call vote.*

AYES: Campbell, Jones Cruz, Barber-Martinez, and Mayor O'Brien

NAYS: None / ABSENT: Fosi / ABSTAINED: None

7 COMMENTS/REPORTS

A brief report on attendance of a meeting or conference or other notable topics of business shall be made. The Brown Act does not allow for discussion or action by the City Council.

Item 7.1: Staff

- *City Manager Scully provided an update on the RFP for the Master Developer [Riverbank Industrial Park], and a potential workshop on the Crossroads West Project.*

Item 7.2: Council/Authority Member

- *Vice Mayor/Chair Barber-Martinez provided an update on the Claribel and Rosell Rd. project, and reported on her attendance of the San Joaquin Valley Air Pollution District Special City Selection Committee meeting.*

Item 7.3: Mayor/Chair

Mayor/Chair O'Brien commented on: 1) the Ace Train Board actions, 2) SB-1 funds and Measure L Funding several City improvement projects, 3) President Trump's transportation plan and awareness of the many grants to obtain that will be offered to small cities, and 4) Riverbank's nonprofit organizations doing great work, and to have the City to look at related grants being offered.

8. CLOSED SESSION

The public will have a limit of 5 minutes to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board recessing into Closed Session.

LRA Item 8.1: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: 062-031-005, 062-031-006, 062-031-007
Agency Negotiator: Sean Scully, City Manager
Property Negotiator: US Army

Item 8.2: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code § 54956.9: (3) potential cases

Mayor/Chair O'Brien announced the Closed Session Item and opened the item for public comment; no one spoke. The meetings were recessed and City Council went into Closed Session at 6:46 p.m.

9. REPORT FROM CLOSED SESSION

Mayor/Chair O'Brien reconvened the meetings at 8:23 p.m.

LRA Item 9.1: Report from Closed Session Item LRA Item 8.1: **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Chair O'Brien reported that direction was provided to staff.

Item 9.2: Report from Closed Session Item 8.2: **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** (3) potential cases.

Mayor O'Brien reported that direction was provided to staff.

ADJOURNMENT

There being no further business, Mayor/Chair O'Brien adjourned the meetings at 8:24 p.m.

ATTEST: (*Adopted 02/27/2018*)

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk / LRA Recorder

Richard D. O'Brien
Mayor / Chair

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 5.1

SECTION 5: PUBLIC HEARING

Meeting Date: February 27, 2018

Subject: Resolution Approving the Fiscal Year 2017-18 Mid-Year Budget Amendments

From: Sean Scully, City Manager

Submitted by: Marisela H. Garcia, Assistant City Manager/Director of Finance

RECOMMENDATION

It is recommended that the City Council consider approval of the Fiscal Year 2017-18 Mid-Year Budget Amendments.

SUMMARY

The Finance Department has performed a mid-year review of the Fiscal Year 2017-18 budget and is recommending the following: 1) budget amendments based on actual beginning reserve changes and, 2) amendments based on revenue and expenditure trends.

BACKGROUND

On June 27, 2017 the City Council was presented with the FY 2017-18 Preliminary Annual Operating Budget. This operating budget was prepared using estimates and projections on anticipated revenues and expenditures. For the General Fund, the City Council approved a budget reflecting a structural deficit, where expenditures were projected to exceed revenues and was approved as follows:

Beginning Reserve	\$1,129,834 (12.8%)
Estimated Revenues	\$9,044,000
Estimated Expenditures	\$9,425,100
Anticipated Ending Reserve	\$ 748,734 (8.3%)
Required Minimum Reserve (10%)	\$ 904,400
Reserve Deficit	\$ (155,666)
Structural Deficit	\$ (381,100)

At the time of the adoption of the preliminary budget, the City was undergoing labor negotiations with the City's two bargaining units. It was anticipated that negotiations would conclude in September, at which time staff would bring a final budget for adoption. Because labor negotiations concluded in November it was decided that any amendments would be brought forward during the mid-year budget review.

An important component of a mid-year budget evaluation is determining whether projections made during the preliminary budget adoption continue to remain true as revenues are received and expenditures have been made. In addition, new information that is received from Stanislaus County and/or the State of California is reviewed for its potential impact to the City's budget and amendments are requested accordingly.

The following is a major fund analysis of recommended adjustments to revenues and expenditures highlighting those changes that are of significant impact to the budget. A detailed listing of all accounts being adjusted is attached as Exhibit A.

General Fund (Fund 101)

Revenues

The mid-year review of all General Fund revenues resulted in a recommended net increase of **\$278,200**. Significant adjustments were made to the following revenue sources:

Account	Adjustment	Reasoning
Sales Tax	+\$56,200	Sales tax has been steadily increasing over the past three years.
Property Tax in Lieu of VLF	+\$77,500	An increase in property values has a direct correlation with increases in this revenue source.
Legal Settlement-Quarry	+95,000	Revenues to be received from the revised legal settlement for the Tuolumne Co. Quarry Project. These revenues are slated for railroad crossing improvements.

Expenditures

Expenditure reviews consisted of evaluating all accounts to ensure that the original budget would be sufficient to meet anticipated expenditures through the end of the fiscal year. When evaluating accounts, Finance has taken into consideration new information affecting expenditures as well as spending trends. This mid-year evaluation (review) has resulted in a recommended net increase in expenditures for the General Fund of **\$51,400**.

Major expenditure adjustments are being recommended for the following departments:

Department	Adjustment	Reasoning
Finance	\$31,500	Increase in banking fees due to online activity and bookkeeping assistance due to staff vacancy.
Legal	+14,800	Negotiated Legal Settlement
Planning	+11,000	MuniPermit System Upgrade
Police Services	-\$166,500	Salary & Benefit costs from Stan. County labor negotiations with Sheriff staff were lower than initially projected.
	+\$22,100	Parking Violation Revenue due to Stan. County
Parks	+20,000	Installation of Tech Line in downtown medians
Railroad Crossing Safety Fund	+95,000	Transfer of Tuolumne Co. Quarry legal settlement to the railroad crossing safety fund.

With the approved amendments, the General Fund is anticipated to end this fiscal year with a reserve of 17.6% or \$1,640,800.

<i>Beginning Reserve Amended</i>	\$1,838,226
<i>Adjusted Revenues</i>	\$9,322,200
<i>Adjusted Expenditures</i>	\$9,519,600
<i>Anticipated Ending Reserve</i>	\$1,640,826 (17.6%)
<i>Structural Deficit</i>	(\$197,400)

Approximately 45% of the Structural Deficit funds one-time expenditures such as the downtown median project, MuniPermits upgrade, and the payment of parking code violation revenues to the County.

General Fund Analysis

Despite the anticipated growth in revenues, the City continues to experience a structural deficit of approximately \$100,000 due to expenses outpacing revenues. One important factor to remember is that the City continues to have unfunded positions due to the lack of sufficient on-going revenues. This is particularly the case in the Sheriff's Department. 2 previously funded positions remain vacant, while the City's goal of 1 deputy per 1,000 residents reflects that there are 6 positions that remain to be funded. Funding of two positions would increase our structural deficit to \$360,000, while funding of the six additional deputies would increase our deficit to \$880,000. In addition, during the Strategic Planning process it was the City Council's desire to evaluate additional staffing needs in areas such as GIS, Code Enforcement, and Economic Development costs which would further increase the City's deficit.

The City must also take into consideration the continued increase in expenditures, particularly the CalPERS Unfunded Liability which is projected to increase by almost 50% from \$271,000 to \$404,000 over the next two years significantly impacting the City's General Fund.

Gas Tax Fund (Fund 102)

The Gas Tax Fund receives revenues from a variety of Highway User Taxes collected from the State of California via vehicle fuel purchases. Revenues may only be used to fund Street & Roads related maintenance and project expenses.

Expenditures remain steady for the Gas Tax Account which funds important services such as street maintenance repairs, street sweeping, and street light utilities. Minor expenditure adjustments are being requested in the Gas Tax Fund with a net increase of \$5,800 which includes funding for the MuniPermit System upgrade which tracks all service work orders for the Streets Division.

Unfortunately, the health of the Gas Tax Account has been steadily declining as street maintenance related expenses continue to grow. The fund is in a precarious financial position which will require subsidies from the General Fund in order to continue operations. Revenues from the adoption of SB1 will provide funding for street improvements, but a successful referendum of this funding source will remove this funding.

An adjustment of **-\$28,200** will be made to the beginning reserve as of July 1, 2017. This adjustment is due to the expense of Gas Tax Revenues over and above those received. The Gas Tax Fund reserve as of June 30, 2018 will be as follows:

Beginning Reserve	\$60,700
Revenues	\$817,200
Revised Expenditures	\$805,900
Revised Ending Reserve	\$71,900 (8%)

Sewer Fund (Fund 106)

The Sewer Fund is a business-type account that has been established to fund the necessary maintenance and improvements to our sewer collection and sewer treatment systems. Revenues are received through user fees from residents, commercial, and industrial entities and may only be used for sewer-related expenditures. In September 2015, the City Council adopted five-year rate increases which went into effect as of November 21, 2015 and will provide funding for operations as well as capital upgrades to our sewer service lines and wastewater treatment facility.

Material amendments are requested in the following sewer expenditure accounts, particularly to several projects to be funded from the adopted rate increases:

Account	Adjustment	Reasoning
Other Contract Services (Sewer Collection)	+31,500	Increase in banking fees due to online activity and bookkeeping assistance due to staff vacancy.
Equipment/Projects (Sewer Treatment)	+\$20,000	Rehabilitation of ground water Monitoring Well #4.
	+43,900	WWTP Pond #9 Levee Improvements (increase from 2015 rate study cost estimates). Cost increase includes Engineering fees.
	+11,400	Engineering Fees for WWTP Access Road Rehab project (increase from 2015 rate study cost estimates).

The Sewer Fund beginning reserve projection is being amended from \$823,800 to \$907,339 for an actual increase of **+\$85,539**.

Overall, the Sewer Fund is anticipated to end with a reserve of 29% providing funds for future projects and addressing deferred maintenance. For this Fiscal Year the Sewer Fund continues to run a minor structural deficit. Future years should reflect a structurally balanced budget with the additional revenues to be received from the adopted rate increases.

In summary, the Sewer Fund is anticipated to end as follows:

Beginning Reserve	\$907,339
Estimated Revenues	\$3,066,200
Estimated Expenditures	\$3,074,600
Anticipated Ending Reserve	\$898,939 (29%)

Water Fund (Fund 114)

The Water Fund is a business-type account that has been established to fund the necessary maintenance and improvements to our water distribution system. Revenues are received through user fees from residents, commercial, and industrial entities and may only be used for water-related expenditures.

Revenue and expenditure adjustments are being proposed for the Water Fund which will result in a net decrease to reserves. Major revenue & expenditure adjustment for the Water Fund are as follows:

Account	Adjustment	Reasoning
Miscellaneous Revenue	+\$12,000	Revenue earned from sale of old water meters as scrap metal.

Interest Income	+7,000	Increase in rate of return from investment of surplus cash.
Other Contract Services	+31,500	Increase in banking fees due to online activity and bookkeeping assistance due to staff vacancy.

The Fiscal Year 2017-18 beginning reserve will be adjusted downwards due to the actual ending reserve as of June 30, 2017. This adjustment of **-\$62,461** reflects decreased revenues that were received as a result of only charging the base rate during the water meter upgrade project.

Overall, the Water Fund is anticipated to end with a reserve of 31% providing funds for future projects and addressing deferred maintenance. For this Fiscal Year the Water Fund continues to run a structural deficit. After the completion of the water meter project, the City will resume its billing of water consumption. Future years should reflect a structurally balanced budget with the additional revenues to be received from the adopted rate increases.

In summary, the Water Fund is anticipated to end the 2017-18 fiscal year as follows:

Beginning Reserve	\$948,139
Estimated Revenues	\$2,051,100
Estimated Expenditures	\$2,367,600
Anticipated Ending Reserve	\$631,639 (31%)

OTHER FUND HIGHLIGHTS

The City of Oakdale and the City of Riverbank have been undergoing negotiation of a multi-year service contract. The City is in dire need of replacing the Transportation Box of the Animal Control vehicle prior to the spring/summer months as the air conditioning no longer works, which can place animals being transported to the Oakdale shelter in a precarious situation. \$19,100 in funds are being allocated from the Police/General Government System Development Fee account.

One of the requirements of the Crossroads development was the undergrounding of the MID electrical lines along Morrill Road. Crossroads developers paid a special fee to the City in order to fund this project. With the Crossroads development complete, the City is beginning Phase I of this project which will underground the lines along Morrill Road from Oakdale Road to Jackson Ave. MID will perform this work at a total cost of \$452,400.

CONCLUSION

The mid-year budget review is an opportunity for the City Departments to revisit their initial budgets and recommend adjustments based on actual activity that is occurring or on activity that is anticipated to occur. Therefore it is recommended that the City Council approve the mid-year budget amendments as presented in Exhibit A.

FINANCIAL IMPACT

Fund	Reserve Adjustment	Net Revenue Adjustment	Net Expenditure Adjustment
General Fund	+\$708,392	+\$278,200	+\$51,400
Gas Tax Fund	-\$28,200	+\$1,500	+\$5,800
Sewer Fund	+\$83,539	\$0	+\$111,900
Sewer Debt Service Fund	\$0	\$1,500	\$0
Water Fund	-\$62,461	+\$21,600	+\$33,600
Water Capital Imp. Fund	\$0	\$0	+\$40,000
Special Projects Fund	\$0	+\$15,000	\$0
Asset Seizure/Tow Fund	\$0	\$0	\$7,000
Recreation Fund	\$0	+\$3,200	+\$3,200
HOME Program Income Fund	\$0	+\$50,500	\$0
Water Connection Fee Fund	\$0	+\$3,200	+\$0
Facility Improvement Fund	\$0	+\$6,000	\$0
Police/Gen Govt SDF Fund	\$0	\$0	+\$23,600
Crossroads Undergrounding Fund	\$0	\$0	+\$452,400

STRATEGIC PLAN

On October 30, 2017, the City Council established a Three-Year Goal to “Achieve and Maintain Financial Stability and Sustainability”. This report addresses this matter.

ATTACHMENT

1. 2nd Quarter Financial Status Report
2. Resolution
3. Exhibit A: FY 2017-18 Mid-Year Budget Adjustments



City of Riverbank

2nd Quarter Financial Status Report – Fiscal Year 2017-2018

As of December 31, 2017

CURRENT FINANCIAL CONDITION

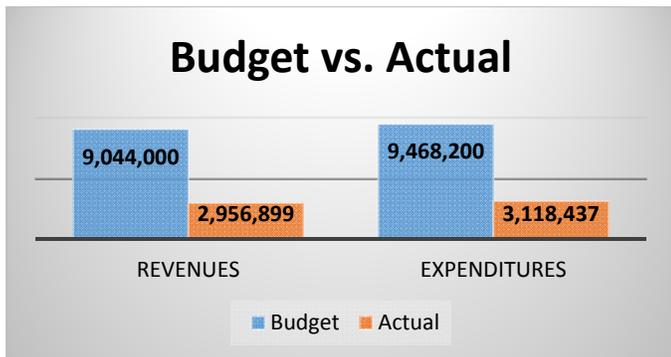
The City's fiscal condition as of the end of the 2nd quarter has been historically precarious. General Fund revenue sources are currently on target to meet or exceed budget projections but timing differences in the receipt of certain revenue sources affect the quarter ending balances. In those cases where revenues will be anticipated to be less than budgeted, reduced expenditures will be required in order to result in positive reserve balances by year-end. Expenditures in all funds are currently at 31% which is lower than the anticipated 50% the end of the 2nd quarter.

The approved Sewer and Water Rate increases have had a positive impact on revenues. The mid-year budget will allocate additional revenues received towards several rate study projects.

GENERAL FUND

The City's General Fund is currently experiencing an operating deficit with actual revenues received of \$2,956,898.78 or 33% of the budgeted revenues. Several General Fund Revenues have timing differences and are not recorded as revenues until they are received. Expenditures of \$3,118,400 are at 33% of the budget, well below the expected 50% mid-year level.

The revised ending Reserve as of June 30, 2018 is projected to end at \$1,676,800 or 18%, well above the required 10% established by the City Council. Despite this positive outlook, the City continues to operate at a structural deficit with expenditures outpacing revenues. It is anticipated that this trend will continue.



GENERAL FUND REVENUES

Revenues by Category	Budget	YTD Actual	%
Property Taxes	3,121,900	779,869	25%
Sales Tax	2,943,800	1,120,093	38%
Franchise Fees	591,600	165,162	28%
Police Services	101,900	68,746	67%
Service Charges	86,300	54,909	64%
Permits & Licenses	190,600	93,395	49%
Other Taxes	69,500	24,212	35%
Intergovernmental	120,000	80,937	68%
Fines	34,000	21,324	63%
Interest & Rents	119,400	59,463	50%
Inter-fund Transfers	1,665,000	488,790	29%
Total	9,044,000	2,956,900	33%

➤ **Property Taxes:**  As of the end of the 2nd quarter, the City has received its first allocation of property tax. Timing accounts for the lack of other property tax revenues received to date, particularly for Property Tax in Lieu of VLF which is not received until mid-January. Property Tax revenue sources are highly dependent on property values which have continued to increase due to home sales and new home sales. Diamond Bar West is currently constructing homes that have sold.

➤ **Sales Tax:**  Sales tax revenues to date are at 38% of the budgeted amount. Sales tax activity in the City has continued to flourish as it did during the recession. Sales tax is currently projected to exceed the original budgeted amount therefore an amendment will be requested during the mid-year budget.

➤ **Franchise Fees:**  Franchise Fees are collected on a monthly basis from Gilton Solid Waste for refuse collection services. The City also collects franchise fees from AT&T, Charter Communications, PG&E and MID. All franchise fees are based on consumer activity. The City has received 28% of budgeted revenues with fees received from Gilton. Fees collected from other utilities are typically received after quarter-end and after calendar year-end.

➤ **Police Services:**  Fees collected for citations issued by the Riverbank Police Services via Vehicle Releases and Parking Citations are at a stable level.



➤ **Service Charges:** ☀ Fees charged for plan check services are currently over anticipated quarter-end levels. Fees in this category are only collected based on services requested by customers. Other service fees are lower than anticipated as of the quarter-end.

➤ **Permits & Licenses:** ☀ Permits and licenses are currently on track to meet the anticipated budget. The majority of the revenues within this category were received from the renewed new home construction in the Diamond Bar West subdivision. Other fees, such as business license fees, are received primarily in December and January when license renewals are distributed.

➤ **Other Taxes:** ☀ Other tax revenues include unitary taxes, Motor Vehicle in Lieu taxes, Payment in Lieu of Taxes (PILOT), and SB 813 Supplemental taxes. Several of these other taxes (i.e. PILOT) are not received until later in the fiscal year.

➤ **Intergovernmental:** ☀ Revenues received in this category include the SLESF allocation received from the State. Revenues from this funding source have been increasing steadily over the past two fiscal year.

➤ **Fines:** ☀ Fines are applied bi-monthly to delinquent garbage bills. Fines for this fiscal year are at 63% of the anticipated budget with only three penalty billings having been processed by mid-year.

➤ **Interest Revenue:** ☀ The City is receiving more revenue than prior fiscal years due to several new investments of surplus cash that were made. Interest revenue is received semi-annually based on the date of the investment.

➤ **Inter-Fund Transfers:** ☀ Reimbursements received from other funds for salary expenditures allocated in the General Fund are processed twice a year during mid-year and end-of-year.

General Fund ☀

Working Capital	Budget	YTD Actual	%
Revenue	9,044,000	2,956,900	33%
Expenses	9,468,200	3,118,400	33%
Balance Start of Year	1,129,834	1,838,226	-----
Balance, YTD	\$705,634	\$1,676,726	56%

GENERAL FUND EXPENDITURES ☀

Expenditure by Type	Budget	YTD Actual	%
Salaries	1,974,100	876,834	44%
Benefits	1,254,200	468,147	37%
Supplies	415,200	260,151	63%
Contractual Services	5,134,200	1,264,757	25%
Utilities	122,400	69,826	57%
Capital Outlay	12,000	3,769	31%
Inter-fund Transfer	556,100	174,955	31%
Total	\$9,468,200	\$3,118,439	33%

Expenditure by Dept	Budget	YTD Actual	%
City Council	96,900	46,375	48%
City Manager	232,900	95,925	41%
Finance	800,000	327,784	41%
Legal Services	496,000	251,085	50%
Planning/Building	710,700	297,105	42%
Admin Services	718,300	282,945	39%
Police Services/CC	4,291,800	990,365	23%
Development Services	788,400	296,366	38%
Economic Dev.	10,000	10,000	100%
Bldg Main, Parks & Rec	1,323,200	520,489	39%
Total	\$9,468,200	\$3,118,439	33%

Total Expenditures are under the expected spending level with 33% of the budget expended. Several large expenditures, such as law enforcement services and legal expenditures, have not been billed for December which accounts for the departments being under the anticipated budget.

A mid-year adjustment will be made to reflect a revised beginning reserve for the fiscal year. This beginning reserve was calculated prior to the end of the closure of the FY 2016-17 financial records. This revision was positive with an additional \$708,392 in the beginning balance. The City's General Fund is anticipated to end with an 18% reserve as of June 30, 2018.

In the future, should revenues continue to remain stable (rather than increase), they will not be sufficient to compensate for increasing expenditures. In order to continue current service levels, the City must seek out additional revenue sources in order to avoid using reserve funds.

The City's concern continues to be the outpacing of revenues by expenditures. The CalPERS Unfunded Liability continues to grow at an alarming rate.



ENTERPRISE FUNDS

Enterprise funds are designed so that user fees will be sufficient to recoup operating and capital expenditures required to provide services to customers.

The following tables summarize the operating revenues, operating expenses, and changes in operating fund working capital for the Water and Sewer enterprise funds.

Water Fund 

Working Capital	Budget	YTD Actual	%
Revenue	2,029,500	744,723	37%
Expenses			
Operating	2,334,000	848,095	37%
Reserve Start of Year	1,010,600	948,139	-----
Reserve, YTD	\$706,100	\$844,770	42%

Water Fund year-to-date revenues are lower than the anticipated budget with 37% of the budget having been received as of the end of the second quarter. The City continues to bill the base rate as the water meter project continues.

Expense levels are also at 37% of the budget. This is due to prudent spending practices of the Water Division. The Water Fund is anticipated to end the fiscal year with a 31% reserve as projected during this mid-year review.

After a successful Proposition 218 process in 2015, on July 1, 2018 new water rates will become effective. The final rate increase will take effect on July 1, 2019 at which time the Finance Department will perform another rate study to ensure rates are sufficient to cover expenses.

Sewer Fund 

Working Capital	Budget	YTD Actual	%
Revenue	3,066,200	1,210,433	40%
Expenses			
Operating	2,962,700	1,024,946	35%
Reserve Start of Year	823,800	907,339	-----
Reserve, YTD	\$927,300	\$1,092,826	35%

Sewer Fund revenues to date are at 40% of the anticipated budget. Sewer fund expenditures are currently under budget with 35% expended as of the end of the quarter. Expenditures for several Sewer Fund projects will occur towards the end of the fiscal year.

The Sewer Fund experiences annual increases in rates in July as a result of the Proposition 218 process. The final rate increase will take effect on July 1, 2019 at which time the Finance Department will perform another rate study to ensure rates are sufficient to cover expenses.

SPECIAL REVENUE FUNDS

Special Revenue Funds are funds that are legally restricted either through law or through bond covenants. These funds must be tracked separately from other City funds and may only be used for the specific purpose dictated in the law.

Gas Tax Fund 

Working Capital	Budget	YTD Actual	%
Revenue	815,600	323,857	40%
Expenses			
Operating	800,100	349,598	16%
Reserve Start of Year	88,900	60,700	-----
Reserve, YTD	\$104,400	\$34,959	4%

Reserve levels for the Gas Tax Fund are at an all-time low. A thorough review of expenditures will be made in order to see where cost savings can be achieved. Should reserves continue to fall, the Gas Tax Fund will require an allocation from the General Fund in order to continue operations.

This fiscal year, the city will receive its first allocation of SB1 funding for road maintenance and improvements. This item will go back to the voters later in 2018 for a possible repeal. Also affecting revenues are the development of fuel efficient vehicles and an increase in the purchase of electric vehicles by consumers. Revenues will be closely monitored in order to ensure that operations and maintenance of our streets and roads is able to be accomplished with existing funds.

WHAT'S NEXT

- **February 2018** – Staff to “kick-off” the FY 2018-19 budget preparation season.
- **February 2018** – Mid-Year Budget Review
- **May 2018** – 3rd Quarter Budget Review
- **May/June 2018** – City Council Budget Workshop
- **June 2018 – Public Hearing & Budget Adoption:** Regular City Council meeting to conduct a public hearing and formally adopt a preliminary operational budget for the 2018-19 fiscal year.



CITY OF RIVERBANK

RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK
APPROVING THE FISCAL YEAR 2017-2018 MID-YEAR BUDGET AMENDMENTS**

WHEREAS, as part of the mid-year budget review, staff has projected that all reserve accounts will remain within or above the parameters as initially forecast; and,

WHEREAS, certain critical needs to personnel, supplies, programs, equipment and operations have arisen in Departmental areas; and,

WHEREAS, to satisfactorily meet all current needs of the City, it is recommended that the adjustments presented in Exhibit A: FY 2017-2018 Mid-Year Budget Adjustments be approved.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby authorizes the budget adjustments presented in **Exhibit A: FY 2017-2018 Mid-Year Budget Adjustments**.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of February, 2018; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachments: Exhibit A – Mid Year Budget Adjustments FY 2017-2018

EXHIBIT A: FY 2017-18 Mid-Year Budget Adjustments

<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amendment Justification</u>	<u>Adjustment</u>	<u>Budget</u>	
					<u>Original</u>	<u>Amended</u>
101: General Fund						
Revenues	101-000.000-400.020	Property Tax Current Unsecured	Increase in property tax for unsecured property	2,500	68,000	70,500
	101-000.000-400.050	Sales Tax	Increase in Sales Tax Revenue to the City	56,200	2,943,800	3,000,000
	101-000.000-400.190	Property Tax in Lieu of VLF	Increase in Property Values	77,500	1,794,200	1,871,700
	101-000.000-501.000	COPS Grant	Increase in SLESF Tax Revenue	10,000	120,000	130,000
	101-000.000-600.000	Franchise Fees	Increase in Franchise Fees due to rate increase	5,000	290,000	295,000
	101-000.000-600.130	Franchise Fees-Other	Increase in Franchise Fees from Utility Co.	10,000	280,000	290,000
	101-000.000-600.170	Vehicle Code Fines	Increase in Vehicle Code fines from citations issued	10,000	75,000	85,000
	101-000.000-673.040	Legal Settlement-Quarry	Negotiated Legal Settlement for Tuolumne Co. Quarry Project - Reserved for RR Projects	95,000	0	95,000
	101-000.000-675.340	Public Works Fees	Increase in Encroachment Permit Fees	12,000	8,000	20,000
						0
		Net General Fund Revenue Adjustments		278,200	\$9,044,000	\$9,322,200
Expenditures						
Finance	101-403.000-701.001	Personnel Regular	Transfer of Salary Savings to Professional Services for Temporary Help	(13,000)	388,500	375,500
	101-403.000-702.032	Professional Services	Temporary Assistance due to staffing vacancies	13,000	57,100	70,100
	101-403.000-702.034	Other Contract Services	Increase in Banking Fees due to additional online payment activity	15,000	10,000	25,000
	101-403.000-702.034	Other Contract Services	Bookkeeping Assistance due to staff vacancy	16,500	25,000	41,500
	101-403.000-704.022	Communications	Cell Phone Allowance for Accounting Manager	700	100	800
	101-403.000-706.023	Advertising	Increased advertising expenses due to staff recruitments	500	1,000	1,500
						0
Legal	101-404.000-706.009	Legal Settlement	Negotiated Legal Settlement	14,800	136,000	150,800
Planning	101-405.000-702.034	Other Contract Services	MuniPermit System Upgrade	11,000	10,000	21,000
Building	101-406.000-701.002	Personnel Part-Time	Transfer of Salary Savings to Professional Services for Temporary Help	(20,400)	20,400	0
	101-406.000-701.003	Personnel Overtime	Overtime worked due to new development	1,000	1,000	2,000
	101-406.000-702.032	Professional Services	Administrative Fees for Plan Check Services	5,000	5,000	10,000
	101-406.000-702.032	Professional Services	Temporary Assistance due to staffing vacancies	20,400	10,000	30,400
Administrative Services	101-408.000-704.022	Communications	Monthly Internet Service fees for new provider	3,800	2,400	6,200
	101-408.000-707.003	Equipment/Projects	Upgrade to Council Chambers to move EOC	3,000	0	3,000
						0

EXHIBIT A: FY 2017-18 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Adjustment	Budget	
					Original	Amended
Police Services	101-409.000-702.060	Contract Sheriff Services	Decrease due to completed contract negotiations between the County & Deputies	(166,500)	3,636,500	3,470,000
	101-409.000-702.032	Professional Services	Parking Code Violation Rev. due to the County	22,100	0	22,100
Development Services Admin	101-412.000-701.001	Personnel Regular	Salary Savings due to staff vacancy	(25,800)	401,600	375,800
	101-412.000-701.002	Personnel Part-Time	Transfer of Salary Savings to Professional Services for Temporary Help	25,800	10,000	35,800
	101-412.000-702.035	Engineering	MuniPermit System Upgrade	2,000	50,000	52,000
	101-412.000-708.006	PERS Retirement	Transfer of Benefit savings for temporary help	(1,600)	69,400	67,800
	101-412.000-708.007	Payroll Taxes	Transfer of Benefit savings for temporary help	1,600	3,700	5,300
	101-412.000-708.012	Deferred Compensation	Adjustment for ICMA Match Funds	300	3,900	4,200
Storm Water Administration	101-413.000-704.021	Utilities	Increase in utility costs for the Hwy 108 Waterfall	3,100	900	4,000
Parks	101-414.000-701.003	Personnel Overtime	Overtime costs for Cheese & Wine Event-Fully Reimbursed through profits earned	2,000	1,000	3,000
	101-414.000-707.003	Equipment/Projects	Installation of tech line in downtown medians	20,000	8,000	28,000
	101-414.000-707.003	Equipment/Projects	Sports Complex Renovations	3,000	28,000	31,000
	101-414.000-708.012	Deferred Compensation	Adjustment to reflect actual expenses	(1,200)	2,000	800
						0
Railroad Crossing Safety Fund	101-438.000-999.000	Transfers Out	Transfer of Tuolumne Co. Quarry Project legal settlement for future railroad crossing improvements	95,000	0	95,000
Recreation Subsidy	101-459.000-999.000	Transfers Out	Increase in General Fund subsidy to Recreation Fund due to increased operational costs	300	478,200	478,500

Net General Fund Expenditure Adjustments

51,400 \$9,468,200 \$9,519,600

Net General Fund Revenue Adjustments
Net General Fund Expenditure Adjustments
Net Effect to the General Fund Reserve

278,200
51,400
226,800

EXHIBIT A: FY 2017-18 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Adjustment	Budget	
					Original	Amended
102: Gas Tax Fund						
Revenues	102-000.000-664.000	Interest Income	Increase in investment rate of return	1,500	200	1,700
Net Gas Tax Fund Revenue Adjustments				1,500		
Expenditures	102-418.000-702.031	Rents & Leases	Increase in rental costs for equipment	5,000	10,000	15,000
	102-418.000-702.032	Professional/Special Services	MuniPermit System Upgrade	800	22,000	22,800
Net Gas Tax Fund Expenditure Adjustments				5,800		
106: Sewer Fund						
Expenditures	106-423.000-702.034	Other Contract Services	Increase in Banking Fees due to additional online payment activity	15,000	24,000	39,000
	106-423.000-702.034	Other Contract Services	Bookkeeping Assistance due to staff vacancy	16,500	39,000	55,500
	106-423.000-702.032	Professional/Special Services	MuniPermit System Upgrade	3,600	22,000	25,600
	106-424.000-706.038	Staff Development	Trainings & Certification for new employee	1,500	3,000	4,500
	106-424.000-707.003	Equipment/Projects	Monitoring Well #4 in need of replacement due to age & issues with obtaining samples	20,000	208,000	228,000
	106-424.000-707.003	Equipment/Projects	Additional funds needed for WWTP Pond #9 Levee Improvements	43,900	228,000	271,900
	106-424.000-707.003	Equipment/Projects	Additional funds needed for engineering of entrance access road to the WWTP	11,400	271,900	283,300
Net Sewer Fund Expenditure Adjustments				111,900		
107: Sewer Debt Service Fund						
Revenues	107-000.000-664.000	Interest Income	Increase in investment rate of return	1,500	1,500	3,000
Net Sewer Debt Service Fund Revenue Adjustments				1,500		
114: Water Fund						
Revenues	114-000.000-600.226	Backflow Inspections	Reimbursement received from performing backflow inspections for residents	2,100	0	2,100
	114-000.000-660.000	Water Violations	Fines for water violations	500	0	500
	114-000.000-664.000	Interest Income	Increase in investment rate of return	7,000	7,000	14,000
	114-000.000-675.090	Miscellaneous Revenues	Revenue earned from sale of old water meters as scrap metal	12,000	2,000	14,000
Net Water Fund Revenue Adjustments				21,600		

EXHIBIT A: FY 2017-18 Mid-Year Budget Adjustments

<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amendment Justification</u>	<u>Adjustment</u>	<u>Budget</u>	
					<u>Original</u>	<u>Amended</u>
Expenditures	114-433.000-702.034	Other Contract Services	Increase in Banking Fees due to additional online payment activity	15,000	24,000	39,000
	114-433.000-702.034	Other Contract Services	Bookkeeping Assistance due to staff vacancy	16,500	39,000	55,500
	114-433.000-702.032	Professional/Special Services	MuniPermit System Upgrade	600	107,200	107,800
	114-433.000-703.064	Backflow Inspection Expenses	Expenses incurred due to inspections & testing	1,500	3,500	5,000
						0
						0
	Net Water Fund Expenditure Adjustments			33,600		
116: Water Capital Improvement Fund						
Expenditures	116-436.000-707.002	Capital Expenditures	Emergency Expenditures to repair water main lines and water well pumps	40,000	40,000	80,000
	Net Water Capital Improvement Fund Expenditure Adjustments			40,000		
125: Special Projects Fund						
Revenues	125-000.000-665.010	System Admin Fees	Admin fees received from new building permits	15,000	10,000	25,000
	Net Special Projects Fund Revenue Adjustments			15,000		
126: Asset Seizure Fund						
Expenditures	126-449.000-706.029	Building Maintenance	Transfer funds to capital project account for purchase of replacement motorcycle	(20,000)	25,000	5,000
	126-449.000-707.003	Equipment/Projects	Transfer funds to capital project account for purchase of replacement motorcycle	20,000	0	20,000
	126-449.000-707.003	Equipment/Projects	Allocate additional towing fee funds towards purchase of replacement motorcycle	7,000	20,000	27,000
	Net Asset Seizure Fund Expenditure Adjustments			7,000		
134: Recreation Fund						
Revenues	134-000.000-675.090	Miscellaneous Expense	Reimbursement received for Cheese & Wine expenses	800	0	800
	134-000.000-672.003	Donations	Increase in donations received for programs	2,100	1,000	3,100
	134-000.000-699.000	Transfers In	Decrease in General Fund subsidy due to additional program revenues received	300	463,200	463,500
	Net Recreation Fund Revenue Adjustments			3,200		

EXHIBIT A: FY 2017-18 Mid-Year Budget Adjustments

<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amendment Justification</u>	<u>Adjustment</u>	<u>Budget</u>	
					<u>Original</u>	<u>Amended</u>
Expenditures	134-459.000-704.022	Communications	Increase in communication costs for city issued cell phone and land line service	1,700	1,200	2,900
	134-459.000-706.037	Travel, Conf., Meetings	Conference costs for recreation staff	1,500	2,500	4,000
	Net Recreation Fund Expenditure Adjustments			3,200		
154: HOME Program Income Fund						
Revenues	154-000.000-664.000	Interest Income	Interest received from loan payoffs	50,500	0	50,500
Net HOME Program Income Fund Revenue Adjustments			50,500			
157: Water Connection Fee Fund						
Revenues	157-000.000-664.000	Interest Income	Increase in investment rate of return	3,200	2,000	5,200
Net Water Connection Fee Fund Revenue Adjustments			3,200			
180: Facility Improvement Fund						
Revenues	180-000.000-675.220	Community Center Fees	Set-Aside Fees collected from facility rentals	6,000	0	6,000
Net Facility Improvement Fund Revenue Adjustments			6,000			
210: Police/General Gov't System Dev. Fee Fund						
Expenditures	210-467.000-707.002	Capital Expenditures	Increase in sales price for purchase of Parks vehicle due to additional amenities required	4,500	30,000	34,500
	210-467.000-707.002	Capital Expenditures	Animal Control Transportation Box	19,100	34,500	53,600
Net Police/Gen Govt SDF Fund Expenditure Adjustments			23,600			
222: Crossroads Undergrounding Fund						
Expenditures	222-405.000-707.002	Capital Expenditures	Undergrounding of overhead utilities by MID on Morrill Rd-Oakdale to Jackson Ave as authorized by Reso. 2000-122	452,400	0	452,400
Net Crossroads Undergrounding Fund Expenditure Adjustments			452,400			

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 6.1

SECTION 6: NEW BUSINESS

Meeting Date:	February 27, 2018
Subject:	A Resolution Approving the Appointments of Mallorie Fenrich and Steve Link (Alternate) to the Planning Commission
From:	Sean Scully, City Manager
Submitted by:	Annabelle H. Aguilar, CMC, City Clerk

RECOMMENDATION

It is recommended that the City Council consider the appointments presented by Mayor O'Brien to fill a primary and alternate seat on the Planning Commission, and adopt the proposed resolution for approval of the appointments, and have the Oath of Office administered to the Commissioners.

SUMMARY

Planning Commissioner Ed Tabacco submitted his letter of resignation effective February 22, 2018, leaving an unexpired 4-year term ending December 31, 2019. In addition, at the last City Council meeting of February 13, 2018, Alternate Planning Commissioner Melissa Hughes was moved from the 2-year alternate seat to the unexpired 4-year term seat vacated by former Planning Commissioner Larry King, which then left the unexpired alternate seat vacant.

Pursuant to the policy on Planning Commission terms and filling vacancies, a recruitment was conducted December, 2017, which yielded a total of 10 applications that were considered to fill two primary seats with 4-year terms beginning January 1, 2018. After this recruitment and selection, two other applications were received and filed for future consideration if a vacancy were to occur.

To fill the aforementioned unexpired primary and alternate Planning Commissioner seats, Mayor O'Brien considered the remaining 8 applicants from the December, 2017 recruitment, and conducted interviews on February 16, 2018 with the two additional applicants that had not previously been interviewed. As a result, Mayor O'Brien is recommending that the City Council approve the appointments of applicant Mallorie Fenrich to fulfill the unexpired primary term and Steve Link to fulfill the unexpired alternate term.

If approved, the certificates of appointment will be issued and the Oath of Office will be administered after adoption of the resolution.

FINANCIAL IMPACT

Currently, compensation to serve as a primary Planning Commissioner is \$100, and \$50 as the Alternate for attendance of a scheduled opened meeting or \$100 if called upon to serve in the absence of a primary Commissioner. Compensation is a fixed amount set at the discretion of the City Council by resolution.

STRATEGIC PLAN

The Planning Commission provides valuable guidance for the community on a variety of development projects. Many of those projects expand economic development opportunities which is a 3-year goal of the strategic plan. Having a full and engaged Planning Commission directly relates to this strategic goal.

ATTACHMENT

1. Proposed Resolution
2. Copies of applications

CITY OF RIVERBANK

RESOLUTION NO. 2018-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA, APPROVING THE APPOINTMENTS OF MALLORIE FENRICH AND
STEVE LINK (ALTERNATE) TO THE PLANNING COMMISSION, EFFECTIVE
FEBRUARY 27, 2018 AND ENDING DECEMBER 31, 2019**

WHEREAS, the City of Riverbank Planning Commission was established and is regulated pursuant to Municipal Code Title III; Chapter 32, Sections 32.25 through 32.40; and

WHEREAS, on February 13, 2018, Alternate Planning Commissioner Melissa Hughes was moved from the alternate seat to the primary seat, vacated by former Planning Commissioner Larry King, to fulfill his unexpired 4-year term ending December 31, 2019, which in turn, left the unexpired 2-year alternate term vacant; and

WHEREAS, former Planning Commissioner Edward Tabacco resigned effective February 22, 2018, leaving a primary seat with an unexpired 4-year term ending December 31, 2019; and

WHEREAS, pursuant to the policy on Planning Commission terms and filling vacancies, a recruitment and selection process was conducted and in December, 2017 (2) primary expired terms were filled, leaving 8 applicants for future vacancy consideration; and

WHEREAS, two (2) additional applications had been received, but not interviews, and were filed for future consideration to fill vacancies; and

WHEREAS, Mayor O'Brien considered the remaining 8 applicants from the December, 2017 recruitment, and conducted interviews on February 16, 2018 with the two additional applicants that had not previously been interviewed; and

WHEREAS, in accordance with the Municipal Code made the following recommendations to the City Council for approval:

- 1) Appoint Mallorie Fenrich to the vacated primary seat (formerly held by Commissioner Tabacco) to fulfill an unexpired 4-year term, ending December 31, 2019; and

- 2) Appoint Steve Link to the vacated alternate seat (formerly held by Alternate Commissioner Hughes) to fulfill the unexpired 2-year term ending December 31, 2019.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby approves the appointments of Mallorie Fenrich and Steve Link as recommended, to serve their terms upon taking the Oath of Office, and may temporarily continue to serve beyond the expiration date until new appointments have been made.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of February, 2017; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of ____:

AYES:

NAYS:

ABSENT:

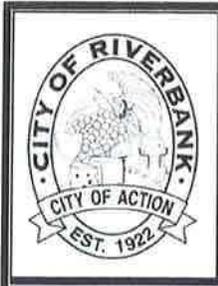
ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor



APPLICATION For Appointment to the Planning Commission of the City of Riverbank

Received (Date Stamp)
CITY OF RIVERBANK
DEC 01 2017
RECEIVED
BY: *dmw via email*

TO QUALIFY: APPLICANTS MUST BE AT LEAST 18 YEARS OLD, A STANISLAUS COUNTY REGISTERED VOTER AND LIVE WITHIN THE CITY POSTAL ZIP CODE AREA OF 95367.

For Official Use	
Riverbank Resident	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Registered Voter	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>dmw</i>

Please type or print

The following information will be used to verify voter registration, which must match your Affidavit of Voter Registration on file with the Stanislaus County Registrar of Voters; including your signature. (Home address, phone #, & signature will not be made public.)

Name Mallorie Ferrich
First MI Last

Home Address _____
Address City Zip

Mailing Address (if different from home address) _____

Signature (required): *[Signature]* Date: 12/1/17

Contact Phone # _____ E-mail _____

THIS APPLICATION MUST BE COMPLETED AND SIGNED - DO NOT ONLY INDICATE "SEE RESUME"

Current or Last Employer Information

Employer City of Manteca Address 1001 W. Center St., Manteca, CA 9533

Position Assistant Planner Dates of Employment March 21, 2016 - Present

Responsibilities Conduct planning research, prepare reports + develop recommendations related to development proposals; Interpret data, codes, ordinances, + development standards for specific planning projects.

Questionnaire (For additional space, attach a separate sheet of paper)

Please explain why you want to be appointed to the Planning Commission:

I am an excited new resident of Riverbank, and I am looking to become an active participant in my town and help improve and guide what is already a great little community. I grew up in the Central Valley, so I understand its ideals + traditions, but as someone from the younger generation who's had the opportunity to travel + receive a relevant educational experience, I bring a fresh perspective of guiding Riverbank's future + continuing its track of being a great place to live.

Please describe your education, training, and/or any special certifications or experience:

I have a bachelor's degree in the History of Architecture + Environment. I also have a Master's degree in Urban + Regional Planning. I currently work as an Assistant Planner for another local central valley town. I've interned for local governmental agencies in the central valley + bay area. I have experience speaking at and attending Planning Commission meetings.

Please list your experience of serving on any previous Board, Commission, or Committee:

I haven't served on any boards previously.

Please list community organizations to which you currently belong or previously belonged to:

- Current member of the Carnegie Arts Center in Turlock, CA.
- Former staff member of the Boys + Girls Club of Manteca.
- Former member of the Manteca Garden Club.

Please provide any additional information, which covers your qualifications, interests, or training related to this appointment:

I am a resident of Riverbank. I currently work as an Assistant Planner. I am looking to become involved in my new Community + bring my unique skill set to improve Riverbank's future development.

By signing below, I declare under penalty of disqualification and termination, that all statements in this application and any attached responses are true and complete to the best of my knowledge. I accept the responsibilities of serving as a Planning Commissioner and I am able and willing to:

- Attend the required meetings and notify the Board Secretary in advance of any excused absence, if it occurs;
- Devote the time to study the materials provided in order to make sound decisions;
- Timely complete the AB 1234 Ethics training and AB 1661 Prevention of Sexual Harassment training as required.
- Timely complete a Fair Political Practices Commission Form 700, Statement of Economic Interests.

I am aware that this application is a public document.

SIGNATURE: _____

DATE: 12/1/17

Completed and signed applications may be mailed or delivered to:

City of Riverbank
c/o City Clerk
6707 Third Street, Suite A
Riverbank, CA 95367

Or, emailed to cityclerk@riverbank.org



APPLICATION For Appointment to the Planning Commission of the City of Riverbank

Received (Date Stamp)
CITY OF RIVERBANK

JAN 29 2018

RECEIVED

BY: _____

**TO QUALIFY: APPLICANTS MUST BE AT LEAST 18 YEARS OLD,
A STANISLAUS COUNTY REGISTERED VOTER AND LIVE
WITHIN THE CITY POSTAL ZIP CODE AREA OF 95367.**

For Official Use	
Riverbank Resident	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Registered Voter	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Please type or print

The following information will be used to verify voter registration, which must match your Affidavit of Voter Registration on file with the Stanislaus County Registrar of Voters; including your signature. (Home address, phone #, & signature will not be made public.)

Name	Steve	Link
Home Address	_____	
	Address	City Zip
Mailing Address (if different from home address)	_____	
Signature (required)	_____	Date: 1-24-18

Contact Phone # _____ E-mail _____

THIS APPLICATION MUST BE COMPLETED AND SIGNED - DO NOT ONLY INDICATE "SEE RESUME"

Current or Last Employer Information

Employer Retired - Anderson Merchandisers Address 5601 Granite Pkwy., Plano, TX
 Position District Manager Dates of Employment 1994-2017
 Responsibilities Managed 34 Merchandising Associates throughout the Bay Area and the valley.
 Providing, Resets, Retail Training, Inventory Services, Signing Fulfillment, In-Store Events,
 Promotional Execution and Product Launches

Questionnaire (For additional space, attach a separate sheet of paper)

Please explain why you want to be appointed to the Planning Commission:

I have lived in Riverbank 18 years, and now that I am retired I would like to be part of the
community, rather than just a commuter to the Bay Area.

Please describe your education, training, and/or any special certifications or experience:

I have a bachelors degree from Fresno State

I am a volunteer lifesaver with the U.S. Coast Guard Auiliary and have the same FEMA

Incident Command Certifications required of first responders (IS-00100 & IS-00700)

Please list your experience of serving on any previous Board, Commission, or Committee:

I was the Treasurer of the Wendy's Operators of Central California for 7 years and am

now a Staff Officer for Diversity and Vessel Examinations with the Coast Guard Auxiliary

Please list community organizations to which you currently belong or previously belonged to:

As mentioned above, I am a member of the Coast Guard Auxiliary

Member of Escalon Sportsman's Club

Please provide any additional information, which covers your qualifications, interests, or training related to this appointment:

I'm a Bachelor's Degree professional with a concerned stake in the community in which I live.

By signing below, I declare under penalty of disqualification and termination, that all statements in this application and any attached responses are true and complete to the best of my knowledge. I accept the responsibilities of serving as a Planning Commissioner and I am able and willing to:

- Attend the required meetings and notify the Board Secretary in advance of any excused absence, if it occurs;
- Devote the time to study the materials provided in order to make sound decisions;
- Timely complete the AB 1234 Ethics training and AB 1661 Prevention of Sexual Harassment training as required.
- Timely complete a Fair Political Practices Commission Form 700, Statement of Economic Interests.

I am aware that this application is a public document.

SIGNATURE:

DATE: 1-24-18

Completed and signed applications may be mailed or delivered to:

City of Riverbank

c/o City Clerk

6707 Third Street, Suite A

Riverbank, CA 95367

Or, emailed to cityclerk@riverbank.org

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 6.2

SECTION 6: NEW BUSINESS

Meeting Date:	February 27, 2018
Subject:	A Resolution for the Approval of an Employment Agreement between the City of Riverbank and Michael Riddell as Public Works Director
From:	Sean Scully, City Manager

RECOMMENDATION

It is recommended that the Riverbank City Council ("City Council") approve the attached resolution which approves and authorized execution of the attached Employment Agreement ("Agreement") between the City of Riverbank ("City") and Michael Riddell as Public Works Director.

SUMMARY

In the past, the organizational structure of the City of Riverbank included the position of Development Services Director which (at that time) was responsible for all of Public Works, Planning, Building, Development Services and any other associated services. Based on staff review it appears that Public Works and Community Development were combined primarily as a budget saving measure and not necessarily as reorganization to streamline operations. The Development Services Director position has remained unfilled for many years. After a review of current operational needs it is the opinion of the City Administration that a reorganization is needed. The process of reorganization allows the City Administration to review current organizational needs, positions and anticipated future workflow to acclimate the organization to those ever changing criteria. Due to the size and staffing limitations of the City of Riverbank the reorganization will need to be carried out in multiple steps and it is anticipated that future reorganization will be needed beyond this action. It is not anticipated at this time that the Public Works Superintendent position will be immediately filled, Mr. Riddell will retain those responsibilities as some are duplicative currently. Part of the reorganization will be an evaluation of the necessity and potential future staffing of the Superintendent position.

The promotion of Mr. Riddell to the Public Works Director position will serve as the first step in redefining not only the expectations of the Public Works Director position but also the updated/ongoing responsibilities of this position. As Public Works Superintendent Mr. Riddell already manages the largest departmental full time staff within the City and has the responsibility for the maintenance and operation of most of the City's most expensive and crucial infrastructure. These duties will continue to remain under his purview. There

are a number of large scale water, wastewater and storm water infrastructure projects which Council has discussed that Mr. Riddell will have the responsibility of being directly involved in. The management of those projects will include the scoping, long term planning and development of operational structures. In addition, Mr. Riddell will play a key role in not only creating a succession plan for various positions within his department but also for the position of Director of Public Works itself. It is the opinion of the City Administration that Mr. Riddell has more than demonstrated his aptitude for the position and the enhanced scope of duties it will encompass.

Michael Riddell has been employed with the City of Riverbank since December of 2011. Prior to his employment with the City of Riverbank Mr. Riddell was employed by the City of Ceres for 27 years as both as Supervisor and the Public Works Superintendent. Mr. Riddell has over 34 years of experience in the public sector. In addition, Mr. Riddell holds numerous technical licenses including Water Treatment Grade 1, Distribution Grade 1, Wastewater Grade 3 and Collections Grade 3.

The City Council has given direction to the City Manager and City Attorney with regard to this employment agreement. The City Attorney has drafted the attached employment agreements which include the specific negotiated components which were directed by Council. The contract includes a specific provision that requires the employee to provide three (3) months of notice to the City in the event that the employee decides to retire during the term of the agreement. This section was specifically negotiated to allow sufficient time for a plan to be formulated for the recruitment (internal or external) of Mr. Riddell's successor, with ideally enough additional time to allow some overlap of the two positions. The term of the contract is proposed for three (3) years from the effective date of the agreement. The approval of this agreement will allow this promotion to take effect immediately.

STRATEGIC PLAN

This item is directly related to the strategic goals of attract, develop and retain quality staff.

FINANCIAL IMPACT

Since the City already employs Mr. Riddell and will not (at this time) be filling the Public Works Superintendent position the fiscal impact is less than would be normally anticipated with this type of a promotion. Mr. Riddell's starting salary will be \$116,000 with the ability to receive a merit increase of 2.5% annually at the City Managers discretion. This is a salary difference of \$10,000 from Mr. Riddell's current position. This starting salary is slightly below the annual salary of other Director level Executive Staff. The associated benefit formulas and allowances are consistent with what is currently provided. Mr. Riddell's health benefits will mirror what is provided to the LIUNA labor group.

The total impact is approximately \$13,500 when payroll tax, PERS and other associated costs are factored in. There is also an adjustment to leave allowances which will put Mr. Riddell consistent with other Executive Management staff.

ATTACHMENT

1. Resolution Approving and Authorizing Execution of Employment Agreement
2. Public Works Director Draft Employment Agreement

CITY OF RIVERBANK

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK APPROVING AN EMPLOYMENT AGREEMENT WITH MICHAEL RIDDELL AS PUBLIC WORKS DIRECTOR

WHEREAS, previously the Public Works and Community Development Department were overseen by the position of Development Services Director, a position which has remained unfilled for many years; and

WHEREAS, City Administration has begun the process of reorganization in order to provide clarity to roles and responsibilities between both departments; a process that will require multiple steps; and

WHEREAS, the City intends to promote Michael Riddell, current Public Works Superintendent, to the position of Public Works Director as a first step; and

WHEREAS, the Public Works Director will receive direction from the City Manager as to updated roles and responsibilities as part of the reorganization; and

WHEREAS, the City Council has directed the City Attorney and City Manager to negotiate and complete an employment agreement with Michael Riddell for the position of Public Works Director; and

WHEREAS, the City and Michael Riddell now wish to enter into an Employment Agreement (the "Agreement"), which is attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Riverbank hereby approves the Agreement between Michael Riddell and the City for employment as the Public Works Director, and authorizes the City Manager to execute the Agreement on behalf of the City.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of February, 2018; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Annabelle Aguilar, CMC
City Clerk

Richard O'Brien
Mayor

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of February 2017, by and between the City of Riverbank, a municipal corporation (“City”), and Michael Riddell, an individual (“Employee”). The City and Employee may individually be referred to herein as “Party” or collectively as “Parties”. There are no other parties to this Agreement.

RECITALS

- A. Employee began employment with the City on December 12, 2011 (“Anniversary Date”).
- B. Employee is presently employed with the City and serves as the Superintendent of Public Works. The Superintendent of Public Work is the head of the Public Works Department and provides departmental and complex administrative support to the Riverbank City Manager (“City Manager”).
- C. The City Manager is authorized to appoint City staff pursuant to the City Code of Riverbank (“City Code”) section 31.03(H)(12).
- D. The Parties wish to enter into a new employment agreement as Employee wishes to continue his employment with the City, and the City wishes to continue Employee’s employment with the City now as the “Director of Public Works.” The Director of Public Works plans, manages, oversees and directs the operations and services the Public Works Department, which includes the Streets, Storm Drain, Sewer, Water, Wastewater, and Motor Pool Divisions; coordinates activities with other City officials, departments, outside agencies, contractors, organizations, and the public; provides responsible and complex staff support to the City Council, City Manager, and Assistant City Manager; performs other related duties as assigned.
- E. The Parties agree that this Agreement shall be the sole agreement between the Parties regarding the employment of Employee as Director of Public Works and replace any previous employment relationships and benefits previously conferred on Employee as the Superintendent of Public Works.
- F. The Parties desire to execute this Agreement pursuant to the authority of and subject to the provisions of California Government Code (“Government Code”) section 53260 *et seq.*

NOW, THEREFORE, in consideration of the mutual covenants entered into between the Parties and in consideration of the benefits that accrue to each, it is agreed as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above (“Recitals”) are incorporated herein by this reference and made a part of this Agreement. In the event of any inconsistencies between the Recitals and Sections 1 through 10 of this Agreement, Sections 1 through 10 will prevail.

Section 2. Effective Date. This Agreement shall become effective once executed by both the City and Employee (“Effective Date”).

Section 3. Appointment of Director of Public Works, Duties, and Term.

Section 3.1. Appointment of Director of Public Works. Employee shall serve as the Director of Public Works of the City, and shall be vested with the powers, duties, and responsibilities set forth in City Code, California law, ordinances, and resolutions, and such other duties and functions as the City Manager may from time-to-time assign.

Section 3.2. No Secondary Employment. Employee agrees to devote all of his productive time, ability, and attention to the City’s business. During the Term, as defined in Section 3.5 of this Agreement, Employee shall not hold secondary employment and shall be employed exclusively by the City, subject to any exceptions approved in writing by the City Manager or the City Council; provided, however, Employee has the right to volunteer for such nonprofit organizations as he may see fit and further provided that such volunteer services shall not interfere with his duties as Director of Public Works.

Section 3.3. Exempt Employee. The general business hours for City employees are Monday through Friday, 7:30 a.m. to 5:30 p.m. However, it is recognized by the Parties that Employee is an exempt employee for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C. § 201 *et seq.*). Employee shall not receive overtime or extra compensation for hours worked outside of the City’s general business hours, which are necessary to fulfill the duties of the Director of Public Works position, unless otherwise provided in this Agreement.

Section 3.4. Schedule. The Director of Public Works daily and weekly work schedule shall vary in accordance with the work required to be performed. The Director of Public Works position may include frequent attendance at evening meetings and frequent irregular hours as necessary to meet deadlines and achieve objectives. The City Council and the City Manager recognize that the Director of Public Works must devote a great deal of his time outside normal office hours to business of the City and, to that end, will be allowed to take Executive Leave, as defined in Section 5.11 of this Agreement, as he shall deem appropriate during said normal office hours.

Section 3.5. Term. The term of this Agreement shall be for three (3) years from the Effective Date (“Term”). No later than three (3) months prior to the expiration of the Term, the City Manager shall provide written notice to Employee as to whether the City

Manager intends to extend the Term. Termination of this Agreement shall be in accordance with Section 6 below.

Section 4. At-Will Employment. Employee is an at-will employee serving at the pleasure of the City Council and City Manager, as provided in Government Code section 36506 and City Code section 31.01. Accordingly, the City Manager may terminate Employee's employment at any time, with or without cause. Only if Employee is terminated by the City without Good Cause, as defined in Section 6.3 of this Agreement, shall Employee be entitled to a Severance, as defined in Section 6.3 of this Agreement.

Section 5. Compensation and Evaluations.

Section 5.1. Base Salary. City agrees to pay Employee an annual salary of One Hundred Sixteen Thousand Dollars (\$116,000) ("Base Salary"), payable in installments at the same time the other City employees are paid. If Employee receives a satisfactory performance evaluation, Employee may receive a merit increase up to 2.5% annually at the City Manager's discretion.

Section 5.2. Pro-rata Decrease. Employee acknowledges that the Base Salary may be subject to a pro-rata decrease based on the City Council's adoption of an unpaid Mandatory Furlough Program adopted as a budgetary measure.

Section 5.3. Review and Evaluation. The City Manager agrees to review and evaluate Employee's performance of his duties as Director of Public Works, pursuant to the terms of this Agreement ("Review and Evaluation"), on not less than an annual basis and to provide Employee with a written performance review. The annual Review and Evaluation shall be conducted in November of each year, or at the City Manager's discretion.

Section 5.4. Healthcare Benefits. Employee shall receive the same healthcare benefits as provided to LiUNA, in section 7.01 of their Memorandum of Understanding, during the Term of this Agreement.

Section 5.5. Life Insurance. City will provide Employee with life insurance in the amount of Fifty Thousand Dollars (\$50,000).

Section 5.6. Deferred Compensation. City shall establish and maintain a deferred compensation plan and match Employee's contribution to the deferred compensation plan in an amount not to exceed One Hundred Dollars (\$100.00) each pay period. City will also contribute One Hundred Ten Dollars and Sixteen Cents (\$110.16) each month to the Union Pension Retirement Fund. Employee shall receive any adjustment to this program granted to all other City Department Heads.

Section 5.7. Retirement. City shall pay the employer cost of participation in the California Public Employees Retirement System ("CalPERS"). Employee will be enrolled

in the CalPERS 2% @ 60 Classic plan. Employee shall pay the seven percent (7%) employee contribution.

Section 5.8. Vacation. Employee shall be entitled to twenty (20) days of vacation annually (or 160 hours). Employee may not accumulate more than four hundred hours (400) of vacation leave.

Section 5.9. Sick Leave. Employee shall earn sick leave at the rate of one (1) working day for each month of service.

Section 5.10. Holidays. Employee shall be entitled to observe, with pay, the twelve (12) observed holidays as outlined in the City's Personnel Rules.

Section 5.11. Executive Leave. It is recognized that Employee must devote a great deal of time outside the normal office hours to City business. To that end, Employee shall receive 10 days (eighty (80) hours) of executive leave ("Executive Leave") at the beginning of each fiscal year, which may be cashed out if not used. Any unused Executive Leave expires on June 30 of each fiscal year.

Section 5.12. City Vehicle. Employee may have the use of a City vehicle for travel on all City-related business. This includes use of the City vehicle for travel by Employee to and from work.

Section 5.13. Professional and Educational Development. City agrees to budget for reasonable costs of travel and business expenses for Employee to attend professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions for the City, including, but not limited to, annual conferences of the League of California Cities, and such other regional and local government groups and committees thereof on which Employee serves as a member, provided such travel and business expenses are included within the annual budget. City agrees to pay Employee's annual membership dues to professional organizations that benefit the Employee and the City as designated and approved in the final budget.

Section 5.14. Longevity Benefits. Due to Employee's tenure with the City, he will receive a longevity benefit of two and a half percent (2.5%) of his Base Salary after ten (10) years of service, which will increase to five percent (5%) of his Base Salary after thirteen (13) years of service, paid bi-weekly with his Base Salary.

Section 6. Termination of Employment and Severance.

Section 6.1 Voluntary Resignation. Employee may resign at any time and agrees to give the City at least thirty (30) days advance written notice of the effective date of Employee's resignation, unless the Parties otherwise agree in writing. If Employee retires from full time public service with the City, Employee shall provide three (3) months advance written notice. Employee's actual retirement date will be mutually established

between the Parties. During the notice period, all rights and obligations of the Parties under this Agreement shall remain in full force and effect. Promptly after the effective date of resignation, the City shall pay to Employee all salary and benefit amounts, both accrued and owing, under this Agreement. However, in the event of voluntary resignation, Employee shall not be entitled to Severance, as set forth in Section 6.3 of this Agreement.

Section 6.2. Termination by City Manager. The City Manager may terminate this Agreement and remove Employee from his position as Director of Public Works at any time with or without cause and with or without notice. Within ten (10) days of City Manager's termination of this Agreement, Employee may make a written request for a hearing before the City Council, at which time the City Council will have the option to uphold the City Manager's termination decision. In the event Employee does not request a hearing before the City Council within ten (10) days, the City Manager's termination decision will stand. If Employee does make a request for a hearing within ten (10) days, the hearing shall take place in closed session at a regularly scheduled City Council meeting. Upon Employee's request for the hearing to take place in open session, he will waive any claims to privacy associated with his rights to employment information that is the basis for his termination, including, but not limited to, his personnel file and any information contained therein, which would otherwise be private.

Section 6.3. Termination Without Good Cause. In the event the City terminates this Agreement without Good Cause, as defined in Section 6.4 below, the City shall pay Employee a sum equal to four (4) months Base Salary ("Severance"). This Severance is subject to the restrictions of Government Code section 53260, including, without limitation, the maximum amount of Severance pay that Employee may receive shall be the lesser of (i) four (4) months base salary or (ii) if the unexpired term of the contract is greater than eighteen (18) months, the maximum cash settlement shall be an amount equal to the monthly salary of the Employee multiplied by eighteen (18). Any cash settlement related to the termination of this Agreement received by Employee from the City shall be fully reimbursed to the City if Employee is convicted of a crime involving an abuse of his office or position while employed with the City, pursuant to Government Code section 53243.2. In the event the City terminates this Agreement, Employee shall be entitled to continued medical and dental benefits at his cost pursuant to the provisions of the federal Consolidated Omnibus Budget Reconciliation Act ("COBRA").

Section 6.4. Termination For Good Cause. The City may at any time immediately terminate this Agreement for Good Cause, as defined below. If Employee is terminated for Good Cause, the City shall not be required to pay any Severance under this Agreement, and the City shall have no obligation to Employee beyond those benefits accrued as of Employee's last day of employment and those the City is obligated to provide under federal or state law.

"Good Cause" for purposes of this Agreement, means a fair and honest cause or reason for termination. These reasons include, but are not limited to:

1. Conviction of a felony;

2. Disclosing confidential information of City;
3. Gross carelessness or misconduct;
4. Unjustifiable and willful neglect of the duties described in this Agreement;
5. Mismanagement;
6. Non-performance of duties;
7. Any conduct which violates the City's Personnel Rules and for which a City employee may be terminated;
8. Repeated and protracted unexcused absences from the Director of Public Works' office and duties;
9. Willful destruction or misuse of City property;
10. Conduct that in any way has a direct, substantial, and adverse effect on the City's reputation;
11. Willful violation of federal, state or City discrimination laws;
12. Continued substance abuse which adversely affects performance of Employee's duties as the Director of Public Works;
13. Refusal to take or subscribe any oath or affirmation which is required by law; or
14. Permanent disability of Employee, or Employee becoming otherwise unable to perform the duties of the Director of Public Works, by reason of sickness, accident, illness, injury, mental incapacity or health, for a period of six (6) weeks following the exhaustion of all available leave balances and any applicable Family Medical Leave Act or California Medical Leave Act leaves, or where the same occurs for forty (40) working days over a sixty (60) working day period following exhaustion of such leaves.

Notwithstanding any provision in this Agreement to the contrary, the City Manager may suspend Employee with full pay and benefits at any time during the Term of this Agreement.

Section 7. Indemnification. The City shall defend, hold harmless, and indemnify Employee against any tort, personnel, civil rights, or professional liability claim or demand

Sacramento, CA 95814

If to Employee: City of Riverbank
Attn: Michael Riddell
6707 Third Street
Riverbank, CA 95367
w/cc: home address on file

Section 10. General Provisions.

10.1. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by the City and Employee.

10.2. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

10.3. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

10.4. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

10.5. Headings. The headings in this Agreement are included for convenience only and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

10.6. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

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

10.8. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed

and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

10.9. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

10.10. Venue. Venue for all legal proceedings shall be in the Superior Court in and for the County of Stanislaus in the State of California.

10.11. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

[SIGNATURE PAGE TO FOLLOW]

PROPOSED

IN WITNESS WHEREOF, this Agreement has been entered into by and between EMPLOYEE and CITY as of the date of the Agreement set forth above.

CITY:

City of Riverbank, a municipal corporation
of the State of California

EMPLOYEE:

By: _____

Michael Riddell, an individual

By: _____

Sean Scully, City Manager

Date Signed: _____

Date Signed: _____

By: _____

Annabelle H. Aguilar, CMC, City Clerk

Date Signed: _____

Approved as to Form and Content:

By: _____

Thomas P. Hallinan, City Attorney