



Council Chambers
200 H Street
Antioch, CA 94509
Regular Meeting - 7:00 P.M.

ANNOTATED AGENDA

for

November 14, 2017

Antioch City Council
Regular Meeting

Sean Wright, Mayor
Lamar Thorpe, Mayor Pro Tem
Monica E. Wilson, Council Member
Tony Tiscareno, Council Member
Lori Ogorchock, Council Member

Arne Simonsen, CMC, City Clerk
Donna Conley, City Treasurer

Ron Bernal, City Manager
Derek Cole, Interim City Attorney

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Notice of Availability of Reports

This agenda is a summary of the actions proposed to be taken by the City Council. For almost every agenda item, materials have been prepared by the City staff for the Council's consideration. These materials include staff reports which explain in detail the item before the Council and the reason for the recommendation. The materials may also include resolutions or ordinances which are proposed to be adopted. Other materials, such as maps and diagrams, may also be included. All of these materials are available at the City Clerk's Office, located on the 3rd Floor of City Hall, 200 H Street, Antioch, CA 94509, during normal business hours for inspection and (for a fee) copying. Copies are also made available at the Antioch Public Library for inspection. Questions on these materials may be directed to the staff member who prepared them, or to the City Clerk's Office, who will refer you to the appropriate person.

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7:00 P.M. ROLL CALL – REGULAR MEETING – for Council Members – *Council Members Wilson, Thorpe, Tiscareno, Ogorchock and Mayor Wright*

PLEDGE OF ALLEGIANCE

1. PROCLAMATIONS

- The Ambassador for Peace Medal
- Homeless Awareness Month, November 2017

STAFF REPORT

STAFF REPORT

Approved, 5/0

Recommended Action: It is recommended that the City Council approve the proclamations.

ANNOUNCEMENTS OF CIVIC AND COMMUNITY EVENTS

PUBLIC COMMENTS – *Members of the public may comment only on unagendized items. The public may comment on agendized items when they come up on this Agenda.*

CITY COUNCIL COMMITTEE REPORTS

MAYOR'S COMMENTS

2. **CONSENT CALENDAR**

A. APPROVAL OF COUNCIL MINUTES FOR OCTOBER 24, 2017

STAFF REPORT

Approved, 5/0

Recommended Action: It is recommended that the City Council approve the minutes.

B. APPROVAL OF COUNCIL SPECIAL MEETING MINUTES FOR NOVEMBER 1, 2017

Approved, 5/0

Recommended Action: It is recommended that the City Council approve the Special Meeting Minutes.

STAFF REPORT

CONSENT CALENDAR – Continued

C. APPROVAL OF COUNCIL WARRANTS

Recommended Action: It is recommended that the City Council approve the warrants.

Approved, 5/0

STAFF REPORT

D. APPROVAL OF TREASURER’S REPORT FOR SEPTEMBER 2017

Recommended Action: It is recommended that the City Council approve the report.

Approved, 5/0

STAFF REPORT

E. SECOND READING – ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANTIOCH ADDING SECTION 5 TO CHAPTER 7 OF TITLE 5 OF THE ANTIOCH MUNICIPAL CODE PROHIBITING THE HOURLY RENTALS OF LODGING UNITS WITHIN CITY LIMITS (Introduced on 10/24/17)

Recommended Action: It is recommended that the City Council adopt an Ordinance adding Section 5 to Chapter 7 of Title 5 of the Antioch Municipal Code Prohibiting the Hourly Rentals of Lodging Units within City Limits.

Ord. No. 2131-C-S adopted, 5/0

STAFF REPORT

PUBLIC HEARING

3. ROCKETSHIP ELEMENTARY SCHOOL (Z-17-02, UP-17-01, V-17-05, AR-17-02)

Recommended Action: It is recommended that the City Council take the following actions:

Reso No. 2017/122 adopted, 5/0

1) Adopt the Resolution adopting the Rocketship Elementary School Project Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project.

To 11/28/17 for adoption, 5/0

2) Introduce the Ordinance approving a Rezone of the project site from Regional Commercial District (C-3) to Professional Office District (C-0).

Reso No. 2017/123 adopted, 5/0

3) Adopt the Resolution approving a Variance to allow a six-foot tall wrought iron fence within the front setback along Cavallo Road, a Use Permit for the construction of an elementary school, and Design Review, subject to conditions of approval.

STAFF REPORT

COUNCIL REGULAR AGENDA

4. PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS FOR ONE MARINA PLAZA ANTIOCH, CALIFORNIA

Reso No. 2017/124 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt a resolution approving the Purchase and Sale Agreement (PSA) and Joint Escrow Instructions for the sale of One Marina Plaza, Antioch, California (also known as "Humphrey's Restaurant") with Sean McCauley Investments, Inc., a California corporation and authorize the City Manager to execute the PSA.

STAFF REPORT

5. FINAL DETERMINATION OF BOARD OF ADMINISTRATIVE APPEALS DECISION REGARDING: GRIEVANCE HEARING APPEAL OF OPERATING ENGINEERS LOCAL UNION NO. 3 REGARDING THE CITY MANAGERS DENIAL OF THE GRIEVANCE THAT SECTION 12.1(B) OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ANTIOCH AND OPERATING ENGINEERS LOCAL UNION NO. 3 HAS BEEN VIOLATED

Upheld the decision of the Board of Administrative Appeals, 5/0

Recommended Action: It is recommended that the City Council Uphold the Board of Administrative Appeals Determination.

STAFF REPORT

6. APPROPRIATION OF EXPENDITURES FOR ENCUMBRANCES AND PROJECT BUDGETS OUTSTANDING AS OF JUNE 30, 2017 TO THE 2017/18 FISCAL YEAR BUDGET AND OTHER FISCAL YEAR 2018 BUDGET AMENDMENTS

Reso No. 2017/125 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt the resolution appropriating expenditures for encumbrances and project budgets outstanding to the 2017/18 fiscal year budget and approving amendments to the 2018 fiscal year budget.

STAFF REPORT

7. RESOLUTION APPROVING ONE (1) ECONOMIC DEVELOPMENT DIRECTOR POSITION AUTHORIZING THE APPROPRIATE BUDGET ADJUSTMENT

Reso No. 2017/126 adopted, 5/0

Recommended Action: It is recommended that the City Council take the following actions:

- 1) Discuss the funding for one (1) Economic Development Director; and
- 2) Adopt a resolution approving one (1) Economic Development Director position and authorize the appropriate budget adjustment.

STAFF REPORT

PUBLIC COMMENT

STAFF COMMUNICATIONS

COUNCIL COMMUNICATIONS AND FUTURE AGENDA ITEMS – *Council Members report out various activities and any Council Member may place an item for discussion and direction on a future agenda. Timing determined by Mayor and City Manager – no longer than 6 months.*

ADJOURNMENT – 11:42 p.m.



Proclamation

Ambassador for Peace Medal

WHEREAS, the Consulate General of the Republic of Korea in San Francisco and the California Department of Veteran Affairs held a ceremony in San Francisco on Friday, September 29; and

WHEREAS, they celebrated National Day of Korea honoring the Korean War Veterans; and

WHEREAS, Korean War Veterans of Northern California were invited to 2017 Nation Day of Korea; and

WHEREAS, three of Antioch's Veterans of Foreign Wars Post 6435 members were honored to receive The Ambassador for Peace Medal from both the Korean Government and the California Department of Veterans Affairs.

NOW THEREFORE, I, Sean Wright, Mayor of the City of Antioch, do hereby proclaim Sergeant John McMullen, Command Sergeant Major Michael F. Collins and Dr. John M Huh, to be

Ambassadors for Peace

for their honorable service to the United States Military and the Republic of Korea Military during and after the Korean Conflict. We are honored to have you living in our community and your active participation in Antioch's Veterans of Foreign Wars Post 6435. Your service reflects great honor on you and our country.

NOVEMBER 14, 2017

SEAN WRIGHT, Mayor



**HOMELESS AWARENESS MONTH
NOVEMBER 2017**

WHEREAS, the month of November is recognized as Homelessness Awareness Month in the United States; and

WHEREAS, the purpose of the proclamation is to educate the public and advocate with and on behalf of people experiencing homelessness about the many reasons people are homeless including the shortage of affordable housing; and to encourage support for homeless assistance service providers as well as community service opportunities for students and school service organizations; and

WHEREAS, we recognize that homelessness continues to be a serious problem for many individuals and families in Cities in Contra Costa County; and

WHEREAS, during the last fiscal year in Contra Costa County, 6,105 persons and 640 families, including 746 minors, accessed homeless services; and

WHEREAS, Contra Costa County only has the shelter capacity to meet 41 percent of the need for single adults.

NOW, THEREFORE, I, SEAN WRIGHT, Mayor of the City of Antioch, do hereby proclaim the month of November 2017, to be “Homeless Awareness Month” and encourage all citizens to recognize that hundreds of adults, families, and children in Cities in Contra Costa County do not have housing and need support from citizens, and private / public non-profit service organizations.

NOVEMBER 14, 2017

SEAN WRIGHT, Mayor

**CITY COUNCIL MEETING
INCLUDING THE ANTIOCH CITY COUNCIL
ACTING AS HOUSING SUCCESSOR TO THE
ANTIOCH DEVELOPMENT AGENCY**

**Regular Meeting
7:00 P.M.**

**October 24, 2017
Council Chambers**

6:30 P.M. - CLOSED SESSION

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS** pursuant to California Government Code section 54956.8; Property – Humphrey’s Restaurant: City Negotiator; City Manager. Under negotiation: price and terms.
2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION: City Manager.** This closed session is authorized pursuant to Government Code section 54957.

Interim City Attorney Cole reported the City Council had been in Closed Session and gave the following report: **#1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS**, Direction given to City Manager; and, **#2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**, No reportable action.

Mayor Wright called the meeting to order at 7:02 P.M., and City Clerk Simonsen called the roll.

Present: Council Members Wilson, Thorpe, Tiscareno, Ogorchock and Mayor Wright

PLEDGE OF ALLEGIANCE

Mayor Wright led the Council and audience in the Pledge of Allegiance.

1. PROCLAMATIONS

Red Ribbon Week, October 23 – 31, 2017
Extra Mile Day, November 1, 2017

On motion by Councilmember Thorpe, seconded by Councilmember Wilson the Council unanimously approved the Proclamations.

Mayor Wright presented the *Red Ribbon Week* proclamation to Jennifer Faddis, East County Alcohol Policy Coordinator for the Center for Human Development who highlighted the issue of underage drinking and announced a coalition meeting would be held in January 2018.

Mayor Wright acknowledged Beverly Knight, Sandra Kelly, Michael Pohl and Denise Cantrell for their individual efforts and the Council presented *Extra Mile Day* proclamations to each recipient. Mayor Wright thanked everyone who served the community.

ANNOUNCEMENTS OF CIVIC AND COMMUNITY EVENTS

Director of Parks and Recreation Kaiser announced the Veteran's Day Celebration would take place on November 11, 2017 and include a Disc Golf Demo Day from 1:00 P.M. – 3:00 P.M. at the Community Center, Youth Basketball Clinic at the Community Center, and Birding by Kayak at the Antioch Marina.

Shannon Skinner, Somersville Towne Center, invited the community to Halloween at the mall with trick-or-treating from 6:00 P.M. – 8:00 P.M. on October 31, 2017 and an Alzheimer's Senior Walk hosted by Councilmember Ogorchock from 9:00 A.M. - 11:00 A.M. on November 3, 2017. She acknowledged all the volunteers in the community and announced upcoming events included Santa's arrival and Black Friday shopping.

Antioch Council of Teens announced that they would be raising funds to support the North Bay Fire Relief Fund, sponsored by the Redwood Credit Union Community Fund on October 26, 2017 at the Antioch Community Center and 100 percent of the proceeds would be going to the charity to provide relief for fire victims.

Mayor Wright thanked the Antioch Council of Teens for their leadership.

J.R. Wilson, Veteran's Day Committee, announced the following Veteran's Day event schedule; Opening Ceremonies and Battle of the Bands at 9:30 A.M. at the Veteran's Memorial on "L" Street, parade beginning at 11:11 A.M. at the Veteran's Memorial, barbeque at 12:00 P.M. at the V.F.W and Battle of the Big Bands at 2:00 P.M. at the El Campanil. He thanked the City Council, staff and the community who supported and contributed to the event. He announced the Antioch Veteran's Day Committee along with the VFW, American Legion and Delta Veteran's group had selected a Veteran of the Year who would serve as the Grand Marshall of the Veteran's Day event and be recognized by the City at a future meeting.

ANNOUNCEMENTS OF BOARD AND COMMISSION OPENINGS

City Clerk Simonsen announced the following Board and Commission openings:

- *Board of Administrative Appeals: One (1) Alternate Member vacancy; deadline date is November 9, 2017*

He reported applications would be available in Council Chambers, online at the City's website and at the City Clerk's and Deputy City Clerks offices.

PUBLIC COMMENTS

Bob Atlas, Battalion Chief Contra Costa County, gave an update on fire department activities in Antioch for the month of September and recognized Contra Costa County Fire District personnel who deployed to assist in relief efforts for hurricanes Harvey and Irma. He reported Firefighter

Andrade met with the recipient of his bone marrow who thanked him for his life saving donation. He announced the Fire Academy began on October 2, 2017 with 30 new recruits.

Lucas Stuart-Chilcote, Antioch resident, thanked Mayor Wright and Councilmember Wilson for participating in an informational interview.

Moses De Los Reyas announced Iglesia Ni Cristo Church of Christ in Antioch was participating in World Wide Aid to Humanity from 9:00 A.M. – 3:00 P.M. on October 28, 2017 at Antioch Chapel. He invited the community to attend and receive free medical services, food, clothing, and care packages.

Daniel Pardo, representing his mother, expressed concern that their cat had been killed by a speeding vehicle in front of their home which was directly across the street from Mission Elementary School. He reported that witnesses indicated the driver intended to strike their cat. He requested the City consider installing traffic calming measures in the area since he did not want another animal or child to become a victim and he asked if protective measures were installed, that they be named after his cat, "Chloe".

Denise Cantrell, Antioch resident, expressed concern regarding the reappearance of the donation bins along Lone Tree Way/ A Street, which had caused blight in the area.

Mayor Wright requested City Manager Bernal direct this issue to Code Enforcement.

Daniel Gutierrez, Antioch resident, reported he received a call requesting that he participate in a survey that asked if he would oppose an increase in sales tax. He expressed concern that a sales tax increase would negatively impact economic development in the City.

COUNCIL SUBCOMMITTEE REPORTS

Councilmember Wilson reported on her attendance at the Transportation Expo in Atlanta with representatives from Tri Delta Transit.

Councilmember Thorpe reported on his attendance at the Transportation Expo in Atlanta with representatives from Tri Delta Transit.

Councilmember Ogorchock reported she had attended the Barbershop Forum with Councilmember Wilson and City Manager Bernal hosted by Chief Brooks. She requested Chief Brooks post the dates of future forums on social media.

Mayor Wright reported on his attendance at the Delta Diablo meeting.

MAYOR'S COMMENTS

Mayor Wright congratulated Councilmember Ogorchock and Councilmember Wilson for participating in Youth Intervention Training (YIN) and the Citizen's Police Academy. He reported

Councilmember Wilson hosted the Red Sand Project to bring awareness on Human Trafficking. He reported on his attendance at the EC2 Economic Development Summit which was recorded and would be replayed throughout November. He thanked everyone involved.

2. COUNCIL CONSENT CALENDAR for City /City as Housing Successor to the Antioch Development Agency

A. APPROVAL OF COUNCIL MINUTES FOR OCTOBER 10, 2017

B. APPROVAL OF COUNCIL WARRANTS

City of Antioch Acting as Housing Successor to the Antioch Development Agency

C. APPROVAL OF HOUSING SUCCESSOR WARRANTS

On motion by Councilmember Tiscareno, seconded by Councilmember Ogorchock, the City Council unanimously approved the Council Consent Calendar.

PUBLIC HEARING

3. ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANTIOCH ADDING SECTION 5 TO CHAPTER 7 OF TITLE 5 OF THE ANTIOCH MUNICIPAL CODE PROHIBITING THE HOURLY RENTALS OF LODGING UNITS WITHIN CITY LIMITS

City Manager Bernal introduced Public Hearing Item #3.

Interim City Attorney Cole presented the staff report dated October 24, 2017 recommending the City Council introduce an Ordinance adding Section 5 to Chapter 7 of Title 5 of the Antioch Municipal Code Prohibiting the Hourly Rentals of Lodging Units within City Limits.

Mayor Wright opened and closed the public hearing with no members of the public requesting to speak.

Councilmember Wilson stated she brought this item forward to provide an extra layer of protection against Human Trafficking. She thanked staff and Council for their support in bringing this item before Council.

Chief Brooks discussed the benefits of the ordinance and stated he supported any measure that gave the City the advantage at curtailing criminal behavior. He noted if adopted, enforcement would be complaint driven and they would take a look at best practices for agencies with similar ordinances.

Interim City Attorney Cole stated the Municipal Code required that every person engaged in providing lodging must require guest to provide names and addresses, which must be opened to

public inspection which would allow the Antioch Police Department to inspect and verify compliance.

The City Council recognized Councilmember Wilson for bringing this item forward and organizing the Red Sand Project to bring awareness of Human Trafficking.

Councilmember Thorpe suggested as a next step, the City consider capping the number of massage parlors within the City.

Councilmember Wilson thanked Council for their support and Mayor Wright and Councilmember Ogorchock for attending the Red Sand Project training. She encouraged the community to participate in future training opportunities.

On motion by Councilmember Wilson, seconded by Councilmember Ogorchock, Council unanimously introduced an Ordinance adding Section 5 to Chapter 7 of Title 5 of the Antioch Municipal Code Prohibiting the Hourly Rentals of Lodging Units within City Limits.

4. REQUESTED MODIFICATIONS TO THE PROJECT APPROVAL FOR THE PROMENADE – VINEYARDS AT SAND CREEK PROJECT

City Manager Bernal introduced Public Hearing Item #4.

Director of Community Development Ebbs presented the staff report dated October 24, 2017 recommending the City Council open the public hearing and continue the item to the November 28, 2017 City Council meeting.

Mayor Wright opened and closed the public hearing with no members of the public requesting to speak.

On motion by Councilmember Ogorchock, seconded by Councilmember Tiscareno, the Council unanimously continued the Public Hearing to the November 28, 2017 City Council Meeting.

5. GENERAL PLAN LAND USE ELEMENT: SAND CREEK FOCUS AREA

City Manager Bernal introduced Public Hearing Item #5.

Director of Community Development Ebbs presented the staff report dated October 24, 2017 recommending the City Council table the current General Plan Land Use Element update affecting the Sand Creek Focus Area.

Mayor Wright opened the public hearing.

Wendi Agluly, Antioch resident, reiterated her concerns regarding more residential development in Antioch and urged Council to proceed with caution with their decisions.

Adrienne Hubbard, Antioch resident, stated she would like the infrastructure to be in place prior to the City approving more residential development and if development is approved that the City consider larger lots and less density.

Karen Whitestone, Conservation Analyst for the East Bay California Native Plant Society, recommended the City continue the environmental impact analysis with updated information on the current environmental settings in the Sand Creek Focus Area.

Violette Skaggs, Antioch resident, discussed the importance of proper planning and making sure the environmental document addressed all impacts of additional residential development. She discussed the need for the City to attract jobs and industry.

Daniel Gutierrez, Antioch resident, agreed with Ms. Skaggs comments and her desire for a comprehensive environmental impact report.

Evan Gorman, Oakley resident, stated development in the Sand Creek Focus area was against urban planning and voiced his support for tabling this item.

Frank Sterling, Antioch resident, requested the City Council listen to the previous speakers and maintaining the Sand Creek Focus area as open space. He expressed interest in participating in future barbershop forum events.

Ben Foley, Antioch resident, thanked Council for serving the community. He urged them to protect the Sand Creek area and minimize development in the area.

Lucas Stewart Chilcote, Antioch resident, spoke in support of maintaining open space in the Sand Creek focus area and urged the City Council to table the General Plan Land Use Element.

Joel Devalcourt, Greenbelt Alliance, spoke in support of tabling the General Plan Land Use Element Update noting analysis of the area had not reflected changes that occurred in the area. He suggested letting the burden of the comprehensive environmental review fall on the development community.

Matt Francois, Rutan and Tucker on behalf of The Zeka Group, spoke in support of staff's recommendation to table the General Plan Update noting it was in need of further refinement and consideration of development yield, density, utilities infrastructure and roadway issues.

Juan Pablo Galvan, Land Use Manager Save Mount Diablo, spoke in support of staff's recommendation to table the General Plan Land Use plan and noted it was insufficient in the projection of open space and would conflict with the HCP/HCCP process.

Mark Maguire, Antioch resident, spoke in support of the Planning Commission recommendation to conduct a comprehensive EIR for the Sand Creek Focus Area to better understand the impacts.

Mayor Wright closed the Public Hearing.

Councilmember Thorpe clarified the item before Council was General Plan Land Use Element Update for the Sand Creek Focus Area and not the approval of residential units. He stated he appreciated everyone's input and expressed concern that staff had not addressed the issues brought forward by the stakeholders. He noted this effort was an opportunity for the City to complete the process and outcome was disappointing.

Councilmember Tiscareno stated he was also disappointed that the process had not been completed. He noted all parties should have been involved; therefore, he was in support of tabling the item and bringing it back to Council when it was developed properly.

Councilmember Wilson stated she felt the staff report was unclear and requested clarification with regards to the Planning Commission's position on the addendum.

In response to Councilmember Wilson, Director of Community Development Ebbs reported the Planning Commission had held several meetings regarding this item and there was interest from them to see results from the process. He clarified staff's recommendation to them included; approval with the addendum, tabling or development of a supplemental EIR, and the supplemental EIR was chosen. He reported interest had been expressed by Commissioner Motts for the City to work through the issues and improve upon the General Plan Lane Use Update for the Sand Creek Focus Area.

Councilmember Wilson stated she supported tabling the item to get a better understanding of how to move forward.

Director of Community Development Ebbs clarified that he was not suggesting that The Ranch project would be approved; however, some action would be taken on the project in the next 1-2 years and 551 acres in the Sand Creek Focus Area would be accounted for, which would inform better planning.

Councilmember Ogorchock stated the HCP was important for developments in the area and she agreed with staff bringing forward a recommendation to table the item to allow sufficient time to develop a comprehensive plan.

Mayor Wright stated the City should not move forward and risk spending more resources and potential litigation. He reported 1200 homes had been entitled, 1300 more were in a potential project and tabling this item to see how that project played out was prudent and fiscally responsible.

Councilmember Thorpe stated staff needed to do a better job of bringing the stakeholders together when working through these items.

On motion by Councilmember Ogorchock, seconded by Councilmember Thorpe, the Council unanimously tabled the current General Plan Land Use Element update affecting the Sand Creek Focus Area.

PUBLIC COMMENTS

Fred Hoskins, Antioch resident, requested the City address The Yard and Hard House Proposals.

STAFF COMMUNICATIONS

City Manager Bernal announced Contra Costa Health Housing & Homeless and the Contra Costa Library would be conducting Family CARE Center community information session on October 25, 2017 at the Antioch Library. He reported the final Food Truck Thursday would take place on October 26, 2017 at the Antioch Community Center. He announced a Special Meeting of the City Council would be held November 1, 2017 to extend the Urgency Ordinance for commercial uses of marijuana. He recognized the passing of former Antioch employee, Dave Sanderson.

COUNCIL COMMUNICATIONS

Mayor Wright requested staff agendaize the hiring of an Economic Development Director.

Councilmember Ogorchock requested staff agendaize an ordinance regarding donation bins.

Councilmember Tiscareno reported he had meetings with citizens who were concerned for speeding vehicles in their neighborhoods and noted that those issues needed to be addressed. He acknowledged the Antioch Police Department for increasing patrols. He reported on his attendance at the White Pony Express church event and offered his condolences to Dave Sanderson's family.

Mayor Wright announced traffic calming measures would be on the next City Council agenda.

Councilmember Thorpe requested staff agendaize a discussion on smart growth.

Councilmember Wilson announced the Antioch Police Department was hosting a Trick-or-Treating Event from 3:30 P.M. – 6:00 P.M. on October 31, 2017.

ADJOURNMENT

With no further business, Mayor Wright adjourned the meeting in honor of Dave Sanderson, at 9:22 P.M. to the next regular Council meeting on November 1, 2017.

Respectfully submitted:

Kitty Eiden
KITTY EIDEN, Minutes Clerk

**ANTIOCH CITY COUNCIL
SPECIAL MEETING**

Special Meeting
7:00 P.M.

November 1, 2017
Council Chambers

Mayor Wright called the meeting to order at 7:00 P.M., and City Clerk Simonsen called the roll.

Present: Council Members Wilson, Thorpe, Tiscareno, and Mayor Wright
Absent: Council Member Ogorchock

PLEDGE OF ALLEGIANCE

Council Member Tiscareno led the Council and audience in the Pledge of Allegiance.

PUBLIC COMMENTS – None

PUBLIC HEARING

1. SECOND EXTENSION OF AN INTERIM URGENCY ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON NON-MEDICAL MARIJUANA USES WITHIN THE CITY OF ANTIOCH

Acting City Manager Nickie Mastay introduced Public Hearing Item #1.

Acting Interim City Attorney Elizabeth Perez requested that the City Council extend the moratorium on recreational uses of marijuana for an additional year to November 2018 in order to give staff time to complete their analysis financial and negative impacts on the City.

Mayor Wright opened the Public Hearing.

Jeffrey Klingler encouraged the Council to approve the extension of the Urgency Ordinance for one year, not just to give staff more time to study, but the message it sends out to the Bay Area that Antioch takes quality of life seriously. And not to be drawn in to the lure of that pot of money that recreational marijuana could bring to the City in tax revenue. What is going to be the impact on crime? What is going to be the impact on youth? Studies are pretty frightening on the impacts on youth.

Mayor Wright paused Jeffrey Klingler's comments to query Julie Emegokwue about her Speaker Card which was about Charter Schools. He let her know that she may be at the wrong meeting and that this topic was being discussed at the Planning Commission meeting at the Nick Rodriguez Community Center right now. She was given directions where the meeting was being held. He stated that there were only two requests to speak and both were in favor of the Staff recommendation.

Jeffrey Klinger continued regarding the impact to the City if the moratorium is not extended.

Tim McCall stated that Proposition 215, Proposition 64 and SB 420 created a great deal of questions which need to be answered. There is very little long term data for the Council to make a long term decision. He encouraged the Council to adopt the second extension before them to give staff time to research and make the correct decisions.

There being no further public comments, Mayor Wright closed the Public Hearing.

Council Member Tiscareno requested that there be separate votes on the staff report and the extension of the Urgency Ordinance as he had problems with the staff report and no issues with the extension. He believed that the staff report was one-sided. He said that 61 percent of Contra Costa voters and 57 percent statewide voted in favor of Prop 64. He thought the staff report should have been more open-minded. He would have preferred an unbiased staff report.

Council Member Thorpe agreed with Council Member Tiscareno. He said that the Council had given staff a year and that he had requested it be brought before the Economic Development Commission. He said the voters in Antioch voted for recreational marijuana even though he voted against it and that the voters had spoken on Prop 64.

Council Member Wilson agreed with the Council Members Tiscareno and Thorpe's comments. She was disappointed that there was no feedback from the Economic Development Commission.

Mayor Wright said that he had spoken with Keith Archuleta, Chair of the Economic Development Commission, asking him to have it on their agenda so the public can speak. He also said that he had spoken with several Mayors on the topic. He stated that we were not here tonight to make a decision, but to give staff additional time.

Council Member Thorpe asked if the extension could be for less than one year.

Acting Interim City Attorney Perez said that they could reduce the extension. She said there was a workshop in the spring which went back to the Economic Development Commission.

Council Member Thorpe interrupted the attorney and said that it was news to him that there was a workshop and it infuriated him even more.

Acting Interim City Attorney Perez stated that it was in the staff report; however she was not involved and was told that it was in the spring.

Acting City Manager Mastay said that it was at a Council Meeting where then City Attorney Michael Vigilia actually presented the information.

Council Member Thorpe said that it was then not a workshop and that it didn't go to the Economic Development Commission. That is was not the public outreach that they were specifically looking for.

Acting Interim City Attorney Perez apologized; as that was the information she had been given. But emphasized the extension was needed to give the most comprehensive analysis to the Council and that they want it to be correct.

Council Member Thorpe suggested a six-month extension.

Mayor Wilson said that a permanent ordinance could be brought back any time during the one-year extension.

A discussion ensued among the council members as to how long staff has already had to bring forth a permanent ordinance.

Council Member Tiscareno said he could not accept Recommended Action Item #1 to "Accept and Approve the report".

City Clerk Simonsen suggested that the council make a motion to receive the staff report and provide direction.

Council Member Tiscareno made a motion to receive the report and direct City Attorney come back with a more balanced report; seconded by Council Member Wilson.

AYES: Wilson, Thorpe, Tiscareno, Mayor Wright *Noes: None* *Absent: Ogorchock*

The motion passed.

The Council then moved on to discuss Recommended Action Item #2, to extend the moratorium on recreational uses of marijuana.

Council Member Tiscareno asked when Prop 64 takes effect. Acting Interim City Attorney Perez said it would be February 1, 2018, which was later corrected by Council Member Wilson that it would take effect January 1, 2018.

City Clerk Simonsen said that while Prop 64 takes effect January 1st, the State has yet to complete the implementing regulations and will only be issuing temporary licenses to those jurisdictions which have approved recreational marijuana. As such, staff will not have a complete picture of what the State regulations will be until the spring of 2018.

Discussion ensued among the Council as to the duration for the second extension, whether it should be for six months, one year or a compromise of nine months.

Mayor Wright reminded the Council that all four council members present will need four affirmative votes to pass the extension of the Urgency Ordinance since it requires a 4/5ths vote. He also stated that he would be willing to compromise on a nine-month extension.

Council Member Tiscareno made a motion to adopt the second extension of the interim urgency ordinance establishing a temporary moratorium on non-recreational marijuana uses for six (6) months; seconded by Council Member Thorpe.

Members of the public wanted to speak on the motion, so the maker and second of the motion withdrew the motion and Mayor Wright reopened the public hearing,

Julia Emegokwue spoke in favor of businesses being able to sell and citizens to be able to use marijuana. She said that marijuana was not a drug; that it is a Native American medicinal herb used for cultural health and spiritual purposes. That would also be economically beneficial to the City. She said that there would have to be safeguards to ensure that minors and felons didn't have access.

Tim McCall said that he was at the first meeting as a member of the Economic Development Commission to have staff provide them with more information. He stated that it would be irresponsible to extend the urgency ordinance for less than one year. He stated that the staff and Economic Development Commission need more time and the council should direct the staff to provide periodic updates. He stated that the Commission only meets every other month.

Jeffrey Klingler was sympathetic to the concerns of the Council about the lack of additional information in the staff report. There is a lot of new and additional information which needs to be assessed. It is a complicated issue and the Council should direct staff on a time schedule for updates and status reports. He strongly encouraged the Council to extend it for one year.

Mayor Wright closed the Public Hearing.

Mayor Wright asked the Acting City Manager how much time staff would need and she replied that staff would need the full year. When asked if staff could provide regular updates, she replied yes, if directed by Council.

Council Member Thorpe asked about what the Economic Development Commission has done regarding the issue.

Economic Development Manager Lizeht Zepeda stated that it was brought to the commission in October. A discussion followed as to when the commission was asked by the council to study the issue.

The Council had further discussion regarding how long the extension should be.

Council Member Tiscareno made a motion to adopt an interim urgency ordinance of the City Council of the City of Antioch extending a temporary moratorium on non-medical marijuana uses with the City of Antioch pending completion of an updated to the City's zoning ordinance for nine (9) months and direct staff to bring a report back to council every two months; seconded by Council Member Thorpe.

AYES: Wilson, Thorpe, Tiscareno

Noes: Wright

Absent: Ogorchock

The motion failed.

Mayor Wright made a motion to adopt an interim urgency ordinance of the City Council of the City of Antioch extending a temporary moratorium on non-medical marijuana uses with the City of Antioch pending completion of an updated to the City's zoning ordinance for a period of twelve (12) months and directing staff to provide a report to council every two months; seconded by Council Member Wilson.

Ayes: Wilson, Wright

Noes: Thorpe, Tiscareno

Absent: Ogorchock

The motion failed 2-2

Council Member Tiscareno made a motion to reconsider the first motion to adopt an interim urgency ordinance of the City Council of the City of Antioch extending a temporary moratorium on non-medical marijuana uses with the City of Antioch pending completion of an updated to the City's zoning ordinance for nine (9) months and direct staff to bring a report back to Council every two months; seconded by Council Member Thorpe.

Ayes: Wilson, Thorpe, Tiscareno & Mayor Wright

Absent: Ogorchock

The motion passed and the Urgency Ordinance was adopted for a period on nine (9) months.

PUBLIC COMMENTS – None

STAFF COMMUNICATIONS – None

COUNCIL COMMUNICATIONS – None

ADJOURNMENT

With no further business, Mayor Wright adjourned the meeting at 8:05 P.M. to the next regular Council Meeting on November 14, 2017.

Respectfully submitted:

ARNE SIMONSEN, CMC, City Clerk

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100 General Fund

Non Departmental

371460	MICHAEL BAKER INTERNATIONAL	CONSULTING SERVICES	10,497.50
371471	RANEY PLANNING & MANAGEMENT	CONSULTING SERVICES	41,815.78
371557	KEJET INC	REFUND CBSC FEE	2.07
371657	CALIFORNIA BUILDING STANDARDS	1ST QTR 17/18 REMITTANCE	1,512.00
371674	DELTA DENTAL	PAYROLL DEDUCTIONS	497.44
371719	RANEY PLANNING & MANAGEMENT	CONSULTING SERVICES	32,207.38
930289	FERGUSON ENTERPRISES INC	SB 1186 FEE REFUND	1.00
930303	ZUMWALT ENGINEERING GROUP INC	CONSULTING SERVICES	1,978.42

City Council

371369	BANK OF AMERICA	LODGING-OGORCHOCK	634.17
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City Attorney

371383	CALIF DEPARTMENT OF JUSTICE	FINGERPRINTING	49.00
371418	CALIF, STATE OF	USE TAX	0.87
371426	CONTINUING EDUCATION OF THE BAR	LEGAL UPDATES	176.74
371428	COTA COLE ATTORNEYS LLP	LEGAL SERVICES	20,192.07
371429	COTA COLE ATTORNEYS LLP	LEGAL SERVICES	27.68
371436	DIABLO LIVE SCAN	FINGERPRINTING	20.00
371443	GIBBONS AND CONLEY	LEGAL SERVICES	10,490.49
371454	LIEBERT CASSIDY WHITMORE	LEGAL SERVICES	864.00
371488	TELECOM LAW FIRM PC	LEGAL SERVICES	1,150.00
371489	TELECOM LAW FIRM PC	LEGAL SERVICES	919.78
371490	TELECOM LAW FIRM PC	LEGAL SERVICES	1,235.00
371523	CONTINUING EDUCATION OF THE BAR	LEGAL UPDATES	247.11
371529	COTA COLE ATTORNEYS LLP	LEGAL SERVICES	25,817.49
371544	GIBBONS AND CONLEY	PROFESSEIONAL SERVICES	9,200.19
371560	LEXISNEXIS	LEGAL RESEARCH	70.32
371592	TELECOM LAW FIRM PC	PROFESSEIONAL SERVICES	782.00
930460	RAY MORGAN COMPANY	COPIER USAGE	185.51

City Manager

371369	BANK OF AMERICA	FACEBOOK BOOST	334.07
371418	CALIF, STATE OF	USE TAX	1,128.87
371492	THE PIN CENTER	LAPEL PINS	978.50
371709	OFFICE MAX INC	OFFICE SUPPLIES	69.35
930460	RAY MORGAN COMPANY	COPIER USAGE	185.51

City Clerk

371370	BANK OF AMERICA	CONFERENCE/DUES	1,493.50
371418	CALIF, STATE OF	USE TAX	0.87
371483	SIMONSEN, ARNE	MILEAGE REIMBURSEMENT	327.96

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371678	EIDEN, KITTY J	MINUTES CLERK	1,769.00
371709	OFFICE MAX INC	OFFICE SUPPLIES	33.90
930460	RAY MORGAN COMPANY	COPIER USAGE	185.51
City Treasurer			
371543	GARDA CL WEST INC	10/17 ARMORED CAR PICK UP	252.07
371716	PFM ASSET MGMT LLC	ADVISORY SERVICES	7,562.03
Human Resources			
371418	CALIF, STATE OF	USE TAX	1.37
371447	IEDA INC	PROFESSIONAL SERVICES	4,191.59
371449	JACKSON LEWIS LLP	PROFESSIONAL SERVICES	990.00
371682	EMPLOYEE	EDUCATION REIMBURSEMENT	800.00
371714	EMPLOYEE	EDUCATION REIMBURSEMENT	1,000.00
930460	RAY MORGAN COMPANY	COPIER USAGE	464.84
Economic Development			
371377	BEST BEST AND KRIEGER LLP	LEGAL SERVICES	3,159.52
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC	183.15
371528	CCC TAX COLLECTOR	PROPERTY TAX	407.62
930460	RAY MORGAN COMPANY	COPIER USAGE	185.51
Finance Administration			
371418	CALIF, STATE OF	USE TAX	0.45
930460	RAY MORGAN COMPANY	COPIER USAGE	471.00
Finance Accounting			
371418	CALIF, STATE OF	USE TAX	2.53
930282	SUPERION LLC	PROJECT SUPPORT	7,040.00
930452	COMPUTERLAND	COMPUTER SOFTWARE	424.42
Finance Operations			
371418	CALIF, STATE OF	USE TAX	11.10
371470	PROGRESSIVE SOLUTIONS INC	USER CONFERENCE FEE	425.00
371595	UNITED STATES POSTAL SERVICE	CITY PO BOX 5007 SERVICE FEES	650.00
371660	CAVINESS, FELICIA RENEE	EXPENSE REIMBURSEMENT	35.74
371661	COLLINS, SHJUANA LATRICE	EXPENSE REIMBURSEMENT	35.74
371709	OFFICE MAX INC	OFFICE SUPPLIES	44.02
930460	RAY MORGAN COMPANY	COPIER USAGE	533.31
Non Departmental			
371418	CALIF, STATE OF	USE TAX	23.90
371427	COSTCO	EMPLOYEE PICNIC SUPPLIES	436.33
371463	MUNICIPAL POOLING AUTHORITY	PREMIUM	22,277.22
371573	MUNISERVICES LLC	BL DISCOVERY SERVICES	33,106.12
371675	DELTA DIABLO	WATER	9,217.22
930289	FERGUSON ENTERPRISES INC	BUS LIC TAX REFUND	2,705.22

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930363 RETIREE	MEDICAL AFTER RETIREMENT	1,709.04
Public Works Maintenance Administration		
930460 RAY MORGAN COMPANY	COPIER USAGE	58.11
Public Works General Maintenance Services		
930460 RAY MORGAN COMPANY	COPIER USAGE	154.97
Public Works Street Maintenance		
371378 BIG SKY LOGOS AND EMBROIDERY	SUPPLIES	586.09
371418 CALIF, STATE OF	USE TAX	104.30
371430 COUNTY ASPHALT	PAVING MATERIALS	1,881.47
371680 FASTENAL CO	SUPPLIES	103.16
371709 OFFICE MAX INC	OFFICE SUPPLIES	54.66
930283 TELFER OIL COMPANY	TACK OIL	1,388.34
Public Works-Signal/Street Lights		
371363 AMERICAN GREENPOWER USA INC	STREET LIGHTS	3,399.80
371418 CALIF, STATE OF	USE TAX	244.34
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	5,582.78
371501 WESCO RECEIVABLES CORP	LIGHT POLE	337.67
371667 CONTRA COSTA COUNTY	TRAFFIC SIGNAL MAINTENANCE	21,235.58
371697 KIS	SOFTWARE SUPPORT	3,125.75
371731 STATE OF CALIFORNIA	SIGNAL LIGHT MAINTENANCE	3,393.20
930294 ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	1,592.26
930456 ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	2,191.03
Public Works-Striping/Signing		
371418 CALIF, STATE OF	USE TAX	13.03
371437 DISPENSING TECHNOLOGY CORP	SUPPLIES	3,755.00
371459 MANERI SIGN COMPANY	SIGNS	966.57
371511 ACE HARDWARE, ANTIOCH	PRUNING BLADE	6.06
371513 BANK OF AMERICA	DOT-NORTHAM	75.00
371535 EAST BAY WELDING SUPPLY	SUPPLIES	93.11
371565 MANERI SIGN COMPANY	SIGNS	5,359.21
371600 ZAP MANUFACTURING INC	REFURBISH SIGN ORDER	8,741.16
371644 ALTA FENCE	FENCE REPAIR	627.00
371695 INTERSTATE SALES	BASES	784.76
371732 SUBURBAN PROPANE	PROPANE	65.00
Public Works-Facilities Maintenance		
371378 BIG SKY LOGOS AND EMBROIDERY	SUPPLIES	586.09
371418 CALIF, STATE OF	USE TAX	28.33
371469 PACIFIC GAS AND ELECTRIC CO	GAS	14,653.65
371501 WESCO RECEIVABLES CORP	SUPPLIES	571.71
371511 ACE HARDWARE, ANTIOCH	SUPPLIES	19.56

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371513	BANK OF AMERICA	SUPPLIES	454.35
371528	CCC TAX COLLECTOR	PROPERTY TAX	2,445.72
371532	DREAM RIDE ELEVATOR	ELEVATOR SERVICES	240.00
371551	HOME DEPOT, THE	SUPPLIES	733.62
371601	WOODIWISS PAINTING	CITY HALL PAINTING	1,610.00
371641	ACME SECURITY SYSTEMS	ALARM REPAIR	295.00
371679	EXTRON ELECTRONICS	SUPPLIES	2,043.66
371708	OAKLEYS PEST CONTROL	PEST CONTROL	390.00
371722	ROCHESTER MIDLAND CORP	SANITIZING SERVICES	226.13
371738	WESCO RECEIVABLES CORP	SUPPLIES	224.04
371740	WILCO SUPPLY	SUPPLIES	79.11
930288	CDW GOVERNMENT INC	EQUIPMENT	331.58
930290	GRAINGER INC	SUPPLIES	48.68
930449	CDW GOVERNMENT INC	CABLES	165.55
Public Works-Parks Maint			
371418	CALIF, STATE OF	USE TAX	54.48
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC	662.72
371475	RON TONKIN IRRIGATION	WIRE REPAIR	225.00
371528	CCC TAX COLLECTOR	PROPERTY TAXES	7,373.16
371589	SPECIALIZED GRAPHICS	MEADOWBROOK SIGN	6,076.00
371591	STEWARTS TREE SERVICE INC	TREE SERVICES	1,820.00
371711	PACHECO BROTHERS GARDENING INC	LANDSCAPE SERVICES	9,900.00
371723	RON TONKIN IRRIGATION	SUPPLIES	225.00
930463	JOHN DEERE LANDSCAPES PACHECO	CONTROLLER REPAIR	292.28
Public Works-Median/General Land			
371365	ACE HARDWARE, ANTIOCH	SUPPLIES	21.24
371418	CALIF, STATE OF	USE TAX	42.47
371468	PACIFIC COAST LANDSCAPE MGMT	LANDSCAPE SERVICES	12,602.12
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC	1,738.18
371482	SILVA LANDSCAPE	LANDSCAPE SERVICES	3,420.00
371591	STEWARTS TREE SERVICE INC	TREE SERVICES	520.00
371647	ACE HARDWARE, ANTIOCH	PVC FITTINGS	58.00
371689	HORIZON	CONTROLLER	478.84
371712	PACIFIC COAST LANDSCAPE MGMT	LANDSCAPE SERVICES	5,601.00
371727	SILVA LANDSCAPE	LANDSCAPE SERVICES	7,636.48
371733	TARGET SPECIALTY PRODUCTS	CHEMICAL SUPPLIES	10,526.79
930463	JOHN DEERE LANDSCAPES PACHECO	IRRIGATION CONTROLLER PARTS	7,272.23
Public Works-Work Alternative			
371418	CALIF, STATE OF	USE TAX	2.99

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Police Administration

371373 BANK OF AMERICA	SWAT GEAR	149.75
371374 BANK OF AMERICA	TRAINING C.BROGDON	3,941.82
371375 BANK OF AMERICA	MEETING EXPENSE	2,324.94
371380 BITTNER, DESMOND D	TRAINING PER DIEM	148.00
371382 BROOKS, TAMMANY N	TRAINING PER DIEM	148.00
371418 CALIF, STATE OF	USE TAX	79.73
371438 DUGAN, PAUL	TRAINING PER DIEM	320.00
371445 HILTON	LODGING-BLUMBERG	319.68
371448 INN AT THE TIDES, THE	LODGING-BROOKS	547.20
371452 KEO-VANN, TRAK	TRAINING PER DIEM	320.00
371456 LIONS GATE HOTEL	LODGING-RUPANI	541.75
371457 LIONS GATE HOTEL	LODGING-DUGAN	541.75
371458 MAGANA, JOSEPH J	EXPENSE REIMBURSEMENT	35.01
371461 MOREFIELD, ANTHONY W	TRAINING PER DIEM	148.00
371465 NET TRANSCRIPTS	TRANSCRIPTION SERVICES	498.56
371466 OFFICE MAX INC	OFFICE SUPPLIES	1,149.31
371467 OFFICE MAX INC	OFFICE SUPPLIES	1,804.93
371473 RELIANT HIRING SOLUTIONS	RECRUITING EVENT 12/19	350.00
371476 RUPANI, FRANK M	TRAINING PER DIEM	320.00
371477 SACTO REGIONAL PUBLIC SAFETY	TRAINING-RUPANI	121.00
371478 SACTO REGIONAL PUBLIC SAFETY	TRAINING-DUGAN	121.00
371479 SAFESTORE INC	EVIDENCE STORAGE	2,188.91
371480 SETCOM CORPORATION	RADIO HEADSETS	3,769.73
371486 STATE OF CALIFORNIA	DOJ FEES	674.00
371494 UC REGENTS	RECRUITING FAIR 10/19/17	375.00
371496 UNIVERSITY OF SAN FRANCISCO	TRAINING T.BROOKS	350.00
371497 UNIVERSITY OF SAN FRANCISCO	TRAINING A.MOREFIELD	350.00
371498 UNIVERSITY OF SAN FRANCISCO	TRAINING D.BITTNER	350.00
371515 BLUMBERG, FREDRICK C.	TRAINING PER DIEM	128.00
371517 CALIFORNIA HIGHWAY PATROL	TRAINING R.SOLARI	314.66
371518 CALIFORNIA HIGHWAY PATROL	TRAINING E.JOHNSEN	314.66
371527 CCC POLICE CHIEFS ASSOC	TRAINING MEAL ALLOWANCE	350.13
371541 GALLS INC	TAPE	144.85
371548 HOLIDAY INN	LODGING T.BROOKS	382.94
371549 HOLIDAY INN	LODGING A.MOREFIELD	382.94
371550 HOLIDAY INN	LODGING D.BITTNER	382.94
371581 PITNEY BOWES INC	POSTAGE	316.37
371582 PORAC LEGAL DEFENSE FUND	RESERVE LEGAL DEFENSE DUES	40.50
371587 SHRED IT INC	SHRED SERVICES	978.12

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371641	ACME SECURITY SYSTEMS	KEY FOBS	576.84
371642	ADAMSON POLICE PRODUCTS	PATCHES	194.85
371656	BROWNELLS INC	RIFLE PARTS	977.89
371663	CONCORD UNIFORMS LLC	UNIFORM-KRENZ	5,165.75
371665	CONTRA COSTA COUNTY	TRAINING FEES	390.00
371671	CRIME SCENE CLEANERS INC	CRIME SCENE CLEANUP	250.00
371672	CSI FORENSIC SUPPLY	SUPPLIES	105.44
371677	ED JONES CO INC	BADGES	1,898.55
371683	GALLS INC	SUPPLIES	150.93
371692	IBS OF TRI VALLEY	BATTERIES	433.95
371698	LC ACTION POLICE SUPPLY	SUPPLIES	2,912.56
371709	OFFICE MAX INC	OFFICE SUPPLIES	1,364.79
371713	PARS	PD SUPPLEMENTAL	2,200.00
371718	RADAR SHOP, THE	LIDAR SERVICE	433.75
930280	MOBILE MINI LLC	STORAGE	260.46
930295	IMAGE SALES INC	BADGE	20.56
930297	MOBILE MINI LLC	STORAGE	115.39
930458	IMAGE SALES INC	ID CARD	20.56
930460	RAY MORGAN COMPANY	COPIER USAGE	2,788.54
Police Prisoner Custody			
930460	RAY MORGAN COMPANY	COPIER USAGE	73.97
Police Community Policing			
371418	CALIF, STATE OF	USE TAX	90.57
371481	SHEFFIELD, ALAN PAUL	EXPENSE REIMBURSEMENT	109.62
371530	CRIME SCENE CLEANERS INC	CRIME SCENE CLEANUP	100.00
371537	EAST HILLS VETERINARY HOSPITAL	VETERINARY SERVICES	56.44
371568	MOORE K9 SERVICES	K9 TRAINING	800.00
Police Investigations			
371418	CALIF, STATE OF	USE TAX	0.97
371425	COMMERCIAL SUPPORT SERVICES	CAR WASHES	466.00
371485	SPECIAL SERVICES GROUP LLC	TRACKING DEVICE	973.32
371524	CONTRA COSTA COUNTY	RENDITION	350.00
371559	LEXISNEXIS	MONTHLY SUBSCRIPTION	255.00
371650	AUTO WORLD INC	VEHICLE LEASE	2,722.00
371666	CONTRA COSTA COUNTY	CRIME LAB TESTING	2,948.40
930460	RAY MORGAN COMPANY	COPIER USAGE	1,024.69
Police Special Operations Unit			
371593	TOYOTA FINANCIAL SERVICES	VEHICLE LEASE	1,617.67
Police Communications			
371418	CALIF, STATE OF	USE TAX	0.90

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371508 AMERICAN TOWER CORPORATION	TOWER RENTAL	236.82
371512 AT AND T MCI	DISPATCH PHONE LINES	53.07
371522 COMCAST	PD HIGH SPEED ISP	350.14
371597 VERIZON WIRELESS	DATA SERVICE	2,204.58
371662 COMCAST	PD HIGH SPEED ISP	356.32
Police Community Volunteers		
371418 CALIF, STATE OF	USE TAX	0.14
Police Facilities Maintenance		
371373 BANK OF AMERICA	FRAMES	220.68
371375 BANK OF AMERICA	GYM SOURCE EQUIPMENT	333.52
371418 CALIF, STATE OF	USE TAX	2.68
371469 PACIFIC GAS AND ELECTRIC CO	GAS	22,844.27
371513 BANK OF AMERICA	BENCH	459.90
371532 DREAM RIDE ELEVATOR	ELEVATOR SERVICE	80.00
371584 PURSUIT NORTH	VEHICLE UPFIT	13,245.17
371701 M AND L OVERHEAD DOORS	GATE REPAIR	1,997.60
371717 PURSUIT NORTH	2 K9 VEHICLES	12,970.99
930451 CLUB CARE INC	GYM MAINTENANCE	225.00
Community Development Administration		
371514 BANK OF AMERICA	SUPPLIES	28.01
Community Development Land Planning Services		
371372 BANK OF AMERICA	KS - APA CONFERENCE	694.99
371460 MICHAEL BAKER INTERNATIONAL	CONSULTING SERVICES	7,324.96
371538 EIDEN, KITTY J	MINUTES CLERK	252.00
371693 ICF JONES AND STOKES INC	CONSULTING SERVICES	92,413.66
371702 MICHAEL BAKER INTERNATIONAL	CONSULTING SERVICES	1,785.00
371704 MORRIS, ALEXIS S	EXPENSE REIMBURSEMENT	924.62
371726 SCUDERO, KEVIN S	EXPENSE REIMBURSEMENT	379.82
930460 RAY MORGAN COMPANY	COPIER USAGE	250.27
CD Code Enforcement		
371372 BANK OF AMERICA	CAMERA	238.13
371418 CALIF, STATE OF	USE TAX	1.78
371493 TRB AND ASSOCIATES	CONSULTING SERVICES	12,480.00
371514 BANK OF AMERICA	SUPPLIES	51.69
371525 CONTRA COSTA COUNTY	RECORDING FEES	291.00
371556 K2GC	ABATEMENT SERVICES	2,211.76
371562 LOPEZ, TAYLOR M	MILEAGE REIMBURSEMENT	36.17
371566 MICHAEL, CURTIS BERNARD	TRAINING EXP REIMBURSEMENT	577.19
371588 SIDIE, JUSTINE NICOLE	TRAINING EXP REIMBURSEMENT	111.42
371643 ALL STAR FORD	VEHICLE	24,920.54

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371654 BRIDGEHEAD SELF STORAGE	STORAGE FEES	225.00
371734 TRB AND ASSOCIATES	CONSULTING SERVICES	44,550.00
930460 RAY MORGAN COMPANY	COPIER USAGE	193.52
PW Engineer Land Development		
371368 ARC ALTERNATIVES	PROFESSIONAL SERVICES	4,245.00
371418 CALIF, STATE OF	USE TAX	0.89
371450 JN ENGINEERING	INSPECTION SERVICES	14,000.00
930460 RAY MORGAN COMPANY	COPIER USAGE	325.71
Community Development Building Inspection		
371370 BANK OF AMERICA	RECRUITMENT ADVERTISING	375.00
371418 CALIF, STATE OF	USE TAX	5.49
371557 KEJET INC	REFUND ENERGY INSPECTION FEE	199.79
371574 OFFICE MAX INC	OFFICE SUPPLIES	452.22
930293 HOYA SAFETY	SAFETY GLASSES-BOCCIO	290.91
930460 RAY MORGAN COMPANY	COPIER USAGE	250.27
Capital Imp. Administration		
371467 OFFICE MAX INC	OFFICE SUPPLIES	10.10
371553 INSTITUTE OF TRANSPORTATION	ITE 2018 ANNUAL DUES	325.00
930460 RAY MORGAN COMPANY	COPIER USAGE	135.02
Community Development Engineering Services		
371418 CALIF, STATE OF	USE TAX	0.31
371467 OFFICE MAX INC	OFFICE SUPPLIES	194.86
930460 RAY MORGAN COMPANY	COPIER USAGE	131.06
212 CDBG Fund		
CD Code Enforcement		
930292 HOUSE, TERI	CONSULTING SERVICES	9,457.50
CDBG		
371372 BANK OF AMERICA	TRAINING	30.00
371418 CALIF, STATE OF	USE TAX	0.88
371684 GHILOTTI BROS INC	CDBG DOWNTOWN PROJECT	139,753.74
371705 MOTOROLA SOLUTIONS INC	APX7000 DUAL BAND	6,427.65
213 Gas Tax Fund		
Streets		
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	29,392.22
214 Animal Control Fund		
Animal Control		
371375 BANK OF AMERICA	ANIMAL SERVICES EXPENSE	2,209.12
371418 CALIF, STATE OF	USE TAX	26.48
371439 EAST HILLS VETERINARY HOSPITAL	VETERINARY SERVICES	3,220.88
371469 PACIFIC GAS AND ELECTRIC CO	GAS	1,268.14

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371676 EAST HILLS VETERINARY HOSPITAL	VETERINARY SERVICES	8,621.85
371728 STARLINE SUPPLY COMPANY	SUPPLIES	1,084.84
930460 RAY MORGAN COMPANY	COPIER USAGE	405.90
Maddie's Fund Grant		
371418 CALIF, STATE OF	USE TAX	0.45
219 Recreation Fund		
Non Departmental		
371371 BANK OF AMERICA	TRANSLATION SERVICES	343.84
371418 CALIF, STATE OF	USE TAX	0.62
371419 CARRENO, MARGARITO	FACILITY DEPOSIT REFUND	1,000.00
371420 CARRILLO, PATRICIA	FACILITY DEPOSIT REFUND	1,000.00
371434 DEDOMENICO, KIMBER	FACILITY DEPOSIT REFUND	1,000.00
371730 STATE BOARD OF EQUALIZATION	SALES TAX	972.62
Recreation Admin		
371418 CALIF, STATE OF	USE TAX	1.63
371451 KELLY MOORE PAINT CO	SUPPLIES	108.56
371469 PACIFIC GAS AND ELECTRIC CO	GAS	3,952.95
Senior Programs		
371418 CALIF, STATE OF	USE TAX	0.06
371469 PACIFIC GAS AND ELECTRIC CO	GAS	2,635.29
Recreation Sports Programs		
371371 BANK OF AMERICA	BASKETBALL SHOOTING MACHINE	5,000.00
371418 CALIF, STATE OF	USE TAX	5.89
371442 GARDA CL WEST INC	ARMORED CAR PICK UP	54.85
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	2,299.97
371542 GARDA CL WEST INC	ARMORED CAR SERVICE	121.93
Recreation-New Comm Cntr		
371371 BANK OF AMERICA	MEMBER DUES	365.35
371418 CALIF, STATE OF	USE TAX	7.85
371423 COLE SUPPLY CO INC	JANITORIAL SUPPLIES	614.48
371431 CPR FAST	CONTRACTOR PAYMENT	222.00
371442 GARDA CL WEST INC	ARMORED CAR PICK UP	54.84
371472 REAL PROTECTION INC	SYSTEM SERVICE	1,551.47
371522 COMCAST	ACC PUBLIC INTERNET	1,588.45
371533 DUGAND, KARINA	CONTRACTOR PAYMENT	421.20
371542 GARDA CL WEST INC	ARMORED CAR SERVICE	121.93
371570 MUIR, ROXANNE	CONTRACTOR PAYMENT	918.00
371586 RIDLEY, DEXTER	CONTRACTOR PAYMENT	126.00
371662 COMCAST	ACC PUBLIC INTERNET	1,588.45
371709 OFFICE MAX INC	SUPPLIES	36.95

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930455 HAMMONS SUPPLY COMPANY	SUPPLIES	160.80
930460 RAY MORGAN COMPANY	COPIER USAGE	396.93
221 Asset Forfeiture Fund		
Non Departmental		
371668 CONTRA COSTA COUNTY	ASSET FORFEITURE	658.11
371669 CONTRA COSTA COUNTY	ASSET FORFEITURE	67.35
226 Solid Waste Reduction Fund		
Solid Waste Used Oil		
371418 CALIF, STATE OF	USE TAX	1.07
Solid Waste		
371418 CALIF, STATE OF	USE TAX	18.75
229 Pollution Elimination Fund		
Channel Maintenance Operation		
371418 CALIF, STATE OF	USE TAX	12.25
371468 PACIFIC COAST LANDSCAPE MGMT	CHANNEL MAINTENANCE	2,800.50
371567 MJH EXCAVATING INC	LANDSCAPE SERVICES	5,570.00
371578 PACIFIC COAST LANDSCAPE MGMT	LANDSCAPE SERVICES	2,800.50
371712 PACIFIC COAST LANDSCAPE MGMT	CHANNEL MAINTENANCE	2,520.46
371720 RMC WATER AND ENVIRONMENT	PROFESSIONAL SERVICES	52.50
238 PEG Franchise Fee Fund		
Non Departmental		
371418 CALIF, STATE OF	USE TAX	0.25
251 Lone Tree SLLMD Fund		
Lonetree Maintenance Zone 1		
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	852.22
371491 TERRACARE ASSOCIATES	TURF MOWING	136.60
930456 ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	710.25
Lonetree Maintenance Zone 2		
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	746.46
930463 JOHN DEERE LANDSCAPES PACHECO	IRRIGATION CONTROLLER PARTS	539.75
Lonetree Maintenance Zone 4		
371491 TERRACARE ASSOCIATES	TURF MOWING	218.56
252 Downtown SLLMD Fund		
Downtown Maintenance		
371418 CALIF, STATE OF	USE TAX	2.34
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	250.66
371491 TERRACARE ASSOCIATES	TURF MOWING	136.60
253 Almondridge SLLMD Fund		
Almondridge Maintenance		
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	221.36

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254 Hillcrest SLLMD Fund		
Hillcrest Maintenance Zone 1		
371367	APEX GRADING	WEED ABATEMENT 5,000.00
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 787.82
371482	SILVA LANDSCAPE	LANDSCAPE SERVICES 7,964.80
371491	TERRACARE ASSOCIATES	TURF MOWING 355.16
371727	SILVA LANDSCAPE	LANDSCAPE SERVICES 3,185.92
Hillcrest Maintenance Zone 2		
371367	APEX GRADING	WEED ABATEMENT 3,000.00
371468	PACIFIC COAST LANDSCAPE MGMT	LANDSCAPE SERVICES 1,120.20
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 772.24
371491	TERRACARE ASSOCIATES	TURF MOWING 486.30
371712	PACIFIC COAST LANDSCAPE MGMT	LANDSCAPE SERVICES 9,054.92
371727	SILVA LANDSCAPE	LANDSCAPE SERVICES 3,982.40
Hillcrest Maintenance Zone 4		
371367	APEX GRADING	WEED ABATEMENT 8,000.00
371418	CALIF, STATE OF	USE TAX 9.15
371468	PACIFIC COAST LANDSCAPE MGMT	LANDSCAPE SERVICES 2,613.78
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 664.62
371491	TERRACARE ASSOCIATES	TURF MOWING 273.20
255 Park 1A Maintenance District Fund		
Park 1A Maintenance District		
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 191.64
371491	TERRACARE ASSOCIATES	TURF MOWING 355.16
256 Citywide 2A Maintenance District Fund		
Citywide 2A Maintenance Zone 3		
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 81.67
371491	TERRACARE ASSOCIATES	TURF MOWING 5.46
Citywide 2A Maintenance Zone 4		
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 322.32
Citywide 2A Maintenance Zone 5		
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 381.05
Citywide 2A Maintenance Zone 6		
371418	CALIF, STATE OF	USE TAX 8.81
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 234.45
371491	TERRACARE ASSOCIATES	TURF MOWING 327.84
Citywide 2A Maintenance Zone 8		
371491	TERRACARE ASSOCIATES	TURF MOWING 27.32
Citywide 2A Maintenance Zone 9		
371469	PACIFIC GAS AND ELECTRIC CO	ELECTRIC 506.42

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371491 TERRACARE ASSOCIATES	TURF MOWING	81.96
Citywide 2A Maintenance Zone10		
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	125.30
257 SLLMD Administration Fund		
SLLMD Administration		
371418 CALIF, STATE OF	USE TAX	9.81
371491 TERRACARE ASSOCIATES	TURF MOWING	327.84
371513 BANK OF AMERICA	DOT-BECHTHOLDT	75.00
371688 HEWLETT PACKARD COMPANY	COMPUTER EQUIPMENT	130.08
311 Capital Improvement Fund		
Parks & Open Space		
371720 RMC WATER AND ENVIRONMENT	PROFESSIONAL SERVICES	42,505.15
376 Lone Diamond Fund		
Assessment District		
371520 CENTRAL SELF STORAGE ANTIOCH	STORAGE FEE	229.00
570 Equipment Maintenance Fund		
Non Departmental		
371446 HUNT AND SONS INC	FUEL	17,851.65
371690 HUNT AND SONS INC	FUEL	15,241.59
Equipment Maintenance		
371361 ALL STAR AUTO ELECTRIC	AUTO REPAIR	586.01
371365 ACE HARDWARE, ANTIOCH	SUPPLIES	11.69
371366 ANTIOCH AUTO PARTS	AUTO PARTS	558.88
371379 BILL BRANDT FORD	AUTO REPAIR PARTS	960.60
371418 CALIF, STATE OF	USE TAX	195.29
371469 PACIFIC GAS AND ELECTRIC CO	ELECTRIC	857.40
371499 WALNUT CREEK CHRYSLER JEEP DODGE	AUTO PARTS	64.95
371500 WALNUT CREEK FORD	AUTO PARTS	195.30
371502 WESTERN TRUCK FAB	EQUIPMENT REPAIR	880.00
371503 WINTER CHEVROLET CO	AUTO PARTS	34.04
371506 AFFORDABLE TIRE CENTER	VEHICLE SERVICE	100.00
371513 BANK OF AMERICA	DOT-ALVAREZ	75.98
371516 CABRAL	AUTO PARTS	501.29
371521 CHUCKS BRAKE AND WHEEL SERVICE	BATTERIES & BRAKE PARTS	2,349.54
371534 EAST BAY TIRE CO	AUTO SERVICES	70.19
371563 MAACO	ACCIDENT REPAIR	2,755.61
371564 MAKAI SOLUTIONS	EQUIPMENT REPAIR	1,243.61
371571 MUNICIPAL MAINT EQUIPMENT INC	EQUIPMENT PARTS	457.84
371580 PETERSON	EQUIPMENT PARTS	10.17
371583 PRECISION BRAKE AND FRONT END	AUTO SERVICE	60.00

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371584 PURSUIT NORTH	AUTO PARTS	962.10
371594 TRED SHED, THE	TIRES	3,840.45
371649 ANTIOCH GLASS	AUTO REPAIR	260.94
371652 BILL BRANDT FORD	AUTO PARTS	264.27
371703 MITCHELL ONE INC	SOFTWARE LEASING	3,993.56
371710 OREILLY AUTO PARTS	SHOP TOOL	89.99
371717 PURSUIT NORTH	SUPPLIES	836.31
371724 ROYAL BRASS INC	AUTO PARTS	303.10
371725 SCELZI ENTERPRISES INC	VEHICLE EQUIPMENT	1,529.03
371737 WALNUT CREEK FORD	AUTO PARTS	1,552.65
371739 WESTERN TRUCK FAB	EQUIPMENT PARTS	28.44
930287 BIG SKY ENTERPRISES INC	USED TIRE DISPOSAL	665.50
930294 ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	1,510.26
930300 SC FUELS	OIL	3,720.37
930460 RAY MORGAN COMPANY	COPIER USAGE	71.03
573 Information Services Fund		
Network Support & PCs		
371418 CALIF, STATE OF	USE TAX	7.35
371522 COMCAST	CONNECTION SERVICES	1,028.98
371558 KIS	TIME & MATERIAL BILLING	150.00
371662 COMCAST	CONNECTION SERVICES	1,028.98
371697 KIS	SOFTWARE SUPPORT	1,846.00
930449 CDW GOVERNMENT INC	CABLES	83.34
930460 RAY MORGAN COMPANY	COPIER USAGE	14.61
Telephone System		
371507 AMERICAN MESSAGING	PAGER SERVICE	42.67
Office Equipment Replacement		
371418 CALIF, STATE OF	USE TAX	6.09
371673 DELL COMPUTERS	COMPUTER EQUIPMENT	826.63
930448 ALTURA COMMUNICATION SOLUTIONS	PROFESSIONAL SERVICES	1,113.00
577 Post Retirement Medical-Police Fund		
Non Departmental		
371603 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
371605 RETIREE	MEDICAL AFTER RETIREMENT	1,139.00
371606 RETIREE	MEDICAL AFTER RETIREMENT	733.39
371607 RETIREE	MEDICAL AFTER RETIREMENT	1,778.81
371614 RETIREE	MEDICAL AFTER RETIREMENT	1,045.42
371617 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
371622 RETIREE	MEDICAL AFTER RETIREMENT	905.87
371625 RETIREE	MEDICAL AFTER RETIREMENT	129.00

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371626 RETIREE	MEDICAL AFTER RETIREMENT	1,229.46
371632 RETIREE	MEDICAL AFTER RETIREMENT	238.70
371635 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
371639 RETIREE	MEDICAL AFTER RETIREMENT	472.96
930305 RETIREE	MEDICAL AFTER RETIREMENT	905.87
930306 RETIREE	MEDICAL AFTER RETIREMENT	275.31
930308 RETIREE	MEDICAL AFTER RETIREMENT	1,253.12
930311 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930312 RETIREE	MEDICAL AFTER RETIREMENT	1,253.12
930321 RETIREE	MEDICAL AFTER RETIREMENT	912.99
930323 RETIREE	MEDICAL AFTER RETIREMENT	796.00
930326 RETIREE	MEDICAL AFTER RETIREMENT	579.26
930329 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930340 RETIREE	MEDICAL AFTER RETIREMENT	1,466.78
930346 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930347 RETIREE	MEDICAL AFTER RETIREMENT	796.00
930348 RETIREE	MEDICAL AFTER RETIREMENT	172.48
930359 RETIREE	MEDICAL AFTER RETIREMENT	172.48
930362 RETIREE	MEDICAL AFTER RETIREMENT	238.65
930365 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930366 RETIREE	MEDICAL AFTER RETIREMENT	1,027.22
930367 RETIREE	MEDICAL AFTER RETIREMENT	262.02
930387 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930389 RETIREE	MEDICAL AFTER RETIREMENT	605.39
930390 RETIREE	MEDICAL AFTER RETIREMENT	905.87
930401 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930402 RETIREE	MEDICAL AFTER RETIREMENT	579.26
930403 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930405 RETIREE	MEDICAL AFTER RETIREMENT	972.09
930414 RETIREE	MEDICAL AFTER RETIREMENT	605.29
930424 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930426 RETIREE	MEDICAL AFTER RETIREMENT	733.39
930430 RETIREE	MEDICAL AFTER RETIREMENT	472.96
930434 RETIREE	MEDICAL AFTER RETIREMENT	238.65
930444 RETIREE	MEDICAL AFTER RETIREMENT	605.39
930446 RETIREE	MEDICAL AFTER RETIREMENT	38.44
930447 RETIREE	MEDICAL AFTER RETIREMENT	605.29
578 Post Retirement Medical-Misc Fund		
Non Departmental		
371604 RETIREE	MEDICAL AFTER RETIREMENT	226.69

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371608	RETIREE	MEDICAL AFTER RETIREMENT	375.57
371611	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371612	RETIREE	MEDICAL AFTER RETIREMENT	473.38
371616	RETIREE	MEDICAL AFTER RETIREMENT	709.38
371620	RETIREE	MEDICAL AFTER RETIREMENT	226.69
371627	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371629	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371630	RETIREE	MEDICAL AFTER RETIREMENT	345.38
371631	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371634	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371637	RETIREE	MEDICAL AFTER RETIREMENT	100.00
371638	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371640	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930304	RETIREE	MEDICAL AFTER RETIREMENT	261.76
930307	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930310	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930315	RETIREE	MEDICAL AFTER RETIREMENT	226.69
930317	RETIREE	MEDICAL AFTER RETIREMENT	226.69
930318	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930319	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930322	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930328	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930330	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930333	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930334	RETIREE	MEDICAL AFTER RETIREMENT	226.69
930336	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930339	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930342	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930343	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930344	RETIREE	MEDICAL AFTER RETIREMENT	172.48
930345	RETIREE	MEDICAL AFTER RETIREMENT	196.21
930352	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930353	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930355	RETIREE	MEDICAL AFTER RETIREMENT	91.42
930361	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930364	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930369	RETIREE	MEDICAL AFTER RETIREMENT	226.69
930370	RETIREE	MEDICAL AFTER RETIREMENT	226.69
930373	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930375	RETIREE	MEDICAL AFTER RETIREMENT	108.69

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930378	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930381	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930382	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930386	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930396	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930397	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930398	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930407	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930410	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930413	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930419	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930429	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930432	RETIREE	MEDICAL AFTER RETIREMENT	73.38
930433	RETIREE	MEDICAL AFTER RETIREMENT	172.48
930435	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930437	RETIREE	MEDICAL AFTER RETIREMENT	709.38
930443	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930445	RETIREE	MEDICAL AFTER RETIREMENT	108.69
579 Post Retirement Medical-Mgmt Fund			
Non Departmental			
371609	RETIREE	MEDICAL AFTER RETIREMENT	885.90
371610	RETIREE	MEDICAL AFTER RETIREMENT	166.69
371613	RETIREE	MEDICAL AFTER RETIREMENT	108.69
371615	RETIREE	MEDICAL AFTER RETIREMENT	226.69
371618	RETIREE	MEDICAL AFTER RETIREMENT	400.00
371619	RETIREE	MEDICAL AFTER RETIREMENT	581.38
371621	RETIREE	MEDICAL AFTER RETIREMENT	1,778.81
371623	RETIREE	MEDICAL AFTER RETIREMENT	345.38
371624	RETIREE	MEDICAL AFTER RETIREMENT	561.60
371628	RETIREE	MEDICAL AFTER RETIREMENT	746.38
371633	RETIREE	MEDICAL AFTER RETIREMENT	885.90
371636	RETIREE	MEDICAL AFTER RETIREMENT	1,778.81
930309	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930313	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930314	RETIREE	MEDICAL AFTER RETIREMENT	172.48
930316	RETIREE	MEDICAL AFTER RETIREMENT	166.70
930320	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930324	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930325	RETIREE	MEDICAL AFTER RETIREMENT	581.38
930327	RETIREE	MEDICAL AFTER RETIREMENT	709.38

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930331 RETIREE	MEDICAL AFTER RETIREMENT	651.52
930332 RETIREE	MEDICAL AFTER RETIREMENT	196.21
930335 RETIREE	MEDICAL AFTER RETIREMENT	581.38
930337 RETIREE	MEDICAL AFTER RETIREMENT	461.38
930338 RETIREE	MEDICAL AFTER RETIREMENT	44.90
930341 RETIREE	MEDICAL AFTER RETIREMENT	261.76
930349 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930350 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930351 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930354 RETIREE	MEDICAL AFTER RETIREMENT	579.26
930356 RETIREE	MEDICAL AFTER RETIREMENT	348.00
930357 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930358 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930360 RETIREE	MEDICAL AFTER RETIREMENT	472.96
930368 RETIREE	MEDICAL AFTER RETIREMENT	330.53
930371 RETIREE	MEDICAL AFTER RETIREMENT	711.38
930372 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930374 RETIREE	MEDICAL AFTER RETIREMENT	885.90
930376 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930377 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930379 RETIREE	MEDICAL AFTER RETIREMENT	1,338.78
930380 RETIREE	MEDICAL AFTER RETIREMENT	108.69
930383 RETIREE	MEDICAL AFTER RETIREMENT	40.79
930384 RETIREE	MEDICAL AFTER RETIREMENT	972.09
930385 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930388 RETIREE	MEDICAL AFTER RETIREMENT	547.61
930391 RETIREE	MEDICAL AFTER RETIREMENT	261.76
930392 RETIREE	MEDICAL AFTER RETIREMENT	166.69
930393 RETIREE	MEDICAL AFTER RETIREMENT	1,778.81
930394 RETIREE	MEDICAL AFTER RETIREMENT	581.38
930395 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930399 RETIREE	MEDICAL AFTER RETIREMENT	108.69
930400 RETIREE	MEDICAL AFTER RETIREMENT	108.69
930404 RETIREE	MEDICAL AFTER RETIREMENT	605.39
930406 RETIREE	MEDICAL AFTER RETIREMENT	108.69
930408 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930409 RETIREE	MEDICAL AFTER RETIREMENT	345.38
930411 RETIREE	MEDICAL AFTER RETIREMENT	226.69
930412 RETIREE	MEDICAL AFTER RETIREMENT	166.70
930415 RETIREE	MEDICAL AFTER RETIREMENT	885.90

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930416	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930417	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930418	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930420	RETIREE	MEDICAL AFTER RETIREMENT	261.76
930421	RETIREE	MEDICAL AFTER RETIREMENT	651.52
930422	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930423	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930425	RETIREE	MEDICAL AFTER RETIREMENT	461.38
930427	RETIREE	MEDICAL AFTER RETIREMENT	201.11
930428	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930431	RETIREE	MEDICAL AFTER RETIREMENT	709.38
930436	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930438	RETIREE	MEDICAL AFTER RETIREMENT	345.38
930439	RETIREE	MEDICAL AFTER RETIREMENT	226.69
930440	RETIREE	MEDICAL AFTER RETIREMENT	1,667.46
930441	RETIREE	MEDICAL AFTER RETIREMENT	108.69
930442	RETIREE	MEDICAL AFTER RETIREMENT	1,748.00
580 Loss Control Fund			
Human Resources			
371418	CALIF, STATE OF	USE TAX	0.91
371462	MUNICIPAL POOLING AUTHORITY	WORK COMP PREMIUM	455,589.00
611 Water Fund			
Non Departmental			
371364	AMERICAN TEXTILE AND SUPPLY	SUPPLIES	739.50
371366	ANTIOCH AUTO PARTS	SUPPLIES	1,434.20
371418	CALIF, STATE OF	USE TAX	109.55
371422	COLE SUPPLY CO INC	SUPPLIES	296.89
371433	CRUZ, MARCIAL	REPLACEMENT CHECK	50.28
371440	EM HUNDLEY HARDWARE	SUPPLIES	3,492.46
371474	ROBERTS AND BRUNE CO	SUPPLIES	6,514.27
371680	FASTENAL CO	SUPPLIES	1,569.38
371685	GOLOGO PROMOTIONS	BALLCAPS	469.83
371709	OFFICE MAX INC	SUPPLIES	1,678.64
371721	ROBERTS AND BRUNE CO	SUPPLIES	689.63
371736	UNITED LABORATORIES	VANDALISM REMOVER	707.65
371738	WESCO RECEIVABLES CORP	SUPPLIES	189.14
930290	GRAINGER INC	SUPPLIES	546.08
930291	HAMMONS SUPPLY COMPANY	SUPPLIES	1,385.82
930454	GRAINGER INC	SUPPLIES	1,546.94
930455	HAMMONS SUPPLY COMPANY	SUPPLIES	294.08

Prepared by: Georgina Meek
 Finance Accounting

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Water Supervision

371381 BLUE SHIELD OF CALIFORNIA	PREMIUM	36.10
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Water Production

371365 ACE HARDWARE, ANTIOCH	SUPPLIES	101.61
371369 BANK OF AMERICA	MEETING EXPENSE	33.97
371378 BIG SKY LOGOS AND EMBROIDERY	SUPPLIES	495.92
371418 CALIF, STATE OF	USE TAX	142.52
371421 CLAYTON CONTROLS INC	SUPPLIES	525.57
371444 HACH CO	LAB SUPPLIES	7,805.79
371453 LAW OFFICE OF MATTHEW EMRICK	LEGAL SERVICES	9,306.00
371469 PACIFIC GAS AND ELECTRIC CO	GAS	203,136.48
371484 SOLVAY CHEMICALS INC	CHEMICALS	7,600.58
371510 ANIMAL DAMAGE MANAGEMENT	RODENT CONTROL SERVICE	275.00
371513 BANK OF AMERICA	DOT-CONNELLY	75.00
371539 ENVIRONMENTAL RESOURCE ASSOC	SUPPLIES	325.15
371545 GUALCO GROUP INC, THE	PROFESSIONAL SERVICES	8,000.00
371546 HACH CO	LAB SUPPLIES	875.79
371547 HARRINGTON INDUSTRIAL PLASTICS	TUBING	398.52
371585 REINHOLDT ENGINEERING CONSTR	INSPECTION SERVICES	1,560.00
371596 USA BLUE BOOK	BEARING ASSEMBLY	433.43
371598 WALTER BISHOP CONSULTING	CONSULTING SERVICES	4,568.83
371645 ANCHOR CONCRETE CONSTRUCTION	BOLLARDS	2,200.00
371647 ACE HARDWARE, ANTIOCH	SUPPLIES	73.86
371664 CONNELLY, BRIAN K	EXAM FEE REIMBURSEMENT	65.00
371670 CONTRA COSTA WATER DISTRICT	RAW WATER	767,142.25
371680 FASTENAL CO	BOLTS	170.07
371681 FISHER SCIENTIFIC COMPANY	LAB SUPPLIES	146.39
371687 HACH CO	LAB SUPPLIES	440.67
371691 I KRUGER INC	EQUIPMENT PARTS	17,845.72
371699 LEIGHTON STONE CORP	VALVE	998.06
371709 OFFICE MAX INC	OFFICE SUPPLIES	152.53
371715 PETERSON	EQUIPMENT REPAIR	2,936.17
930272 AIRGAS SPECIALTY PRODUCTS	AMMONIA	2,385.10
930274 CHEMTRADE CHEMICALS US LLC	ALUM	10,914.98
930276 EUROFINS EATON ANALYTICAL INC	SAMPLE TESTING	900.00
930277 EVOQUA WATER TECHNOLOGIES LLC	BASIN GEARS	1,091.85
930281 OLIN CHLOR ALKALI PRODUCTS	CHEMICALS	21,448.92
930290 GRAINGER INC	RACK	859.16
930299 NTU TECHNOLOGIES INC	POLYMER	3,059.00
930301 SIERRA CHEMICAL CO	CHLORINE	5,045.78

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930450	CHEMTRADE CHEMICALS US LLC	ALUM	13,654.54
930453	CONSOLIDATED ELECTRICAL DIST	SUPPLIES	412.09
930454	GRAINGER INC	SUPPLIES	804.92
930457	IDEXX LABORATORIES INC	SUPPLIES	187.32
930459	OLIN CHLOR ALKALI PRODUCTS	CAUSTIC	20,326.56
930460	RAY MORGAN COMPANY	COPIER USAGE	59.32
930462	SIERRA CHEMICAL CO	CHLORINE	5,045.78
Water Distribution			
371378	BIG SKY LOGOS AND EMBROIDERY	SUPPLIES	1,713.19
371383	CALIF DEPARTMENT OF JUSTICE	FINGERPRINTING	24.50
371418	CALIF, STATE OF	USE TAX	272.97
371435	DELTA DIABLO	RECYCLED WATER	19,503.08
371436	DIABLO LIVE SCAN	FINGERPRINTING	10.00
371474	ROBERTS AND BRUNE CO	PIPE & FITTINGS	5,389.97
371487	TAP MASTERS INC	EMERGENCY VALVE INSTALLATION	12,886.00
371513	BANK OF AMERICA	WATER OPCERTS	724.80
371522	COMCAST	CONNECTION SERVICES	350.14
371535	EAST BAY WELDING SUPPLY	SUPPLIES	31.62
371540	EXPRESS SERVICES	TEMP SERVICES	687.50
371569	MT DIABLO LANDSCAPE CENTERS	CONCRETE MIX	160.90
371647	ACE HARDWARE, ANTIOCH	PVC PIPE	121.43
371662	COMCAST	CONNECTION SERVICES	356.32
371680	FASTENAL CO	SUPPLIES	103.16
371694	INFOSEND INC	POSTAGE COSTS	2,511.54
371696	JACK DOHENY SUPPLIES INC	SUPPLIES	222.94
371706	MT DIABLO LANDSCAPE CENTERS	CONCRETE MIX	189.17
371709	OFFICE MAX INC	OFFICE SUPPLIES	73.07
371721	ROBERTS AND BRUNE CO	SUPPLIES	2,911.05
371735	TYLER TECHNOLOGIES	WEB HOSTING FEES	340.00
930296	KARSTE CONSULTING INC	DOC SETUP	1,275.00
930460	RAY MORGAN COMPANY	COPIER USAGE	180.79
Water Meter Reading			
371418	CALIF, STATE OF	USE TAX	226.12
371464	NATIONAL METER & AUTOMATION	WATER METER PARTS	25,364.93
371513	BANK OF AMERICA	CABLES	19.55
371707	NATIONAL METER & AUTOMATION	WATER METER PARTS	6,488.46
371709	OFFICE MAX INC	OFFICE SUPPLIES	58.73
Public Buildings & Facilities			
371418	CALIF, STATE OF	USE TAX	30.42
371509	ANCHOR CONCRETE CONSTRUCTION	POST INSTALLATION	5,000.00

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371519	CAMP DRESSER AND MCKEE INC	CONSULTING SERVICES	17,584.30
371599	WEST YOST ASSOCIATES INC	CONSULTING SERVICES	8,997.00
371646	ANDERSON PACIFIC ENGINEERING	WTP IMPROVEMENTS	327,130.37
371655	BROWN AND CALDWELL INC	PROFESSIONAL SERVICES	3,360.75
371659	CAROLLO ENGINEERS INC	PROFESSIONAL SERVICES	5,985.02
930294	ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	1,939.01
Warehouse & Central Stores			
371418	CALIF, STATE OF	USE TAX	1.37
371528	CCC TAX COLLECTOR	PROPERTY TAX	815.24
930460	RAY MORGAN COMPANY	COPIER USAGE	30.39
621 Sewer Fund			
Sewer-Wastewater Supervision			
371688	HEWLETT PACKARD COMPANY	COMPUTER EQUIPMENT	131.17
930460	RAY MORGAN COMPANY	COPIER USAGE	319.05
Sewer-Wastewater Collection			
371370	BANK OF AMERICA	RECRUITMENT ADVERTISING	110.00
371378	BIG SKY LOGOS AND EMBROIDERY	SUPPLIES	1,577.93
371383	CALIF DEPARTMENT OF JUSTICE	FINGERPRINTING	24.50
371418	CALIF, STATE OF	USE TAX	293.41
371436	DIABLO LIVE SCAN	FINGERPRINTING	10.00
371474	ROBERTS AND BRUNE CO	SUPPLIES	30.83
371513	BANK OF AMERICA	CWEA RENEWAL-PORTER	379.75
371522	COMCAST	CONNECTION SERVICE	350.15
371540	EXPRESS SERVICES	TEMP SERVICES	687.50
371647	ACE HARDWARE, ANTIOCH	FITTINGS	14.66
371648	ANTIOCH BUILDING MATERIALS	SEWER REPAIR ROCK	320.05
371658	CAPITAL AIR TOOL LLC	TOOL REPAIR	353.13
371662	COMCAST	CONNECTION SERVICE	356.33
371680	FASTENAL CO	SUPPLIES	103.16
371694	INFOSEND INC	POSTAGE COSTS	2,511.55
371709	OFFICE MAX INC	OFFICE SUPPLIES	213.03
371735	TYLER TECHNOLOGIES	WEB HOSTING FEES	340.00
930296	KARSTE CONSULTING INC	DOC SETUP	1,275.00
930461	SCOTTO, CHARLES W AND DONNA F	PROPERTY RENT	4,750.00
622 Sewer System Improvement Fund			
Wastewater Collection			
371505	A S PIPELINES INC	SEWER MAIN PROJECT	273,975.25
631 Marina Fund			
Non Departmental			
371729	STATE BOARD OF EQUALIZATION	SALES TAX	3,253.36

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 Finance Accounting

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CITY OF ANTIOCH
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Marina Administration		
371418 CALIF, STATE OF	USE TAX	0.22
371469 PACIFIC GAS AND ELECTRIC CO	GAS	3,795.87
930460 RAY MORGAN COMPANY	COPIER USAGE	45.83
Marina Maintenance		
371418 CALIF, STATE OF	USE TAX	3.69
Marina Boat Launch		
371418 CALIF, STATE OF	USE TAX	0.76
641 Prewett Water Park Fund		
Non Departmental		
371441 FLORES, MARIA	FACILITY DEPOSIT REFUND	500.00
371686 GRAHAM, JANA	FACILITY DEPOSIT REFUND	500.00
371730 STATE BOARD OF EQUALIZATION	SALES TAX	3,674.50
Recreation Water Park		
371362 ALL SURFACE PAINTING	POOL DECK BLASTING TEST	1,571.00
371418 CALIF, STATE OF	USE TAX	190.81
371424 COMMERCIAL POOL SYSTEMS INC	MOTOR REPLACEMENT	2,683.27
371432 CREATIVE SUPPORTS INC	ERGONOMIC EQUIPPMENT	275.21
371442 GARDA CL WEST INC	ARMORED CAR PICK UP	54.84
371455 LINCOLN EQUIPMENT INC	SUPPLIES	21.69
371469 PACIFIC GAS AND ELECTRIC CO	GAS	16,615.29
371495 UNIVAR USA INC	CHEMICALS	1,562.06
371542 GARDA CL WEST INC	ARMORED CAR SERVICE	121.94
371700 LINCOLN EQUIPMENT INC	SUPPLIES	3,683.36
930273 CDW GOVERNMENT INC	COMPUTER EQUIPMENT	203.19
930275 CONSOLIDATED ELECTRICAL	SUPPLIES	125.83
930278 GRAINGER INC	SUPPLIES	150.92
930279 ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	254.22
930460 RAY MORGAN COMPANY	COPIER USAGE	243.65
721 Employee Benefits Fund		
Non Departmental		
371381 BLUE SHIELD OF CALIFORNIA	PAYROLL DEDUCTIONS	2,903.04
371504 24 HOUR FITNESS SPORT	PAYROLL DEDUCTIONS	74.98
371526 CONTRA COSTA COUNTY	PAYROLL DEDUCTIONS	400.00
371531 DIAMOND HILLS SPORT CLUB	PAYROLL DEDUCTIONS	183.00
371536 EAST COUNTY STRENGTH	PAYROLL DEDUCTIONS	85.00
371552 IN SHAPE HEALTH CLUBS	PAYROLL DEDUCTIONS	745.98
371554 INTERNAL REVENUE SERVICE	PAYROLL DEDUCTIONS	60.00
371555 IRVIN DEUTSCHER YMCA	PAYROLL DEDUCTIONS	50.00
371561 LINA	PAYROLL DEDUCTIONS	6,249.62

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 Finance Accounting

11/9/2017

CITY OF ANTIOCH
 CLAIMS BY FUND REPORT
 FOR THE PERIOD OF
 OCTOBER 13 - NOVEMBER 2, 2017
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371572 MUNICIPAL POOLING AUTHORITY	PAYROLL DEDUCTIONS	6,968.76
371575 OLYMPIC HEALTH CLUB	PAYROLL DEDUCTIONS	25.00
371576 OPERATING ENGINEERS LOCAL NO 3	PAYROLL DEDUCTIONS	2,851.00
371577 OPERATING ENGINEERS TRUST FUND	PAYROLL DEDUCTIONS	15,606.03
371579 PARS	PAYROLL DEDUCTIONS	3,172.80
371590 STANDARD LIFE INSURANCE	PAYROLL DEDUCTIONS	779.25
371602 COLONIAL LIFE	PAYROLL DEDUCTIONS	1,278.84
371653 BLUE SHIELD OF CALIFORNIA	PAYROLL DEDUCTIONS	3,046.49
371674 DELTA DENTAL	PAYROLL DEDUCTIONS	36,076.73
930284 ANTIOCH PD SWORN MGMT ASSOC	PAYROLL DEDUCTIONS	648.55
930285 APOA	PAYROLL DEDUCTIONS	18,684.69
930286 ANTIOCH PUBLIC WORKS EMPLOYEE	PAYROLL DEDUCTIONS	3,672.70
930298 NATIONWIDE RETIREMENT SOLUTION	PAYROLL DEDUCTIONS	60,314.07
930302 VANTAGEPOINT TRANSFER AGENTS	PAYROLL DEDUCTIONS	5,029.63



STAFF REPORT TO THE CITY COUNCIL
FOR CONSIDERATION AT THE COUNCIL MEETING OF November 14, 2017

SUBMITTED BY: Donna Conley, City Treasurer

DATE: November 1, 2017

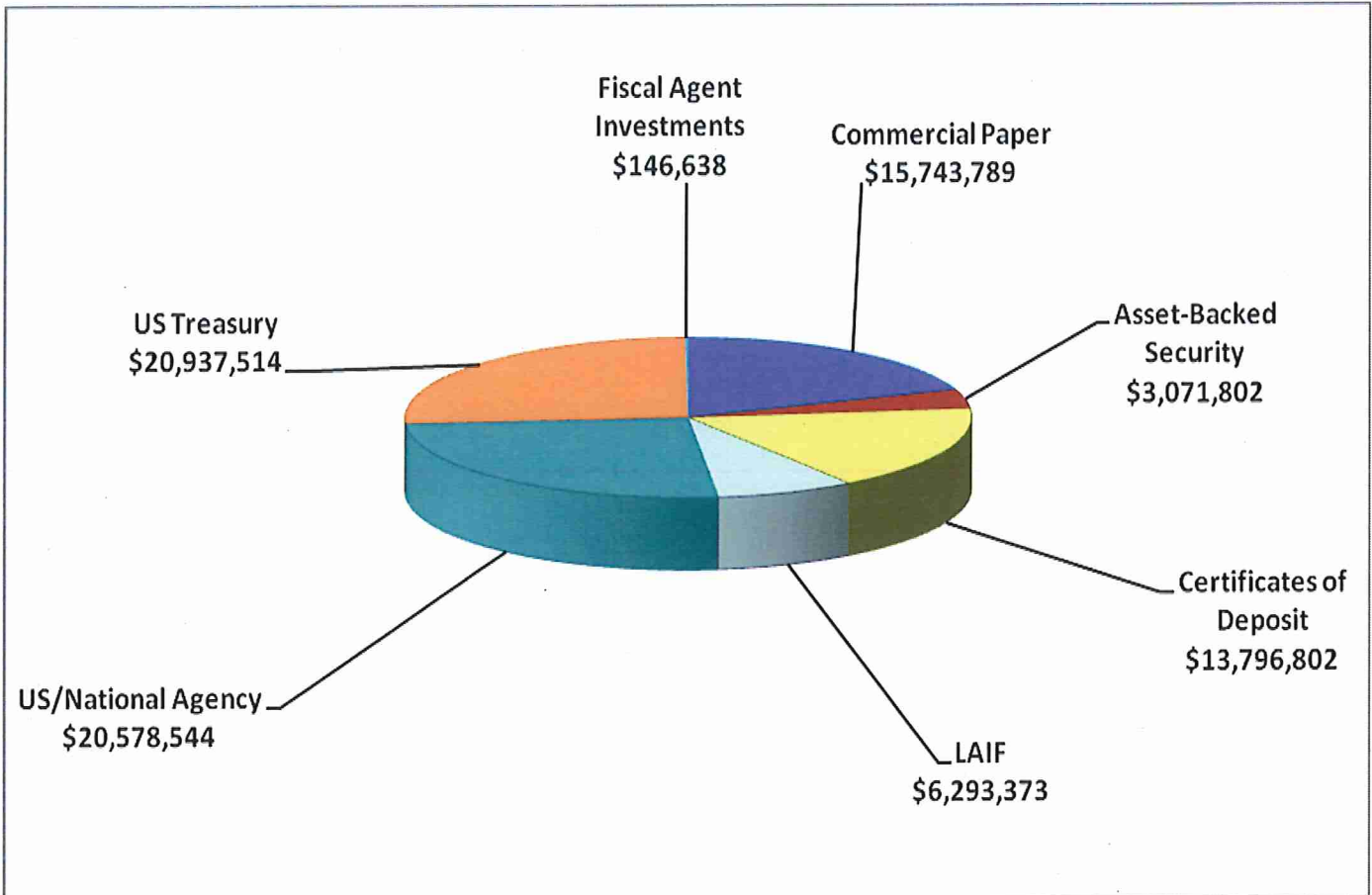
SUBJECT: Treasurer's Report: SEPTEMBER 2017

RECOMMENDATION: Review and file.

BACKGROUND: City of Antioch's portfolio as of September 2017 is in Compliance with The City's current Investment Policy. Based on the Portfolio as of the September 2017 City of Antioch is able to meet its expenditure requirements for the next six months.

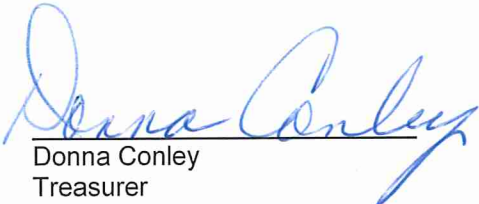
CITY OF ANTIOCH
SUMMARY REPORT ON THE CITY'S INVESTMENTS

SEPTEMBER 30, 2017



Total of City and Fiscal Agent Investments = \$80,568,462

All City investments are shown above and conform to the City Investment Policy. All investment transactions during this period are included in this report. As Treasurer of the City of Antioch and Finance Director of the City of Antioch, we hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six (6) months' estimated expenditures.


Donna Conley
Treasurer


Dawn Merchant
Finance Director

**Summary of Fiscal Agent Balances by
Debt Issue**

	<u>Amount</u>
Antioch Public Financing Authority 2015 Bonds	131
Antioch Development Agency 2000 Tax Allocation Bonds	185
Antioch Development Agency 2009 Tax Allocation Bonds	146,322
	<u>\$146,638</u>



Managed Account Issuer Summary

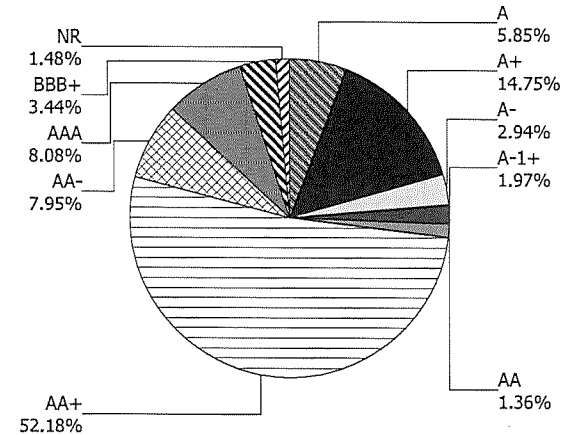
For the Month Ending September 30, 2017

CITY OF ANTIOCH, CA - 04380500

Issuer Summary

Issuer	Market Value of Holdings	Percent
ALLY AUTO RECEIVABLES TRUST	419,482.09	0.57
AMERICAN EXPRESS CO	702,576.90	0.95
AMERICAN HONDA FINANCE	500,478.88	0.68
APPLE INC	718,736.00	0.97
BANK OF AMERICA CO	1,218,255.01	1.65
BANK OF MONTREAL	1,430,781.23	1.94
BANK OF NOVA SCOTIA	1,423,146.08	1.93
BB&T CORPORATION	732,699.50	0.99
BERKSHIRE HATHAWAY INC	279,688.96	0.38
CANADIAN IMPERIAL BANK OF COMMERCE	1,453,655.45	1.97
CARMAX AUTO OWNER TRUST	273,387.46	0.37
CATERPILLAR INC	542,485.37	0.74
CHEVRON CORPORATION	723,974.85	0.98
CITIGROUP INC	1,459,818.28	1.98
DEERE & COMPANY	592,515.70	0.80
EXXON MOBIL CORP	376,016.63	0.51
FANNIE MAE	12,370,039.37	16.78
FEDERAL HOME LOAN BANKS	1,446,466.35	1.96
FORD CREDIT AUTO OWNER TRUST	266,878.70	0.36
FREDDIE MAC	2,674,590.31	3.63
GOLDMAN SACHS GROUP INC	724,888.35	0.98
HOME DEPOT INC	345,252.20	0.47
HYUNDAI AUTO RECEIVABLES	139,857.83	0.19
INTEL CORPORATION	476,002.25	0.65
INTER-AMERICAN DEVELOPMENT BANK	1,004,396.30	1.36
INTERNATIONAL BUSINESS MACHINES	624,520.63	0.85
INTL BANK OF RECONSTRUCTION AND DEV	2,150,389.16	2.92
JP MORGAN CHASE & CO	728,903.40	0.99
MICROSOFT CORP	827,160.79	1.12
MITSUBISHI UFJ FINANCIAL GROUP INC	749,761.50	1.02
MORGAN STANLEY	379,298.25	0.51
NORDEA BANK AB	1,453,655.45	1.97

Credit Quality (S&P Ratings)





Managed Account Issuer Summary

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Issuer	Market Value of Holdings	Percent
PEPSICO INC	519,218.20	0.70
PFIZER INC	722,674.20	0.98
ROYAL BANK OF CANADA	1,452,001.00	1.97
SKANDINAVISKA ENSKILDA BANKEN AB	1,473,657.75	2.00
STATE OF CONNECTICUT	786,787.65	1.07
SUMITOMO MITSUI FINANCIAL GROUP INC	1,427,664.75	1.94
SVENSKA HANDELSBANKEN AB	1,395,513.00	1.89
THE BANK OF NEW YORK MELLON CORPORATION	675,562.95	0.92
THE WALT DISNEY CORPORATION	1,059,681.20	1.44
TOYOTA MOTOR CORP	1,679,773.22	2.28
UNILEVER PLC	174,841.10	0.24
UNITED STATES TREASURY	20,889,249.38	28.33
VISA INC	202,042.00	0.27
WELLS FARGO & COMPANY	728,986.78	0.99
WESTPAC BANKING CORP	1,331,418.30	1.81
Total	\$73,728,830.71	100.00%



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2013 1.500% 12/31/2018	912828A75	2,435,000.00	AA+	Aaa	12/01/15	12/04/15	2,455,640.43	1.22	9,230.50	2,443,469.90	2,437,663.89
US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	2,065,000.00	AA+	Aaa	03/02/16	03/04/16	2,100,814.85	1.05	92.19	2,082,592.29	2,071,050.45
US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019	912828D23	1,480,000.00	AA+	Aaa	11/10/16	11/14/16	1,500,234.37	1.06	10,064.40	1,493,061.99	1,484,161.76
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,950,000.00	AA+	Aaa	12/20/16	12/23/16	1,947,791.02	1.54	9,829.92	1,948,367.64	1,949,695.80
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,975,000.00	AA+	Aaa	12/01/16	12/05/16	2,979,648.44	1.45	14,996.93	2,978,389.24	2,974,535.90
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	500,000.00	AA+	Aaa	01/03/17	01/05/17	496,015.62	1.52	1,052.99	496,959.51	496,719.00
US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	1,450,000.00	AA+	Aaa	08/31/17	09/01/17	1,449,943.36	1.38	1,707.35	1,449,945.23	1,443,995.55
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	1,025,000.00	AA+	Aaa	04/03/17	04/05/17	1,020,395.51	1.53	5,897.93	1,021,115.76	1,019,875.00
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	1,250,000.00	AA+	Aaa	04/07/17	04/10/17	1,243,554.69	1.55	7,192.60	1,244,537.58	1,243,750.00
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,000,000.00	AA+	Aaa	07/19/17	07/19/17	1,994,140.63	1.48	11,508.15	1,994,564.28	1,990,000.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	2,700,000.00	AA+	Aaa	06/26/17	06/28/17	2,709,703.13	1.50	11,087.98	2,708,885.78	2,702,214.00
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	1,075,000.00	AA+	Aaa	07/05/17	07/07/17	1,075,671.87	1.60	2,943.10	1,075,625.21	1,075,588.03
Security Type Sub-Total		20,905,000.00					20,973,553.92	1.39	85,604.04	20,937,514.41	20,889,249.38
Supra-National Agency Bond / Note											
INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019	458182DX7	1,015,000.00	AAA	Aaa	04/05/16	04/12/16	1,011,955.00	1.10	3,890.83	1,013,391.23	1,004,396.30



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Supra-National Agency Bond / Note											
INTL BANK OF RECON AND DEV SN NOTE DTD 07/13/2016 0.875% 08/15/2019	459058FK4	725,000.00	AAA	Aaa	07/06/16	07/13/16	724,847.75	0.88	810.59	724,906.61	714,908.73
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 10/27/2016 1.125% 11/27/2019	459058FS7	725,000.00	AAA	Aaa	08/28/17	08/30/17	718,815.75	1.51	2,809.38	719,050.97	716,661.05
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	725,000.00	NR	Aaa	09/12/17	09/19/17	723,260.00	1.64	377.24	723,279.02	718,819.38
Security Type Sub-Total		3,190,000.00					3,178,878.50	1.27	7,888.04	3,180,627.83	3,154,785.46
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	795,000.00	A+	A1	08/03/16	08/17/16	796,717.20	1.23	1,320.58	796,080.73	786,787.65
Security Type Sub-Total		795,000.00					796,717.20	1.23	1,320.58	796,080.73	786,787.65
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	153,308.83	AA+	Aaa	01/15/15	01/30/15	154,840.77	1.26	207.73	153,328.87	153,196.67
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	144,969.83	AA+	Aaa	04/15/15	04/30/15	146,419.00	0.83	187.25	145,072.27	144,893.05
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	194,473.52	AA+	Aaa	11/06/15	11/30/15	196,418.24	1.20	307.61	195,058.97	194,663.95
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	214,283.64	AA+	Aaa	06/09/16	06/30/16	216,426.37	1.05	318.75	215,352.71	214,413.73
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODQ0	475,365.11	AA+	Aaa	10/07/15	10/30/15	480,125.37	1.08	652.04	477,402.43	475,078.94
Security Type Sub-Total		1,182,400.93					1,194,229.75	1.09	1,673.38	1,186,215.25	1,182,246.34



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 12/08/2016 1.250% 01/16/2019	3130AAE46	1,450,000.00	AA+	Aaa	12/07/16	12/08/16	1,449,942.00	1.25	3,776.04	1,449,961.36	1,446,466.35
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,800,000.00	AA+	Aaa	02/19/16	02/23/16	1,795,752.00	1.08	1,750.00	1,798,002.14	1,788,539.40
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	2,000,000.00	AA+	Aaa	05/26/16	05/31/16	1,996,060.00	1.07	1,944.44	1,997,969.34	1,987,266.00
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	375,000.00	AA+	Aaa	08/12/16	08/15/16	377,317.50	0.89	1,945.31	376,344.62	373,095.38
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	525,000.00	AA+	Aaa	05/26/16	05/31/16	525,404.25	1.10	2,723.44	525,218.99	522,333.53
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	1,800,000.00	AA+	Aaa	07/19/16	07/20/16	1,795,644.00	0.96	3,150.00	1,797,369.39	1,779,161.40
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	1,425,000.00	AA+	Aaa	07/29/16	08/02/16	1,422,606.00	0.93	2,043.49	1,423,527.06	1,408,197.83
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	1,650,000.00	AA+	Aaa	10/03/16	10/05/16	1,649,010.00	1.02	1,512.50	1,649,346.47	1,633,833.30
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	2,025,000.00	AA+	Aaa	08/31/16	09/02/16	2,021,841.00	1.05	1,856.25	2,022,971.46	2,005,159.05
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	900,000.00	AA+	Aaa	02/24/17	02/28/17	899,424.00	1.52	1,237.50	899,535.59	897,859.80
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	1,475,000.00	AA+	Aaa	08/31/17	09/01/17	1,475,383.50	1.49	3,687.50	1,475,373.68	1,466,937.65
Security Type Sub-Total		15,425,000.00					15,408,384.25	1.12	25,626.47	15,415,620.10	15,308,849.69
Corporate Note											
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 05/29/2015 1.600% 05/22/2018	06406HDB2	675,000.00	A	A1	05/22/15	05/29/15	674,939.25	1.60	3,870.00	674,986.51	675,562.95



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018	89236TCP8	200,000.00	AA-	Aa3	07/08/15	07/13/15	199,830.00	1.58	671.67	199,954.86	200,112.80
AMERICAN EXPRESS CRD CRP NT (CALLABLE) DTD 07/31/2015 1.800% 07/31/2018	0258M0DV8	260,000.00	A-	A2	10/05/15	10/08/15	261,006.20	1.66	793.00	260,281.15	260,274.82
BERKSHIRE HATHAWAY INC GLOBAL NOTES DTD 08/15/2016 1.150% 08/15/2018	084670BX5	175,000.00	AA	Aa2	08/08/16	08/15/16	174,979.00	1.16	257.15	174,990.79	174,485.68
JOHN DEERE CAPITAL CORP DTD 01/06/2017 1.650% 10/15/2018	24422ETM1	135,000.00	A	A2	01/03/17	01/06/17	134,912.25	1.69	1,027.13	134,947.65	135,082.49
THE WALT DISNEY CORPORATION DTD 01/08/2016 1.650% 01/08/2019	25468PDH6	195,000.00	A+	A2	01/05/16	01/08/16	194,738.70	1.70	741.81	194,887.86	195,135.33
TOYOTA MOTOR CREDIT CORP DTD 02/19/2016 1.700% 02/19/2019	89236TCU7	755,000.00	AA-	Aa3	02/16/16	02/19/16	754,909.40	1.70	1,497.42	754,957.67	754,744.81
BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019	084664CG4	105,000.00	AA	Aa2	03/08/16	03/15/16	104,920.20	1.73	79.33	104,960.77	105,203.28
WELLS FARGO & COMPANY DTD 04/22/2014 2.125% 04/22/2019	94974BFU9	725,000.00	A	A2	03/10/16	03/15/16	727,965.25	1.99	6,804.43	726,514.95	728,986.78
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	100,000.00	BBB+	A3	04/20/16	04/25/16	99,722.00	2.10	866.67	99,852.68	99,984.60
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	625,000.00	BBB+	A3	04/21/16	04/26/16	624,600.00	2.02	5,416.67	624,788.04	624,903.75
PEPSICO INC DTD 05/02/2017 1.550% 05/02/2019	713448DR6	360,000.00	A+	A1	04/27/17	05/02/17	359,730.00	1.59	2,309.50	359,785.21	359,694.36
CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	725,000.00	AA-	Aa2	05/09/16	05/16/16	725,000.00	1.56	4,243.97	725,000.00	723,974.85
PFIZER INC CORP NOTES DTD 06/03/2016 1.450% 06/03/2019	717081DU4	725,000.00	AA	A1	05/31/16	06/03/16	724,173.50	1.49	3,445.76	724,534.88	722,674.20



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	280,000.00	BBB+	Baa1	06/02/16	06/09/16	279,854.40	2.07	1,817.67	279,916.99	280,215.60
APPLE INC CORP NOTES DTD 08/04/2016 1.100% 08/02/2019	037833CB4	725,000.00	AA+	Aa1	07/28/16	08/04/16	724,275.00	1.13	1,262.71	724,552.66	718,736.00
MICROSOFT CORP NOTES DTD 08/08/2016 1.100% 08/08/2019	594918BN3	480,000.00	AAA	Aaa	08/01/16	08/08/16	479,505.60	1.14	777.33	479,692.73	475,719.84
IBM CREDIT CORP DTD 09/08/2017 1.625% 09/06/2019	44932HAA1	625,000.00	A+	A1	09/05/17	09/08/17	624,525.00	1.66	648.87	624,540.01	624,520.63
PEPSICO, INC CORP NOTES DTD 10/06/2016 1.350% 10/04/2019	713448DJ4	160,000.00	A+	A1	10/03/16	10/06/16	159,976.00	1.36	1,062.00	159,983.77	159,523.84
BB&T CORP (CALLABLE) NOTE DTD 12/08/2014 2.450% 01/15/2020	05531FAS2	725,000.00	A-	A2	01/31/17	02/03/17	732,227.53	2.10	3,749.86	730,648.01	732,699.50
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	725,000.00	A-	A3	05/10/17	05/15/17	726,935.75	2.15	3,081.25	726,670.89	728,903.40
MORGAN STANLEY CORP BONDS DTD 01/27/2015 2.650% 01/27/2020	61747YDW2	375,000.00	BBB+	A3	01/31/17	02/03/17	378,243.75	2.35	1,766.67	377,544.30	379,298.25
MICROSOFT CORP DTD 02/06/2017 1.850% 02/06/2020	594918BV5	350,000.00	AAA	Aaa	01/30/17	02/06/17	349,765.50	1.87	989.24	349,815.45	351,440.95
AMERICAN HONDA FINANCE DTD 02/16/2017 2.000% 02/14/2020	02665WBM2	340,000.00	A+	A1	02/13/17	02/16/17	339,517.20	2.05	887.78	339,615.48	340,750.72
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	440,000.00	A-	A2	02/28/17	03/03/17	439,542.40	2.24	752.89	439,628.23	442,302.08
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	140,000.00	A+	A2	03/01/17	03/06/17	139,963.60	1.96	204.75	139,970.30	140,466.62
EXXON MOBIL CORP NOTE DTD 03/06/2015 1.912% 03/06/2020	30231GAG7	375,000.00	AA+	Aaa	08/14/17	08/15/17	376,901.25	1.71	497.92	376,809.55	376,016.63
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/15/2017 2.200% 03/13/2020	24422ETO2	305,000.00	A	A2	03/10/17	03/15/17	304,762.10	2.23	335.50	304,804.04	307,281.71



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
UNILEVER CAPITAL CORP BONDS DTD 05/05/2017 1.800% 05/05/2020	904764AV9	175,000.00	A+	A1	05/02/17	05/05/17	174,441.75	1.91	1,277.50	174,515.44	174,841.10
INTEL CORP NOTES DTD 05/11/2017 1.850% 05/11/2020	458140AZ3	475,000.00	A+	A1	05/08/17	05/11/17	474,819.50	1.86	3,417.36	474,842.36	476,002.25
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	345,000.00	A	A2	05/24/17	06/05/17	344,799.90	1.82	2,001.00	344,820.91	345,252.20
WALT DISNEY COMPANY CORP NOTES DTD 06/06/2017 1.800% 06/05/2020	25468PDU7	725,000.00	A+	A2	06/01/17	06/06/17	724,159.00	1.84	4,168.75	724,246.51	724,079.25
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	150,000.00	A	A2	06/19/17	06/22/17	149,908.50	1.97	804.38	149,916.68	150,151.50
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	160,000.00	A+	A1	07/17/17	07/20/17	159,838.40	1.98	615.33	159,848.76	159,728.16
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	545,000.00	A	A3	09/05/17	09/07/17	544,542.20	1.88	672.17	544,552.12	542,485.37
CITIGROUP INC CORP NOTES DTD 10/26/2015 2.650% 10/26/2020	172967KB6	425,000.00	BBB+	Baa1	09/22/17	09/26/17	429,726.00	2.27	4,849.13	429,706.14	429,368.15
VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020	92826CAB8	200,000.00	A+	A1	08/25/17	08/30/17	202,200.00	1.85	1,307.78	202,143.18	202,042.00
BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	275,000.00	BBB+	Baa1	09/22/17	09/26/17	274,560.00	2.37	231.18	274,561.51	274,425.53
BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	450,000.00	BBB+	Baa1	09/13/17	09/18/17	450,000.00	2.33	378.30	450,000.00	449,059.95
Security Type Sub-Total		15,730,000.00					15,746,416.08	1.83	69,581.83	15,743,789.04	15,746,131.93

Certificate of Deposit

ROYAL BANK OF CANADA NY CD DTD 03/15/2016 1.700% 03/09/2018	78009NZZ2	1,450,000.00	A-1+	P-1	03/11/16	03/15/16	1,450,000.00	1.69	1,506.39	1,450,000.00	1,452,001.00
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	1,450,000.00	A+	A1	12/01/16	12/05/16	1,448,869.00	1.78	8,577.56	1,449,337.00	1,453,655.45



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	1,450,000.00	AA-	Aa3	12/01/16	12/05/16	1,450,000.00	1.74	8,790.22	1,450,000.00	1,453,655.45
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	1,400,000.00	AA-	Aa2	01/10/17	01/12/17	1,400,000.00	1.91	6,100.50	1,400,000.00	1,395,513.00
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	1,425,000.00	A+	A1	02/08/17	02/09/17	1,425,000.00	1.90	4,018.50	1,425,000.00	1,430,781.23
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	1,425,000.00	A+	A1	04/05/17	04/06/17	1,425,000.00	1.91	13,457.54	1,425,000.00	1,423,146.08
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVN0	1,425,000.00	A	A1	05/03/17	05/04/17	1,425,000.00	2.05	11,928.44	1,425,000.00	1,427,664.75
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	1,475,000.00	A+	Aa3	08/03/17	08/04/17	1,474,424.75	1.85	4,372.56	1,474,470.58	1,473,657.75
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	750,000.00	A+	A1	09/25/17	09/27/17	750,000.00	2.07	172.50	750,000.00	749,761.50
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	1,325,000.00	AA-	Aa3	08/03/17	08/07/17	1,325,000.00	2.05	4,074.38	1,325,000.00	1,331,418.30
Security Type Sub-Total		13,575,000.00					13,573,293.75	1.88	62,998.59	13,573,807.58	13,591,254.51
Asset-Backed Security / Collateralized Mortgage Obligation											
CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	273,584.61	AAA	NR	07/14/16	07/20/16	273,562.29	1.18	142.26	273,571.39	273,387.46
FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	266,987.92	AAA	Aaa	09/15/15	09/22/15	266,935.97	1.42	167.31	266,962.35	266,878.70
ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	255,000.00	AAA	Aaa	05/24/16	05/31/16	254,975.24	1.44	163.20	254,983.53	254,689.84
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	140,000.00	AAA	Aaa	03/22/16	03/30/16	139,972.84	1.57	97.07	139,982.88	139,857.83



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security / Collateralized Mortgage Obligation											
BANK OF AMERICA ABS 2015-A2 A DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	495,000.00	AAA	NR	10/28/15	10/29/15	495,715.43	1.30	299.20	495,443.80	494,769.53
TOYOTA ABS 2017-B A3 DTD 05/17/2017 1.760% 07/15/2021	89190BAD0	725,000.00	AAA	Aaa	05/09/17	05/17/17	724,944.39	1.76	567.11	724,944.39	724,915.61
ALLY ABS 2017-3 A3 DTD 05/24/2017 1.740% 09/15/2021	02007EAE8	165,000.00	AAA	Aaa	05/16/17	05/24/17	164,982.79	1.96	127.60	164,982.79	164,792.25
CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021	17305EGH2	375,000.00	NR	NR	09/25/17	10/02/17	374,972.06	1.80	0.00	374,972.06	375,000.00
CITIBANK ABS 2017-A3 A3 DTD 04/11/2017 1.920% 04/07/2022	17305EGB5	375,000.00	AAA	NR	05/15/17	05/22/17	376,001.25	1.82	3,400.00	375,958.43	375,234.53
Security Type Sub-Total		3,070,572.53					3,072,062.26	1.59	4,963.75	3,071,801.62	3,069,525.75
Managed Account Sub-Total		73,872,973.46					73,943,535.71	1.51	259,656.68	73,905,456.56	73,728,830.71
Securities Sub-Total		\$73,872,973.46					\$73,943,535.71	1.51%	\$259,656.68	\$73,905,456.56	\$73,728,830.71
Accrued Interest											\$259,656.68
Total Investments											\$73,988,487.39

Bolded items are forward settling trades.



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Transaction Type					Principal	Accrued		Realized G/L	Realized G/L	Sale
Trade	Settle	Security Description	CUSIP	Par	Proceeds	Interest	Total	Cost	Amort Cost	Method
BUY										
08/31/17	09/01/17	FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	1,475,000.00	(1,475,383.50)	(1,843.75)	(1,477,227.25)			
08/31/17	09/01/17	US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	1,450,000.00	(1,449,943.36)	(55.08)	(1,449,998.44)			
09/05/17	09/07/17	CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	545,000.00	(544,542.20)	0.00	(544,542.20)			
09/05/17	09/08/17	IBM CREDIT CORP DTD 09/08/2017 1.625% 09/06/2019	44932HAA1	625,000.00	(624,525.00)	0.00	(624,525.00)			
09/12/17	09/19/17	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	725,000.00	(723,260.00)	0.00	(723,260.00)			
09/13/17	09/18/17	BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	450,000.00	(450,000.00)	0.00	(450,000.00)			
09/22/17	09/26/17	BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	275,000.00	(274,560.00)	(142.27)	(274,702.27)			
09/22/17	09/26/17	CITIGROUP INC CORP NOTES DTD 10/26/2015 2.650% 10/26/2020	172967KB6	425,000.00	(429,726.00)	(4,692.71)	(434,418.71)			
09/25/17	09/27/17	BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	750,000.00	(750,000.00)	0.00	(750,000.00)			
09/25/17	10/02/17	CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021	17305EGH2	375,000.00	(374,972.06)	0.00	(374,972.06)			
Transaction Type Sub-Total				7,095,000.00	(7,096,912.12)	(6,733.81)	(7,103,645.93)			
INTEREST										
09/01/17	09/25/17	FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	234,315.39	0.00	302.66	302.66			
09/01/17	09/25/17	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	239,242.21	0.00	505.88	505.88			
09/01/17	09/25/17	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	529,686.12	0.00	818.29	818.29			
09/01/17	09/25/17	FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	238,453.99	0.00	354.70	354.70			



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
09/01/17	09/25/17	FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	196,213.63	0.00	265.87	265.87			
09/03/17	09/03/17	AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	440,000.00	0.00	4,840.00	4,840.00			
09/04/17	09/04/17	WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	140,000.00	0.00	1,349.83	1,349.83			
09/06/17	09/06/17	EXXON MOBIL CORP NOTE DTD 03/06/2015 1.912% 03/06/2020	30231GAG7	375,000.00	0.00	3,585.00	3,585.00			
09/09/17	09/09/17	ROYAL BANK OF CANADA NY CD DTD 03/15/2016 1.700% 03/09/2018	78009NZZ2	1,450,000.00	0.00	12,325.00	12,325.00			
09/13/17	09/13/17	JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/15/2017 2.200% 03/13/2020	24422ET02	305,000.00	0.00	3,317.72	3,317.72			
09/15/17	09/15/17	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	315,645.48	0.00	307.75	307.75			
09/15/17	09/15/17	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	291,682.89	0.00	342.73	342.73			
09/15/17	09/15/17	ALLY ABS 2017-3 A3 DTD 05/24/2017 1.740% 09/15/2021	02007EAE8	165,000.00	0.00	239.25	239.25			
09/15/17	09/15/17	TOYOTA ABS 2017-B A3 DTD 05/17/2017 1.760% 07/15/2021	89190BAD0	725,000.00	0.00	1,063.33	1,063.33			
09/15/17	09/15/17	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	255,000.00	0.00	306.00	306.00			
09/15/17	09/15/17	BANK OF AMERICA ABS 2015-A2 A DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	495,000.00	0.00	561.00	561.00			
09/15/17	09/15/17	BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019	084664CG4	105,000.00	0.00	892.50	892.50			
09/15/17	09/15/17	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	140,000.00	0.00	182.00	182.00			
09/30/17	09/30/17	US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	2,065,000.00	0.00	16,778.13	16,778.13			
Transaction Type Sub-Total				8,705,239.71	0.00	48,337.64	48,337.64			



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
PAYDOWNS											
	09/01/17	09/25/17	FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	42,904.80	42,904.80	0.00	42,904.80	(428.73)	0.00	
	09/01/17	09/25/17	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	44,768.69	44,768.69	0.00	44,768.69	(447.68)	0.00	
	09/01/17	09/25/17	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	54,321.01	54,321.01	0.00	54,321.01	(543.96)	0.00	
	09/01/17	09/25/17	FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	89,345.56	89,345.56	0.00	89,345.56	(893.13)	0.00	
	09/01/17	09/25/17	FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	24,170.35	24,170.35	0.00	24,170.35	(241.69)	0.00	
	09/15/17	09/15/17	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	42,060.87	42,060.87	0.00	42,060.87	3.43	0.00	
	09/15/17	09/15/17	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	24,694.97	24,694.97	0.00	24,694.97	4.81	0.00	
Transaction Type Sub-Total					322,266.25	322,266.25	0.00	322,266.25	(2,546.95)	0.00	
SELL											
	08/31/17	09/01/17	US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	875,000.00	874,863.28	2,779.20	877,642.48	(8,271.49)	(4,089.26)	FIFO
	08/31/17	09/01/17	US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	1,375,000.00	1,374,785.15	4,367.32	1,379,152.47	(14,716.80)	(7,288.13)	FIFO
	08/31/17	09/01/17	US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	95,000.00	94,985.16	301.74	95,286.90	(207.81)	(94.37)	FIFO
	08/31/17	09/01/17	GLAXOSMITHKLINE CAP INC NOTES DTD 05/13/2008 5.650% 05/15/2018	377372AD9	525,000.00	540,393.00	8,733.96	549,126.96	(53,975.25)	(604.89)	FIFO
	09/06/17	09/07/17	TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018	89236TCP8	525,000.00	525,220.50	1,220.63	526,441.13	666.75	349.02	FIFO
	09/06/17	09/08/17	US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	625,000.00	628,466.80	4,467.64	632,934.44	(7,373.04)	(2,078.99)	FIFO
	09/12/17	09/19/17	US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	200,000.00	200,968.75	441.58	201,410.33	929.69	931.52	FIFO
	09/12/17	09/19/17	US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	525,000.00	527,542.97	1,159.13	528,702.10	2,214.84	2,234.20	FIFO



Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2017**

CITY OF ANTIOCH, CA - 04380500

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
SELL											
	09/13/17	09/18/17	BANK OF AMERICA BANK NOTES DTD 06/05/2015 1.750% 06/05/2018	06050TMC3	450,000.00	450,711.00	2,253.13	452,964.13	(216.00)	456.98	FIFO
	09/22/17	09/26/17	BANK OF AMERICA BANK NOTES DTD 06/05/2015 1.750% 06/05/2018	06050TMC3	250,000.00	250,162.50	1,348.96	251,511.46	(352.50)	25.74	FIFO
	09/22/17	09/26/17	US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	225,000.00	225,395.51	566.32	225,961.83	254.88	264.04	FIFO
	09/25/17	09/27/17	FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	725,000.00	718,373.50	584.03	718,957.53	(5,495.50)	(5,896.04)	FIFO
	09/25/17	10/02/17	US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	375,000.00	375,336.91	1,905.74	377,242.65	(249.03)	(89.78)	FIFO
Transaction Type Sub-Total					6,770,000.00	6,787,205.03	30,129.38	6,817,334.41	(86,791.26)	(15,879.96)	
Managed Account Sub-Total						12,559.16	71,733.21	84,292.37	(89,338.21)	(15,879.96)	
Total Security Transactions						\$12,559.16	\$71,733.21	\$84,292.37	(\$89,338.21)	(\$15,879.96)	

Bolded items are forward settling trades.



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Derek Cole, Interim City Attorney *EP*

SUBJECT: Second Reading – Ordinance of the City Council of the City of Antioch Adding Section 5 to Chapter 7 of Title 5 of the Antioch Municipal Code Prohibiting the Hourly Rentals of Lodging Units Within City Limits

RECOMMENDED ACTION

It is recommended that the City Council enact an Ordinance Adding Section 5 to Chapter 7 of Title 5 of the Antioch Municipal Code Prohibiting the Hourly Rentals of Lodging Units Within City Limits.

STRATEGIC PURPOSE

The proposed action is consistent with Strategy D-2 of the Strategic Management Plan, Create a multifaceted team of resources that can assemble to address areas that habitually experience any combination of criminal, illegal, blighted, and nuisance activities and/or conditions.

FISCAL IMPACT

Should the Council adopt the proposed ordinance, it could incur expenses associated with enforcing the ordinance against any noncompliant lodging establishments, although some of those expenses could be recovered following successful enforcement. Otherwise, no fiscal impacts are anticipated.

DISCUSSION

This ordinance was introduced by unanimous vote of the City Council at the last City Council meeting on October 24, 2017. The ordinance is on the November 14, 2017 agenda for its second reading and adoption.

ATTACHMENT

- A. Ordinance of the City Council of the City of Antioch Adding Section 5 to Chapter 7 of Title 5 of the Antioch Municipal Code Prohibiting the Hourly Rentals of Lodging Units Within City Limits

ORDINANCE NO. _____-C-S

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANTIOCH ADDING SECTION 5 TO CHAPTER 7 OF TITLE 5 OF THE ANTIOCH MUNICIPAL CODE PROHIBITING THE HOURLY RENTALS OF LODGING UNITS WITHIN CITY LIMITS

The City Council of the City of Antioch does ordain as follows:

Section 1. Section 5 is hereby added to Chapter 7 of Title 5 of the Antioch Municipal Code, to read as follows:

§ 5-7.05 Hourly Room Rates Prohibited.

No person conducting or owning any establishment described in Section 5-7.01 and no person in charge, management, or control of such an establishment shall let or cause to be let any room or area of the establishment for a period of fewer than twelve hours, nor shall any such person let or cause to be rented any room or area of the establishment more than twice in any 24-hour period commencing at 12:01 a.m.

Section 2. CEQA Findings.

This project is exempt from environmental analysis under the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that the proposed amendments will not have a significant effect on the environment.

Section 3. Severability.

In the event any section or portion of this ordinance shall be determined to be invalid or unconstitutional, such section or portions shall be deemed severable and all other sections or portions hereof shall remain in force and effect.

Section 4. Effective Date and Publication.

This ordinance shall take effect and be in force thirty (30) days from and after the date of its passage. The City Clerk shall cause the ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation or by publishing a summary of the proposed ordinance and posting a certified copy of the proposed ordinance in the City Clerk’s Office at least five (5) days prior to the City Council meeting at which the ordinance is to be adopted and within fifteen (15) days after its adopting, publishing a summary of the ordinance with the names of the Council members voting for and against the ordinance.

* * * * *

I HEREBY CERTIFY that the foregoing ordinance was introduced at a regular meeting of the City Council of the City of Antioch held on the 24th day of October 2017 and passed and adopted at a regular meeting thereof, held on the 14th day of November 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sean Wright, Mayor of the City of Antioch

ATTEST:

Arne Simonsen, CMC, City Clerk of the City of Antioch



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017
TO: Honorable Mayor and Members of the City Council
SUBMITTED BY: Kevin Valente, Contract Planner *KVTA*
APPROVED BY: Forrest Ebbs, Community Development Director *FE*
SUBJECT: Rocketship Elementary School (Z-17-02, UP-17-01, V-17-05, AR-17-02)

RECOMMENDED ACTION

It is recommended that the City Council take the following actions:

1. Adopt the Resolution adopting the Rocketship Elementary School Project Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project (Attachment A).
2. Introduce the Ordinance approving a Rezone of the project site from Regional Commercial District (C-3) to Professional Office District (C-0) (Attachment B).
3. Adopt the Resolution approving a Variance to allow a six-foot tall wrought iron fence within the front setback along Cavallo Road, a Use Permit for the construction of an elementary school, and Design Review, subject to conditions of approval (Attachment C).

STRATEGIC PURPOSE

This action will improve Antioch's existing communities through community partnerships to help improve neighborhoods and reduce blight (Strategy D-1 in the Strategic Plan), in that it will create school development and neighborhood investment.

FISCAL IMPACT

The action does not directly impact the City budget. All improvements and infrastructure necessary to facilitate the development will be funded by the applicant.

DISCUSSION

The applicants, Harrison Tucker and Gant Bowman from Rocketship Education, request approval of an Initial Study/Mitigated Negative Declaration (IS/MND), a Rezone from Regional Commercial District (C-3) to Professional Office District (C-0), a Variance to allow a six-foot tall wrought iron fence within the front setback along Cavallo Road, and a Use Permit and Design Review approval for the development of an elementary school located at 1700 Cavallo Road, near the 18th Street Corridor (APN 065-151-049-7) (see Attachment D – Vicinity Map).

Background Information

The 1.7-acre project site is located at 1700 Cavallo Road, near the 18th Street Corridor. The site is currently zoned Regional Commercial District (C-3) and is designated by the City's General Plan as Commercial Office (CO). The site currently consists of a vacant office building built in

1965 and formerly used as a newspaper office and distributor, 29 on-site trees, and 31 existing parking spaces. The proposed project is surrounded by existing development, including commercial uses to the south and southwest, single-family residential to the east and northwest, and a Contra Costa County office building immediately north of the site. The existing K through 5th grade Kimball Elementary School is located approximately 0.21 miles to the northwest of the project site. The Antioch Unified School District (AUSD) granted a charter to Rocketship Education on December 7, 2016.

A charter school is a school, often privately owned, that receives government funding but operates independently of the established State school system in which it is located. Although, the proposed charter school is intended to serve students in the surrounding areas, enrollment could include students from anywhere in the school district and not just the surrounding neighborhood.

Planning Commission Recommendation

On November 1, 2017, the Planning Commission recommended the project be approved by City Council, by a unanimous vote of 5 Commissioners (1 absent, 1 seat vacant). Eleven members of the public spoke during the public comment period expressing support of the proposed charter school. The primary discussion focused on parking and circulation, design of the building, and public safety issues associated with an elementary school in this location.

After discussions with staff, the Antioch Police Chief, and the applicant, the Planning Commission voted to revise Condition of Approval J.19, removing an armed security guard requirement during the student AM drop-off and PM pick-up hours. The Planning Commission also voted to remove the following conditions: requiring additional façade articulation and alternative building materials for compliance with the Antioch Citywide Design Guidelines; requiring recordation of an off-site parking agreement; and, limiting enrollment capacity to 400 students until additional parking can be provided, or a parking study is conducted to ensure proposed parking could support a total enrollment of 600 students. The Planning Commission staff report (without resolutions or attachments) is provided as Attachment J.

Project Description

The proposed project would include the demolition of an existing, vacant office building and the development of a new charter elementary school with a total building area of 31,052 square feet (see Attachments E and F). The proposed school would serve up to 600 students between Pre-K and 5th Grade with 34 full-time staff. The proposed two-story school would include 20 classrooms, 2,250 square feet of office space, and two classrooms for learning labs, as well as a parent work room, conference rooms, a warming kitchen, and student and staff restrooms. The proposed project would include a total of 49 on-site parking spaces to serve the 34 full-time staff members. In addition to the proposed building, the project would include 12,406 square feet of landscaping area, and 35,856 square feet of open space, which would include a play structure, soccer turf, tree grove, lunch shelter, and garden boxes for the students. The proposed project would also be used for monthly community meetings in the evening for 10-20 families to discuss issues with school leadership, as well as professional development, testing preparation, and enrichment workshops twice per month on Saturdays from 8:00 AM to 4:00 PM with attending staff.

Rezone

In order to allow development of the proposed project site with a 31,052-square-foot two-story elementary school, the proposed project would require a Rezone from C-3 to C-0, as the

existing zoning does not permit school development. With City Council approval of the requested Rezone, school development would be conditionally permitted on the project site with the approval of a Use Permit (Section 9-5.3803 of the Antioch Municipal Code [AMC]). The Rezone of the project site would be consistent with the General Plan designation and would be compatible with the surrounding uses including the adjacent Contra Costa County office building to the north and the surrounding residential neighborhoods in the area, which the proposed project is intended to serve.

Variance

According to Section 9-5.1602 of the AMC, current development standards do not allow for a fence, wall or hedge that exceeds three-feet in the required front yard setback. Therefore, the proposed project requests a variance to allow a six-foot tall wrought iron fence along Cavallo Road. Staff believes that the proposed project is consistent with the findings required for approval of the requested Variance. The required findings are included in the attached resolution (Attachment C).

Parking

The proposed project would include a total of 49 on-site parking spaces to serve the 34 full-time staff members. According to the Section 9-5.1703.1 of the AMC, off-street parking requirements for school development is determined by the City Engineer based upon Institute of Transportation Engineers (ITE) studies as specified by the Use Permit process. Staff conducted a parking survey of elementary schools in the area for analysis and comparison. Using the average parking space per student ratio of schools in the area (0.12), an Antioch school of 600 students has an average of 73 vehicle spaces. The applicant provided a parking study for other Rocketship school locations that follow the same model as the proposed project. Using the average parking space per student ratio of other Rocketship school locations (0.052), an average Rocketship school of 600 students has approximately 31 vehicle spaces. It should be noted that the project would not have a regular bus system for student pick-up and drop-off.

To limit impacts on adjacent properties and neighborhoods, staff recommended that the Planning Commission reduce enrollment to provide parking at a ratio of .10 spaces per student or until a parking study conducted after the school was operating determined there is sufficient on-site parking for daily operations. Planning Commission determined that the 49 on-site parking spaces are sufficient for daily operations of the school at full enrollment of 600 students.

In order to support overflow parking needs when the proposed school has on-site school events, the applicant has been pursuing off-site parking agreements. The applicant has received letters of intent from Contra Costa County for the adjacent County office building (approximately 100 vehicle spaces) to the north, Templo Santo Church (approximately 90 vehicle spaces) located at 201 East 18th Street approximately 900 feet west of the project site, and the Veterans of Foreign Wars property located at 815 Fulton Shipyard Road approximately 0.45 mile north of the project site to provide off-site parking for after school and weekend events. As discussed above, the Planning Commission recommended approval of the project without requiring the applicant to secure off-site parking agreements for overflow parking.

Circulation

The proposed site currently shares a reciprocal access agreement with the adjacent Contra Costa County office building to the north. The main access for the project, consisting of student pick-up and drop-off, would be off-site to the north through the Contra Costa County office building parking lot, utilizing the reciprocal access agreement. The main access driveway to the

north consists of a locked vehicle gate with key fob access for County employees only. The County has agreed to open the vehicle gate during the student pick-up and drop-off times to honor the access agreement. Student drop-off would be from 7:00 AM to 7:45 AM Monday through Friday and student pick-up would be tiered according to grade: pick-up for Pre-K would be from 3:45 PM to 3:55 PM; grades 1 and 2 from 4:00 PM to 4:10 PM; grades 3, 4, and 5 from 4:10 PM to 4:20 PM. Dismissal would be earlier on Thursdays to allow teachers time for professional development but still staggered by grade.

The project applicant has developed operation guidelines for student arrivals and departures and to direct vehicles through the pick-up and drop-off queue, consisting of five operations support staff that would be staged on-site to safely manage student arrival/dismissal, as well as three school leaders, such as the Principal, Assistant Principals, Business Operations Managers, etc. All staff associated with arrival and dismissal operations and parents would receive education regarding proper traffic operations for student pick-up and drop-off. During pick-up and drop-off operations, a trained staff crossing-guard would be monitoring the proposed Amber Drive crosswalk across Cavallo Road.

In response to the applicant's request at the Planning Commission hearing to create additional on-street parking on Cavallo Road, staff has modified Condition of Approval J.8 and J.9 requiring the applicant to remove the existing red curb on Cavallo Road and install a parking restriction sign, with some combination of two-hour parking and loading only during school arrival and dismissal, along the project site and the adjacent County property. Signage and exact times will be subject to the approval of the City Engineer. Removing the red curb could add an additional 7-9 spaces in front of the school building and approximately 7 more spaces in front of the County property.

Safety and Security

The Antioch Police Department has identified the 18th Street and Cavallo Road area as one of the areas that experiences the most calls for service in the City of Antioch. According to the Antioch Police Department, 431 calls for service occurred in a quarter mile area surrounding the project site during 2016 (see Attachment H). On April 11, 2017 the Antioch City Council approved the purchase and use of three surveillance cameras that are to be installed at the 18th Street and Cavallo Road intersection.

The applicant has prepared a Security Plan in consultation with the Police Department specifically for the proposed project to address safety concerns (see Attachment I). Antioch Police Captain, Tony Morefield, has stated the proposed security features and mitigation techniques proposed by the applicant would be sufficient to protect the students and staff while located on-site; however, concern still exists for the safety of students arriving to, and departing from the school. Therefore, the applicant has proposed to provide a security guard during the student AM drop-off and PM pick-up hours. Pursuant to the Antioch Police Department, the security guard would only be responsible for the safety of the students and staff and should not intervene in any criminal activity outside their scope.

Environmental

In accordance with CEQA, an IS/MND was prepared and determined all significant environmental impacts would be mitigated to a less-than-significant level with incorporation of mitigation. The Mitigation Monitoring and Reporting Program (MMRP) is provided as an Exhibit A to the resolution provided as Attachment A. The IS/MND was released for public review from September 22, 2017 to October 11, 2017 and City staff did not receive any public comments on the IS/MND.

The Mitigated Negative Declaration is available for review Monday through Friday between the hours of 8:00 AM and 11:30 AM, and between the hours of 1:00 PM and 5:00 PM by appointment only, at the City of Antioch City Hall, Community Development Department, 200 H Street, and online at:

<http://ci.antioch.ca.us/CityGov/CommDev/PlanningDivision/Environmental-docs.htm>.

ATTACHMENTS

- A: Resolution adopting the Initial Study/Mitigated Negative Declaration
- B: Ordinance approving rezone of the project site
- C: Resolution approving variance, use permit, and design review
- D: Vicinity Map
- E: Rocketship Elementary School Project Plans (dated May 17, 2017)
- F: Rocketship Elementary School Project Renderings
- G: South Parking Lot Exhibit
- H: Antioch Police Department: Project Area - 2016 Calls for Service
- I: Security Plan
- J: November 1, 2017 Planning Commission Staff Report (without resolutions or attachments)

ATTACHMENT A
RESOLUTION NO. 2017/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH ADOPTING THE
MITIGATED NEGATIVE DECLARATION FOR THE ROCKETSHIP ELEMENTARY
SCHOOL PROJECT AS ADEQUATE FOR ADDRESSING THE ENVIRONMENTAL
IMPACTS OF THE PROPOSED PROJECT**

WHEREAS, the City received an application from Harrison Tucker, Rocketship Education, for approval of an Initial Study/Mitigated Negative Declaration (IS/MND), a rezone to Professional Office (C-0), a Variance, a Use Permit, and Design Review for the development of a 31,015-square foot, two-story elementary school on 1.7 acres. The project site is located at 1700 Cavallo Road (APN 065-151-049-7); and,

WHEREAS, the City prepared an IS/MND, to evaluate the potential environmental impacts of the Project in conformance with Section 15063 of Title 14 of the California Code of Regulations (the "CEQA Guidelines"); and,

WHEREAS, a draft IS/MND was circulated for a 20-day review period, with the public review period commencing on September 22, 2017 and ending on October 11, 2017, comments were not received; and,

WHEREAS, the Planning Commission has reviewed the IS/MND for this Project; and,

WHEREAS, the Planning Commission gave notice of public hearing as required by law; and,

WHEREAS, on November 1, 2017, the Planning Commission duly held a public hearing on the matter, and received and considered evidence, both oral and documentary and recommended adoption to the City Council of the Final IS/MND and Mitigation Monitoring and Reporting Program (MMRP); and,

WHEREAS, the custodian of the Final IS/MND is the Community Development Department and the Final IS/MND is available for public review on the second floor of City Hall in the Community Development Department, Monday - Friday 8:00 AM - 11:30 AM, and online at:

<http://ci.antioch.ca.us/CityGov/CommDev/PlanningDivision/Environmental-docs.htm>. The MMRP is attached as Exhibit A to this Resolution.

WHEREAS, the City Council duly gave notice of public hearing as required by law; and,

WHEREAS, on November 14, 2017, the City Council duly held a public hearing on the matter, and received and considered evidence, both oral and documentary, adopting the mitigated negative declaration.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED, as follows:

1. The foregoing recitals are true and correct.

RESOLUTION NO. 2017/**

November 14, 2017

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2. The City Council of the City of Antioch hereby FINDS, on the basis of the whole record before it (including the Initial Study) that:
 - a. The City of Antioch exercised overall control and direction over the CEQA review for the Project, including the preparation of the Final IS/MND, and independently reviewed the Final IS/MND and MMRP; and,
 - b. There is no substantial evidence that the Project will have a significant effect on the environment once mitigation measures have been followed and assuming approval of the Rezone, Use Permit, Variance, and Design Review; and,
 - c. The Final IS/MND and MMRP reflect the City's independent judgment and analysis.
3. The City Council hereby APPROVES AND ADOPTS the IS/MND and MMRP for the Project.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of the City of Antioch at a regular meeting thereof held on the 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

EXHIBIT A

MMRP

Rocketship Elementary School Project Mitigation Monitoring and Reporting Program

April 2017

The California Environmental Quality Act (CEQA) and CEQA Guidelines require Lead Agencies to adopt a program for monitoring the mitigation measures required to avoid the significant environmental impacts of a project. The Mitigation Monitoring and Reporting Program (MMRP) ensures that mitigation measures imposed by the City are completed at the appropriate time in the development process.

The mitigation measures identified in the Initial Study/Mitigated Negative Declaration for the Rocketship Elementary School Project are listed in the MMRP along with the party responsible for monitoring implementation of the mitigation measure, the milestones for implementation and monitoring, and a sign-off that the mitigation measure has been implemented.

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**MITIGATION MONITORING AND REPORTING PROGRAM
ROCKETSHIP ELEMENTARY SCHOOL PROJECT**

Mitigation Measure	Implementation Schedule	Monitoring Agency	Sign-Off
<p>IV-1. <i>Pre-construction surveys for nesting birds shall be conducted by a qualified biologist not more than two weeks prior to site disturbance during the breeding season (February 1st to August 31st). If site disturbance commences outside the breeding season, pre-construction surveys for nesting birds are not required. If active nests of migratory birds are not detected within approximately 250 feet of the project site, further mitigation is not required.</i></p> <p><i>If nesting raptors or other migratory birds are detected on or adjacent to the site during the survey, a suitable construction-free buffer shall be established around all active nests. The dimensions of the buffer (typically 75 feet for passerine birds, up to 250 feet for raptors) shall be determined at that time and may vary depending on location and species. The buffer areas shall be enclosed with temporary fencing, and construction equipment and workers shall not enter the enclosed setback areas. Buffers shall remain in place for the duration of the breeding season or until a qualified biologist has confirmed that all chicks have fledged and are independent of their parents. Alternatively, the project applicant could comply with one of the following:</i></p> <ol style="list-style-type: none"> 1) <i>Comply with the applicable terms and conditions of the ECCC HCP/NCCP, as determined in written "Conditions of Coverage" by the East Contra Costa County Habitat Conservancy (Conservancy), provided that the City has first entered into an agreement with the Conservancy for coverage of impacts to ECCC HCP/NCCP Covered Species; or</i> 2) <i>Comply with a habitat conservation plan and/or natural community conservation plan developed and adopted by the City, including payment of applicable fees, provided that CDFW and FWS have approved the conservation plan.</i> 	<p>No more than two weeks prior to site disturbance that occurs during the breeding season (February 1st – August 31st)</p>	<p>City of Antioch Community Development Department</p> <p>CDFW</p> <p>USFWS</p>	
<p>IV-2. <i>Prior to approval of a grading permit, the applicant shall comply with all requirements set forth in Title 9, Chapter 5, Article 12 of the Antioch Municipal Code related to preservation of protected trees, including avoidance of grading within the drip line of such trees and the applicable penalties if grading within the drip line</i></p>	<p>Prior to approval of a grading permit</p>	<p>City of Antioch Community Development Department</p>	

AS

**MITIGATION MONITORING AND REPORTING PROGRAM
ROCKETSHIP ELEMENTARY SCHOOL PROJECT**

Mitigation Measure	Implementation Schedule	Monitoring Agency	Sign-Off
<i>cannot be avoided. Compliance with the requirements shall be ensured by the Community Development Department.</i>			
<p>IV-3. <i>Throughout implementation of the proposed project, the applicant shall adhere to the Tree Preservation Guidelines stipulated in the Tree Evaluation Report prepared for the proposed project. The Guidelines include design recommendations, pre-construction treatments and recommendations, recommendations for tree protection during construction, and recommendations for maintenance of impacted trees. Compliance with the Guidelines shall be reviewed by the Community Development Department prior to building permit approval.</i></p>	<p>Prior to approval of a building permit</p>	<p>City of Antioch Community Development Department</p>	
<p>V-1. <i>In the event of the accidental discovery or recognition of any human remains, further excavation or disturbance of the find or any nearby area reasonably suspected to overlie adjacent human remains shall not occur until compliance with the provisions of CEQA Guidelines Section 15064.5(e)(1) and (2) has occurred. The Guidelines specify that in the event of the discovery of human remains other than in a dedicated cemetery, no further excavation at the site or any nearby area suspected to contain human remains shall occur until the County Coroner has been notified to determine if an investigation into the cause of death is required. If the coroner determines that the remains are Native American, then, within 24 hours, the Coroner must notify the Native American Heritage Commission, which in turn will notify the most likely descendants who may recommend treatment of the remains and any grave goods. If the Native American Heritage Commission is unable to identify a most likely descendant or most likely descendant fails to make a recommendation within 24 hours after notification by the Native American Heritage Commission, or the landowner or his authorized agent rejects the recommendation by the most likely descendant and mediation by the Native American Heritage Commission fails to provide a measure acceptable to the landowner, then the landowner or his authorized representative shall rebury the human remains and grave goods with appropriate dignity at a location on the property not subject to further disturbances. Should human remains be encountered, a copy of</i></p>	<p>During ground disturbance activities</p>	<p>City of Antioch Community Development Department</p> <p>County Coroner</p> <p>Native American Heritage Commission</p>	

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**MITIGATION MONITORING AND REPORTING PROGRAM
ROCKETSHIP ELEMENTARY SCHOOL PROJECT**

Mitigation Measure	Implementation Schedule	Monitoring Agency	Sign-Off
<p><i>the resulting County Coroner report noting any written consultation with the Native American Heritage Commission shall be submitted as proof of compliance to the City's Community Development Department.</i></p>			
<p>V-2. <i>If any prehistoric or historic artifacts, or other indications of cultural deposits, such as historic privy pits or trash deposits, are found once ground disturbing activities are underway, all work within the vicinity of the find(s) shall cease, the Community Development Department shall be notified, and the find(s) shall be immediately evaluated by a qualified archaeologist. If the find is determined to be a historical or unique archaeological resource, contingency funding and a time allotment to allow for implementation of avoidance measures or appropriate mitigation shall be made available (CEQA Guidelines Section 15064.5). Work may continue on other parts of the project site while historical or unique archaeological resource mitigation takes place (Public Resources Code Sections 21083 and 21087).</i></p>	<p>During ground disturbance activities</p>	<p>City of Antioch Community Development Department</p>	
<p>VI-1. <i>Prior to the approval of the building permits, the project applicant shall submit, for review and approval by the City of Antioch Building Division, a design level geological report describing the appropriate measures for construction on expansive soils and limiting the effects of liquefaction.</i></p>	<p>Prior to approval of a building permit</p>	<p>City of Antioch Building Division</p>	
<p>VI-2. <i>Prior to submittal of improvement plans, the project applicant shall submit, for the review and approval by the City Engineer, an erosion control plan that utilizes standard construction practices to limit the erosion effects during construction of the proposed project. Measures shall include, but are not limited to, the following:</i></p> <ul style="list-style-type: none"> • <i>Hydro-seeding;</i> • <i>Placement of erosion control measures within drainage ways and ahead of drop inlets;</i> • <i>The temporary lining (during construction activities) of drop inlets with "filter fabric" (a specific type of geotextile fabric);</i> • <i>The placement of straw wattles along slope contours;</i> • <i>Directing subcontractors to a single designation "wash-out" location (as opposed to allowing them to wash-out in any</i> 	<p>Prior to submittal of improvement plans</p>	<p>City of Antioch City Engineer</p>	

**MITIGATION MONITORING AND REPORTING PROGRAM
ROCKETSHIP ELEMENTARY SCHOOL PROJECT**

Mitigation Measure	Implementation Schedule	Monitoring Agency	Sign-Off
<p>location they desire);</p> <ul style="list-style-type: none"> • The use of siltation fences; and • The use of sediment basins and dust palliatives. 			
<p>VIII-1 <i>Prior to issuance of a demolition permit by the City for any on-site structures, the project applicant shall provide a site assessment that determines whether any structures to be demolished contain asbestos. If structures do not contain asbestos, further mitigation is not required. If asbestos-containing materials are detected, the applicant shall prepare and implement an asbestos abatement plan consistent with federal, State, and local standards, subject to approval by the City Engineer, City Building Official, and the Bay Area Air Quality Management District.</i></p> <p><i>Implementation of the asbestos abatement plan shall include the removal and disposal of the asbestos-containing materials by a licensed and certified asbestos removal contractor, in accordance with local, State, and federal regulations. In addition, the demolition contractor shall be informed that all building materials shall be considered as containing asbestos. The contractor shall take appropriate precautions to protect his/her workers, the surrounding community, and to dispose of construction waste containing asbestos in accordance with local, State, and federal regulations subject to the City Engineer, City Building Official, and the Bay Area Air Quality Management District.</i></p>	<p>Prior to issuance of a demolition permit</p>	<p>City of Antioch City Engineer</p> <p>City of Antioch Building Division</p> <p>Bay Area Air Quality Management District</p>	
<p>VIII-2 <i>Prior to issuance of a demolition permit by the City for any on-site structures, the project applicant shall provide a site assessment that determines whether any structures to be demolished contain lead-based paint. If structures do not contain lead-based paint, further mitigation is not required. If lead-based paint is found, all loose and peeling paint shall be removed and disposed of by a licensed and certified lead paint removal contractor, in accordance with federal, State, and local regulations. The demolition contractor shall be informed that all paint on the buildings shall be considered as containing lead. The contractor shall take appropriate precautions to protect his/her workers, the surrounding community, and to dispose of construction waste containing lead paint in accordance with federal, State, and local</i></p>	<p>Prior to issuance of a demolition permit</p>	<p>City of Antioch Building Division</p>	

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**MITIGATION MONITORING AND REPORTING PROGRAM
ROCKETSHIP ELEMENTARY SCHOOL PROJECT**

Mitigation Measure	Implementation Schedule	Monitoring Agency	Sign-Off
<i>regulations subject to approval by the City Engineer.</i>			
<p>XII-1. <i>During construction activities and subject to the City of Antioch Code Enforcement Division, the use of heavy construction equipment shall adhere to Section 5-17.04 of the City's Municipal Code, which includes the following regulations:</i></p> <p><i>It shall be unlawful for any person to operate heavy construction equipment during the hours specified below:</i></p> <ol style="list-style-type: none"> 1) <i>On weekdays prior to 8:00 AM and after 5:00 PM.</i> 2) <i>On weekends and holidays, prior to 9:00 AM and after 5:00 PM.</i> 	During construction activities	City of Antioch Code Enforcement Division	
<p>XII-2. <i>Prior to approval of improvement plans, and subject to the review and approval of the City Engineer, the following notes shall be included on the improvement plans:</i></p> <ul style="list-style-type: none"> • <i>All noise-producing project equipment and vehicles using internal-combustion engines shall be equipped with manufacturers-recommended mufflers and be maintained in good working condition.</i> • <i>All mobile or fixed noise-producing equipment used on the project site that are regulated for noise output by a federal, state, or local agency shall comply with such regulations while in the course of project activity and must be located as far as is feasible from sensitive receptors;</i> • <i>Electrically powered equipment shall be used instead of pneumatic or internal-combustion-powered equipment, where feasible;</i> • <i>Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors; and</i> • <i>Construction site and access road speed limits shall be established and enforced during the construction period.</i> 	Prior to approval of improvement plans	City of Antioch City Engineer	
<p>XVI-1 <i>Prior to the approval of the building permits, the project applicant shall submit, for review and approval by the City of Antioch Engineering and Development Services Division, project plans that specify median striping modifications to remove the left-turn pocket taper striping, as described in the TIA, dated August 1,</i></p>	Prior to approval of a building permit	City of Antioch City Engineer	

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MITIGATION MONITORING AND REPORTING PROGRAM ROCKETSHIP ELEMENTARY SCHOOL PROJECT			
Mitigation Measure	Implementation Schedule	Monitoring Agency	Sign-Off
<i>2017, prepared by Hexagon Transportation Consultants, Inc.</i>			
XVI-2 <i>Prior to the approval of the building permits, the project applicant shall submit, for review and approval by the City of Antioch Community Development Department, proposed parking lot signage that specify the northern parking lot would be reserved for staff parking only.</i>	Prior to approval of a building permit	City of Antioch Community Development Department	
XVI-3 <i>Prior to the approval of the building permits, the project applicant shall submit, for review and approval by the City of Antioch Community Development Department, site plans indicating the four 90-degree tandem spaces within the northern parking lot have been converted to standard 90-degree spaces.</i>	Prior to approval of a building permit	City of Antioch Community Development Department	
XVI-4 <i>Prior to the approval of the building permits, the project applicant shall submit, for review and approval by the City of Antioch Community Development Department, an operations plan that specifies the means by which school staff or volunteers will direct traffic during student pick-up and drop-off periods according to the following specifications:</i> <ul style="list-style-type: none"> • <i>Parents that need additional time will be directed to park in the designated on-site parking spaces to ensure the loading zone is available for its intended purpose;</i> • <i>The entry-only driveway at the southern on-site parking lot should be monitored by staff or volunteers to prevent parents from using the parking area as a student pick-up and drop-off zone and to avoid conflicts with vehicles exiting the designated student pick-up and drop-off zone; and</i> • <i>Staff and/or traffic cones should be positioned adjacent to the exit gate at the end of the student pick-up and drop-off zone to instruct vehicles to merge into one lane and direct traffic flow toward the exit-only driveway.</i> 	Prior to approval of a building permit	City of Antioch Community Development Department	
XVII. <i>Implement Mitigation Measures V-1 and V-2.</i>	During ground disturbance activities	Antioch Community Development Department	

ATTACHMENT B

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANTIOCH TO REZONE 1.7 ACRES TO PROFESSIONAL OFFICE DISTRICT (C-0) FOR THE ROCKETSHIP ELEMENTARY SCHOOL PROJECT (APN 065-151-049-7)

The City Council of the City of Antioch does ordain as follows:

SECTION 1:

The City Council determined on November 14, 2017 that, pursuant to Section 15164 of the Guidelines of the California Environmental Quality Act, that the appropriate environmental document for the project is an Initial Study, Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program.

CEQA Guidelines Section 15070 is as follows:

15070. Decision to Prepare a Negative or Mitigated Negative Declaration

A public agency shall prepare or have prepared a proposed negative declaration or mitigated negative declaration for a project subject to CEQA when:

- (a) The initial study shows that there is no substantial evidence, in light of the whole record before the agency, that the project may have a significant effect on the environment, or
- (b) The initial study identifies potentially significant effects, but:
 - (1) Revisions in the project plans or proposals made by or agreed to by the applicant before a proposed mitigated negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, and
 - (2) There is no substantial evidence, in light of the whole record before the agency, that the project as revised may have a significant effect on the environment.

SECTION 2:

At its regular meeting of November 1, 2017, the Planning Commission recommended that the City Council approve the resolution adopting the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the proposed project.

SECTION 3:

At its regular meeting of November 14, 2017, the City Council approved the resolution adopting the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the proposed project.

SECTION 4:

At its regular meeting of November 1, 2017, the Planning Commission recommended that the City Council adopt the Ordinance to Rezone the subject property to Professional Office District (C-0) for the Rocketship Elementary School Project.

SECTION 5:

The real property described in Exhibit A, attached hereto, is hereby Rezoned to Professional Office District (C-0) for the Rocketship Elementary School Project.

SECTION 6:

The City Council finds that the public necessity requires the proposed zone change, that the subject property is suitable to the use permitted in the proposed zone change, that said permitted use is not detrimental to the surrounding property, and that the proposed zone change is in conformance with the Antioch General Plan.

SECTION 7:

This ordinance shall take effect and be enforced thirty (30) days from and after the date of its adoption and shall be published once within fifteen (15) days upon passage and adoption in a newspaper of general circulation printed and published in the City of Antioch.

* * * * *

I **HEREBY CERTIFY** that the foregoing ordinance was introduced and adopted at a regular meeting of the City Council of the City of Antioch, held on the 14th day of November and passed and adopted at a regular meeting thereof, held on the ____ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

Sean Wright, Mayor of the City of Antioch

ATTEST:

Arne Simonsen, CMC
City Clerk of the City of Antioch

EXHIBIT A
LEGAL DESCRIPTION

LEGAL DESCRIPTION

Real property in the City of Antioch, County of Contra Costa, State of California, described as follows:

PARCEL ONE:

PARCEL "A" OF PARCEL MAP SUBDIVISION # MS 357-302-01, THE CITY OF ANTIOCH, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP FILED OCTOBER 08, 2001 IN BOOK 181, PAGES 39 AND 40 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL TWO:

A NON-EXCLUSIVE PRIVATE ACCESS EASEMENT, APPURTENANT TO PARCEL ONE ABOVE, FOR, BUT NOT LIMITED TO INGRESS, EGRESS AND EMERGENCY VEHICLES, AS RESERVED IN THE DEED TO CONTRA COSTA COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, RECORDED DECEMBER 12, 2001 AS INSTRUMENT NO. 2001-0382431 OF OFFICIAL RECORDS, OVER THAT PORTION OF PARCEL B OF PARCEL MAP MS 357-302-01 FILED OCTOBER 8, 2001 IN BOOK 181 OF PARCEL MAPS, PAGES 39 AND 40, CONTRA COSTA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF PARCEL B AS SHOWN ON THE ABOVE REFERENCED PARCEL MAP, BEING ON THE GENERAL WESTERLY RIGHT-OF-WAY LINE OF CAVALLO ROAD; THENCE SOUTH 00°18'00" EAST 110.34 FEET TO THE TRUE POINT OF BEGINNING OF THIS PRIVATE ACCESS EASEMENT; THENCE SOUTH 00°18'00" EAST 20 FEET; THENCE SOUTH 89°43'24" WEST 174.62 FEET; THENCE SOUTH 00°09'31" EAST 137.25 FEET; THENCE NORTH 89°51'04" EAST 174.96 FEET; THENCE SOUTH 00°18'00" EAST 18.5 FEET; THENCE SOUTH 89°51'04" WEST 175.00 FEET; THENCE SOUTH 00°09'31" EAST 120.80 FEET; THENCE NORTH 89°38'37" EAST 175.30 FEET; THENCE SOUTH 00°18'00" EAST 7.50 FEET; THENCE SOUTH 89°38'37" WEST 193.32 FEET; THENCE NORTH 00°09'31" WEST 304.07 FEET; THENCE NORTH 89°43'24" EAST 192.57 FEET TO THE TRUE POINT OF BEGINNING.

APN: 065-151-049-7

ATTACHMENT C

RESOLUTION NO. 2017/**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH APPROVING A VARIANCE TO ALLOW A SIX-FOOT TALL WROUGHT IRON FENCE WITHIN THE FRONT SETBACK ALONG CAVALLO ROAD, AND A USE PERMIT AND DESIGN REVIEW FOR THE ROCKETSHIP ELEMENTARY SCHOOL PROJECT

WHEREAS, the City received an application from Harrison Tucker, Rocketship Education, for approval of an Initial Study/Mitigated Negative Declaration (IS/MND), a Rezone to Professional Office District (C-0), a Variance, a Use Permit, and Design Review for the development of a 31,015-square foot, two-story elementary school on 1.7 acres. The project site is located at 1700 Cavallo Road (APN 065-151-049-7); and,

WHEREAS, an IS/MND and Mitigation Monitoring and Reporting Program (MMRP) was prepared in accordance with the California Environmental Quality Act (CEQA) Guidelines Section 15162, and,

WHEREAS, on November 1, 2017, the Planning Commission held a duly noticed public hearing on the matter, and received and considered evidence, both oral and documentary and recommended adoption of the IS/MND and MMRP to the City Council; and,

WHEREAS, on November 1, 2017, the Planning Commission recommended approval of a Rezone to Professional Office District (C-0) and a use permit and design review to the City Council; and,

WHEREAS, the City Council duly gave notice of public hearing as required by law; and,

WHEREAS, on November 14, 2017, the City Council duly held a public hearing on the matter, and received and considered evidence, both oral and documentary; and,

WHEREAS, on November 14, 2017, the City Council introduced an ordinance to rezone the subject property to Professional Office District (Z-17-02); and,

NOW THEREFORE BE IT RESOLVED, that the City Council does hereby make the following required findings for approval of the requested Variance:

1. There are exceptional or extraordinary circumstances or conditions applicable to the property involved, or to the intended use of the property, that do not apply generally to the property or class of use in the same zone or vicinity.

The project site is a 31,052-square-foot two-story elementary school proposed to serve up to 600 students between Pre-K and 5th Grade with 32 full-time staff located approximately 130' north of the 18th Street Corridor. The six-foot tall wrought iron fence is necessary to ensure the safety of the elementary school students. The City's current development standards do not allow for a "fence, wall or hedge that exceeds three feet in the required front yard setback" (9-5.1602, Walls and Fences: Height Restrictions).

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November 14, 2017

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2. The granting of such Variance will not be materially detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity.

The granting of the six-foot tall wrought iron fence within the front setback would not be detrimental to the public health and welfare, as the fence is intended to ensure the safety of the proposed elementary school students. The design and location of the six-foot tall wrought iron fence has been considered as to not obstruct the line of sight for vehicles entering or exiting the community. Therefore, the granting of a variance for the six-foot tall wrought iron fence within the front setback would not affect public health or welfare.

3. That because of special circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, the strict application of the zoning provisions is found to deprive the subject property of privileges enjoyed by other properties in the vicinity under the identical zone classifications.

The City of Antioch Police Department has identified the project location as one of the areas that experiences the most calls for service in the City of Antioch. Therefore, the proposed use of an elementary school would require additional security measures compared to other permitted or conditionally permitted uses allowed in this zone. Therefore, the granting of a variance for the six-foot tall wrought iron fence within the front setback would add the necessary safety and security measures to ensure the safety of the proposed elementary school students.

4. That the granting of such Variance will not adversely affect the comprehensive General Plan.

The granting of the six-foot tall six-foot tall wrought iron fence with a cast-in-place concrete wall base would not change the allowed uses of the site and would not adversely affect the comprehensive General Plan.

NOW THEREFORE BE IT RESOLVED, that the City Council does hereby make the following required findings for approval of the requested Use Permit:

1. The granting of such Use Permit will not be detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity because the project as conditioned has been designed to comply with the City of Antioch Municipal Code (AMC) requirements.
2. The use applied at the location indicated is properly one for which a Use Permit is authorized because the City of Antioch Zoning Ordinance requires a Use Permit for school development applications.
3. That the site for the proposed use is adequate in size and shape to accommodate such use, and all yards, fences, parking, loading, landscaping, and other features required, to other uses in the neighborhood. With City Council approval of the requested Variance and adoption of conditions of approval, the site plan complies with the City of Antioch's Zoning Standards.

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November 14, 2017

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4. That the site abuts streets adequate in width and pavement type to carry the kind of traffic generated by the proposed use. The project site will provide parking and street improvements, which, as conditioned, are designed to meet City standards.
5. That the granting of such Use Permit will not adversely affect the comprehensive General Plan because the proposed uses and design are consistent with the City of Antioch General Plan and Citywide Design Guidelines. The proposed Zoning designation for the project site is Professional Office District, which conditionally allows for the type of use being developed by the project.
6. The conditions of approval protect the public safety, health and general welfare of the users of the project and surrounding area. In addition, the conditions ensure the project is consistent with City standards.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Antioch does **APPROVE** a Variance, a Use Permit, and Design Review for the development of a 31,052-square-foot two-story elementary school on a 1.7-acre project site located at 1700 Cavallo Road (APN 065-151-049-7) subject to the following conditions:

A. GENERAL CONDITIONS

1. The applicant shall defend, indemnify, and hold harmless the City in any action brought by a third party to challenge the land use entitlement. In addition, if there is any referendum or other election action to contest or overturn these approvals, the applicant shall either withdraw the application or pay all City costs for such an election.
2. The project shall be implemented as indicated on the application form and accompanying materials provided to the City and in compliance with the Antioch Municipal Code, or as amended by the City Council.
3. No building permit will be issued unless the plan conforms to the site plan entitled "Rocketship Antioch Public School", dated February 7, 2017, as approved by the Planning Commission and the standards of the City.
4. This approval expires two years from the date of approval (expires November 14, 2019), unless a building permit has been issued and construction has diligently commenced thereon and has not expired, or an extension has been approved by the Zoning Administrator. Requests for extensions must be received in writing with the appropriate fees prior to the expiration of this approval. No more than one one-year extension shall be granted.
5. No permits or approvals, whether discretionary or mandatory, shall be considered if the applicant is not current on fees, reimbursement payments, and any other payments that are due.
6. All required easements or rights-of-way for improvements shall be obtained by the applicant at no cost to the City of Antioch. Advance permission shall be

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obtained from all pertinent property owners and easement holders, if applicable, for any work done within such property or easements.

7. All existing easements shall be identified on the site plan and all plans that encroach into existing easements shall be submitted to the easement holder for review and approval, and advance written permission shall be obtained from any property or easement holders for any work done within such property or easements.
8. The project and all proposed improvements shall comply with the City of Antioch Municipal Code and City Standards unless a specific exception is granted thereto or as approved by the City Engineer.
9. The applicant shall obtain an encroachment permit for all work to be done within the public right-of-way or easements, and peak commute-hour traffic shall not be impeded by construction related activity.
10. The project shall be identified by a decorative addressing method easily visible to emergency responders and modified as deemed necessary by the Antioch Police Department.
11. The applicant shall install and maintain parking lot and pathway lights and landscaping within the project area at no cost to the City.
12. The property owner agrees to participate in Streetlight and Landscape District 2A Zone 1 and accept a level of annual assessments sufficient to maintain the public streetlights and landscaping in the vicinity of the project area at no cost to the City.
13. The City engineering, planning and clean water staff will inspect the site and adjacent right-of-way for compliance with conditions of approval and the project shall conform to all conditions of approval prior to final certificate of occupancy.
14. City of Antioch "No Dumping – Drains to River" decal buttons shall be installed on new and existing storm drain inlets to alert the public to the destination of storm water and to prevent direct discharge of pollutants into the storm drain system.
15. All access driveways shall be constructed to current ADA and City Standards, subject to review and approval by the City Engineer.
16. All parking spaces shall be double-striped and all parking lot dimensions shall meet minimum City policies and Municipal Code requirements, as approved by the City Engineer.
17. All cracked, broken or damaged concrete curb, gutter, and sidewalk in the public right-of-way along the project frontage shall be removed and replaced as required by the City Engineer.

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18. All buildings, parking and access shall meet ADA/Title 24 requirements as determined by the Chief Building Official.
19. Prior to the approval of the grading plan(s), the City Engineer shall determine if it is necessary to engage soils and structural engineers, as well as any other professionals, deemed necessary to review and verify the adequacy of the building plans submitted for this project. If deemed necessary by the City Engineer, this condition may include field inspections by such professionals to verify implementation of the plans. Costs for these services shall be borne by the applicant.
20. A turning template shall be shown on the site plan included with the building permit submittal confirming that all expected vehicles can successfully ingress, egress, and safely maneuver through the site, as approved by the City Engineer.
21. Sight distance triangles shall be maintained per Antioch Code of Ordinances § 9-5.1101, Site Obstructions at Intersections, or as approved by the City Engineer.
22. The property owner shall maintain all undeveloped areas within this project in an attractive manner, which shall also ensure fire safety.

B. CONSTRUCTION CONDITIONS

1. The use of construction equipment shall be as outlined in the Antioch Municipal Code. Construction is restricted to weekdays between the hours of 7:00 AM and 6:00 PM. Requests for alternative days/times may be submitted in writing to the City Engineer for consideration.
2. The project shall be in compliance with and supply all the necessary documentation for AMC 6-3.2: Construction and Demolition Debris Recycling.
3. Standard dust control methods and designs shall be used to stabilize the dust generated by construction activities. The applicant shall post dust control signage with a contact number of the applicant, City staff, and the Bay Area Air Quality Management District.

C. FIRE REQUIREMENTS

1. Access roadways of **less than 28-feet** unobstructed width shall have signs posted or curbs painted red with the words ***NO PARKING - FIRE LANE*** clearly marked. (22500.1) CVC, (503.3) CFC

Access roadways of **28 feet or greater, but less than 36-feet** unobstructed width shall have ***NO PARKING - FIRE LANE*** signs posted, allowing for parking on one side only or curbs painted red with the words ***NO PARKING- FIRE LANE*** clearly marked. Parking is permitted only on the side of the road that does not have hydrants. (22500.1) CVC, (503.3) CFC

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2. Access gates for Fire District apparatus shall be a minimum of 20-feet wide. Access gates shall slide horizontally or swing inward and shall be located a minimum of 30 feet from the street. Electrically operated gates shall be equipped with a Knox Company key-operated switch. Manually operated gates shall be equipped with a non-casehardened lock or approved Fire District lock. Contact the Fire District for information on ordering the key- operated switch. (0103.5) CFC
3. The applicant shall submit a minimum of two (2) copies of site improvement plans indicating all existing or proposed hydrant locations and fire apparatus access for review and approval prior to obtaining a building permit. ***Final placement of hydrants shall be determined by Contra Costa County Fire Protection District.*** (501.3) CFC
4. The buildings as proposed shall be protected with an approved automatic fire sprinkler system complying with the 2016 edition of NFPA 13. Submit a minimum of two (2) sets of plans to this office for review and approval prior to installation. (903.2) CFC, Contra Costa County Ordinance 2016-23
5. The applicant shall provide traffic signal pre-emption systems (Opticom) on any new or modified traffic signals installed with this development. (21351) CVC
6. The applicant shall submit a minimum of two (2) complete sets of plans and specifications of the subject project, including plans for any of the following required deferred submittals, to the Fire District for review and approval ***prior to*** construction to ensure compliance with minimum requirements related to fire and life safety. Plan review and inspection fees shall be submitted at the time of plan review submittal. (105.4.1) CFC, (901.2) CFC, (107) CBC
 - Building construction plans
 - Private underground fire service water mains
 - Fire sprinklers
 - Fire alarm

D. FEES

1. The applicant shall pay all City fees which have been established by the City Council and as required by the Antioch Municipal Code.
2. The applicant shall pay all pass-through fees. Fees include but are not limited to:
 - East Contra Costa Regional Fee and Financing Authority (ECCRFFA) Fee in effect at the time of building permit issuance.
 - Contra Costa County Fire Protection District Fire Development Fee in effect at the time of building permit issuance.
 - Contra Costa County Flood Control District Fee in effect at the time of building permit issuance.
 - Delta Diablo Sewer Fees.
 - Contra Costa Water District Fees.

E. PROPERTY MAINTENANCE

1. A parking lot sweeping program shall be implemented that, at a minimum, provides for sweeping immediately prior to, and once during, the storm season.
2. The site shall be kept clean of all debris (boxes, junk, garbage, etc.) at all times.

F. GRADING

1. The grading operation shall take place at a time and in a manner so as not to allow erosion and sedimentation. The slopes shall be landscaped and reseeded as soon as possible after the grading operation ceases. Erosion measures shall be implemented during all construction phases in accordance with an approved erosion and sedimentation control plan.
2. All lots and slopes shall drain to approved drainage facilities as approved by the City Engineer.
3. Wall and fence locations and elevations shall be included on the grading plan.
4. Any existing wells or septic systems on the property shall be properly abandoned under permit from the Contra Costa County Environmental Health Department.
5. The grading for slopes shall be contoured to provide as natural an appearance as possible as required by the City Engineer.
6. All grading shall be accomplished in a manner that precludes surface water drainage across any property line.
7. Asphalt paving shall be designed for a minimum traffic index (TI) of 4.5 and shall have a minimum slope of 1.5 percent, concrete paving shall have a minimum slope of 0.75 percent, or as approved by the City Engineer.
8. All off-site grading is subject to the coordination and approval of the affected property owners and the City Engineer. The applicant shall submit written authorization to "access, enter, or grade" adjacent properties prior to performing any work.
9. The grading plan for this project shall be approved by the City Engineer.
10. All elevations shown on the plans shall be on the USGS 1929 sea level datum or NAVD 88 with conversion information, as approved by the City Engineer.
11. Retaining walls shall be of masonry construction and shall not be constructed in City right-of-way or other City maintained parcels unless approved by the City Engineer.

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12. All retaining walls shall be reduced in height to the maximum extent practicable and the walls shall meet the height requirements in the setback and sight distance triangles as required by the City Engineer.

G. CONSERVATION/NPDES

1. Water conservation measures, including the use of drought tolerant landscaping, shall be used.
2. The project shall meet or exceed Tier 1 of the CALGreen Building Code.
3. The project shall comply with all Federal, State, and City regulations for the National Pollution Discharge Elimination System (NPDES) (AMC§6-9). (Note: Per State Regulations, NPDES Requirements are those in affect at the time of the Final Discretionary Approval.) Under NPDES regulations, the project is subject to provision C.3: New development and redevelopment regulations for storm water treatment. Provision C.3 requires that the project include storm water treatment and source control measures, as well run-off flow controls, so that post-project runoff does not exceed estimated pre-project runoff. C.3 regulations require the submittal of a Storm Water Control Plan (SWCP) that demonstrates how compliance will be achieved. The SWCP shall be submitted simultaneously with the project plans. For the treatment and flow-controls identified in the approved SWCP, a separate Operation and Maintenance Plan (O&M) shall be submitted and approved before the Building Department will issue Certificate of Occupancy permits. Both the approved SWCP and O&M plans shall be included in the project CC&Rs. Prior to building permit final and issuance of a Certificate of Occupancy, the applicant shall execute any agreements identified in the Storm Water Control Plan that pertain to the transfer of ownership and/or long-term maintenance of storm water treatment or hydrograph modification BMPs.
4. The following requirements of the federally mandated NPDES program (National Pollutant Discharge Elimination System) shall be complied with as appropriate, or as required by the City Engineer:
 - a. Prior to issuance of permits for building, site improvements, or landscaping, the applicant shall submit a permit application consistent with the applicant's approved Storm Water Control Plan, and include drawings and specifications necessary for construction of site design features, measures to limit directly connected impervious area, pervious pavements, self-retaining areas, treatment BMPs, permanent source control BMPs, and other features that control storm water flow and potential storm water pollutants.
 - b. The Storm Water Control Plan shall be certified by a registered civil engineer, and by a registered architect or landscape architect as applicable. Professionals certifying the Storm Water Control Plan shall be registered in the State of California and submit verification of training, on design of treatment measures for water quality, not more than three years

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prior to the signature date by an organization with storm water treatment measure design expertise (e.g., a university, American Society of Civil Engineers, American Society of Landscape Architects, American Public Works Association, or the California Water Environment Association), and verify understanding of groundwater protection principles applicable to the project site (see Provision C.3.i of Regional Water Quality Control Board Order R2 2003 0022).

- c. Prior to building permit final and issuance of a Certificate of Occupancy, the applicant shall submit, for review and approval by the City, a final Storm Water BMP Operation and Maintenance Plan in accordance with City of Antioch guidelines. This O&M plan shall incorporate City comments on the draft O&M plan and any revisions resulting from changes made during construction.
- d. Prior to building permit final and issuance of a Certificate of Occupancy, the applicant shall execute and record any agreements identified in the Storm Water Control Plan which pertain to the transfer of ownership and/or long-term maintenance of storm water treatment or hydrograph modification BMPs.
- e. Prevent site drainage from draining across sidewalks and driveways in a concentrated manner.
- f. Collect and convey all storm water entering, and/or originating from, the site to the nearest adequate downstream manmade drainage facility or natural watercourse, without diversion of the watershed. Submit hydrologic and hydraulic calculations with the Improvement Plans to Engineering Services for review and approval.
- g. Prior to issuance of the grading permit, submit proof of filing of a Notice of Intent (NOI) by providing the unique Waste Discharge Identification Number (WDID#) issued from the Regional Water Quality Control Board.
- h. Submit a copy of the Storm Water Pollution Prevention Plan (SWPPP) for review to the Engineering Department prior to issuance of a building and/or grading permit. The general contractor and all subcontractors and suppliers of materials and equipment shall implement these BMP's. Construction site cleanup and control of construction debris shall also be addressed in this program. Failure to comply with the approved construction BMP may result in the issuance of correction notices, citations, or a project stop work order.
- i. Install appropriate clean water devices at all private storm drain locations immediately prior to entering the public storm drain system. Implement Best Management Practices (BMP's) at all times.
- j. Install "No Dumping, Drains to River" decal buttons on all catch basins.

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- k. If sidewalks are pressure washed, debris shall be trapped and collected to prevent entry into the storm drain system. No cleaning agent may be discharged into the storm drain. If any cleaning agent or degreaser is used, wash water shall be collected and discharged to the sanitary sewer, subject to the approval of the sanitary sewer District.
 - l. Include erosion control/storm water quality measures in the final grading plan that specifically address measures to prevent soil, dirt, and debris from entering the storm drain system. Such measures may include, but are not limited to, hydro seeding, gravel bags and siltation fences and are subject to review and approval of the City Engineer. If no grading plan is required, necessary erosion control/storm water quality measures shall be shown on the site plan submitted for an on-site permit, subject to review and approval of the City Engineer. The applicant shall be responsible for ensuring that all contractors and subcontractors are aware of and implement such measures.
 - m. Sweep or vacuum the parking lot(s) a minimum of once a month and prevent the accumulation of litter and debris on the site. Corners and hard to reach areas shall be swept manually.
 - n. Ensure that the area surrounding the project such as the streets stay free and clear of construction debris such as silt, dirt, dust, and tracked mud coming in from or in any way related to project construction. Areas that are exposed for extended periods shall be watered regularly to reduce wind erosion. Paved areas and access roads shall be swept on a regular basis. All trucks shall be covered.
 - o. Clean all on-site storm drain facilities a minimum of twice a year, once immediately prior to October 15 and once in January. Additional cleaning may be required if found necessary by City Inspectors and/or City Engineer.
5. All impervious surfaces to be constructed as part of the project, including off-site roadways, are subject to C.3 stormwater requirements per State Regulations and the Contra Costa County Clean Water Program Stormwater C.3 Guidebook, 7th Edition, dated May 17, 2017.

H. UTILITIES

- 1. The applicant shall use existing underground service lines or install all infrastructure to serve the site. Infrastructure for access to the site (sewer, water, storm, joint trench, and surface improvements) shall be completed prior to issuance of building permits. The existing overhead utilities that serve the site shall have an underground street crossing across Cavallo Road.
- 2. All on-site utilities shall be privately maintained and connected to public facilities in accordance with City Standards, or as approved by the City Engineer.

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3. All existing and proposed public utilities (e.g. transformers) shall be placed underground (subsurface installation) in accordance with the Antioch Municipal Code, unless otherwise approved in writing by the City Engineer.
4. A reduced backflow prevention device shall be installed on all City water meter services.
5. Reduced pressure backflows, water meters, and double detector check backflows shall be enclosed within an easement granted to the City at no cost to the City.
6. All sewage shall flow by gravity to the intersecting street sewer main or as approved by the City Engineer.
7. All proposed drainage facilities, including open ditches, shall be constructed of Portland Concrete Cement or as approved by the City Engineer.
8. The applicant shall provide adequate water pressure and volume to serve this development. This will include a minimum residual pressure of 20 psi with all losses included at the highest point of water service and a minimum static pressure of 50 psi or as approved by the City Engineer. See Fire Requirements for additional water flow conditions.

I. LANDSCAPING

1. Landscaping, grading and signage shall not create a sight distance problem.
2. Detailed landscaping and irrigation plans for the entire site (including C.3 basins) shall be as approved by the City Council on plans dated February 7, 2017. Final landscape and irrigation plans shall be submitted to the City for review and approval. All landscaping and irrigation shall be installed in accordance with approved plans prior to the issuance of certificates of occupancy.
3. All trees shall be a minimum 15-gallon size and all shrubs shall be a minimum 5-gallon size.
4. Landscape shall show immediate results and be permanently maintained in good condition.
5. Based on drought conditions, the City Engineer has the authority to delay some or all of the landscape Conditions of Approval.
6. Landscaping for the project shall be designed to comply with the applicable requirements of the 2015 California State Model Water Efficient Landscape Ordinance (MWELo). Prior to issuance of a building permit, the applicant shall demonstrate compliance with the applicable requirements of the MWELo in the landscape and irrigation plans submitted to the City.

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J. PROJECT SPECIFIC CONDITIONS

1. This use permit and design review approval applies to the construction of a 31,052-square foot, two story elementary school of up to 600 students, landscaping, and other associated improvements as depicted on the plans entitled "Rocketship Antioch Public School", dated February 7, 2017.
2. Development shall be substantially in accordance with the plans entitled "Rocketship Antioch Public School", dated February 7, 2017, except as modified by project specific conditions.
3. The owner shall maintain the property frontage including all pavements, drainage, bio-retention facilities and landscaping.
4. No steps (rungs) shall be allowed in City manholes.
5. No stairs or steps shall be allowed in the public right-of-way.
6. A photometric plan of Cavallo Road shall be submitted with the building permit submittal to identify the potential need for additional lighting; and, if determined to be required by the City Engineer, streetlights shall be provided as required by City standards, at no cost to the City prior to issuance of certificate of occupancy.
7. All new trees shall be selected from the City's approved street tree list and planted per City standards.
8. Prior to issuance of certificate of occupancy and to the satisfaction of the City Engineer, the applicant shall remove the red curb along the site frontage and to the north with the exception of 15' either side of fire hydrants. Cavallo Road striping shall be removed, the street seal coated, and new thermoplastic/button striping installed to move the bike lane away from the curb to match that just north of the site. Removal, seal coating, and replacement of striping shall extend to the south to allow a smooth transition back to the existing striping prior to the intersection of East 18th Street. Should the traffic signal loop detectors need relocation, this will be done by the City at the applicant's expense.
9. Prior to issuance of certificate of occupancy and to the satisfaction of the City Engineer, the applicant shall install a parking restriction sign, with some combination of two-hour parking and loading only, along the project site (APN 065-151-049-7) and the adjacent property (APN 065-151-050-5) on Cavallo Road.
10. Prior to issuance of certificate of occupancy and subject to review and approval by the City Engineer, the applicant shall restripe the southern parking lot reversing the vehicle direction and the two southern driveways. All vehicle parking spaces and aisle dimensions shall conform to City development standards pursuant to Section 9-5.1709 of the AMC.

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11. Per Section 9-5.1714 of the AMC, all parking areas for five or more cars shall be screened from an adjoining residential property by a solid decorative concrete or masonry wall six feet in height.
12. Prior to issuance of certificate of occupancy and subject to review and approval by the City Engineer, the applicant shall restripe East 18th Street west of Cavallo Road similar to that shown in Figure 13 (page 37) of the 1700 Cavallo Road, Antioch Rocketship School Transportation Impact Analysis dated August 1, 2017 as follows: remove the yellow buttons from the west end of the median for 60', install Detail 23 markers from the south side of the existing median to connect with the northerly Detail 33, and remove and replace up to two pavement arrows.
13. Wheel stops shall only be used in handicap parking spaces.
14. The connection point for the irrigation system shall be as approved by the City Engineer.
15. The applicant shall resolve location and adequacy of existing sanitary sewer service. All necessary improvements shall be detailed on the building permit plans and approved by the City Engineer.
16. Stormwater runoff from the project site shall require connection to the existing storm drain in Cavallo Road and installation of a manhole. All work shall be detailed on the building permit plans and approved by the City Engineer.
17. All trenching in the public right of way shall be performed in conformance with City Standards and to the satisfaction of the City Engineer.
18. The applicant shall notify adjacent neighbors at least one week prior to commencement of grading or construction operations on the site.
19. To the satisfaction of the Antioch Police Department, the applicant shall provide security during the student AM drop-off and PM pick-up hours. The necessity of security shall be reevaluated and subject to review and approval by the Antioch Police Department after a period of two years after the opening of the school.
20. All safety measures proposed in the Security Plan (dated Spring 2017) and the Rocketship Education Health and Safety Plan shall be implemented, subject to review and approval by the Antioch Police Department.
21. Prior to issuance of certificate of occupancy, the applicant shall construct the six-foot tall solid soundwall along the western property boundary consistent with what is recommended and shown in Figure 2 (page 4) of the Environmental Noise Assessment prepared for the Rocketship Antioch School Project dated August 17, 2017.
22. Prior to issuance of building permit, the applicant shall submit elevations for soundwalls including overall design, color and materials for review and approval by the City of Antioch Planning Division.

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23. All mechanical equipment shall be screened from public view per the requirements of Section 9-5.1301 of the AMC.
24. All electronic surveillance equipment and alarm hardware shall be as invisible and unobtrusive as possible.
25. Prior to issuance of building permit, the applicant shall submit final design plans of the proposed ground sign for review and approval by the City of Antioch Planning Division. The ground sign shall be in compliance with the City of Antioch Sign Code (Article 5 of the AMC) and the City of Antioch Citywide Design Guidelines.
26. Prior to issuance of building permit, the applicant shall submit location and design of trash enclosure for review and approval by the City of Antioch Planning Division. The trash enclosure shall be architecturally integrated into the design of the structure, located at the rear of the building, shall provide adequate space for recycling, and shall be constructed with masonry walls, metal doors, have overhead coverings.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch, at a regular meeting thereof, held on the 14th day of November, 2017 by following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

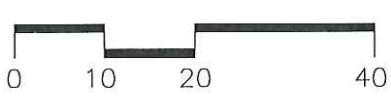
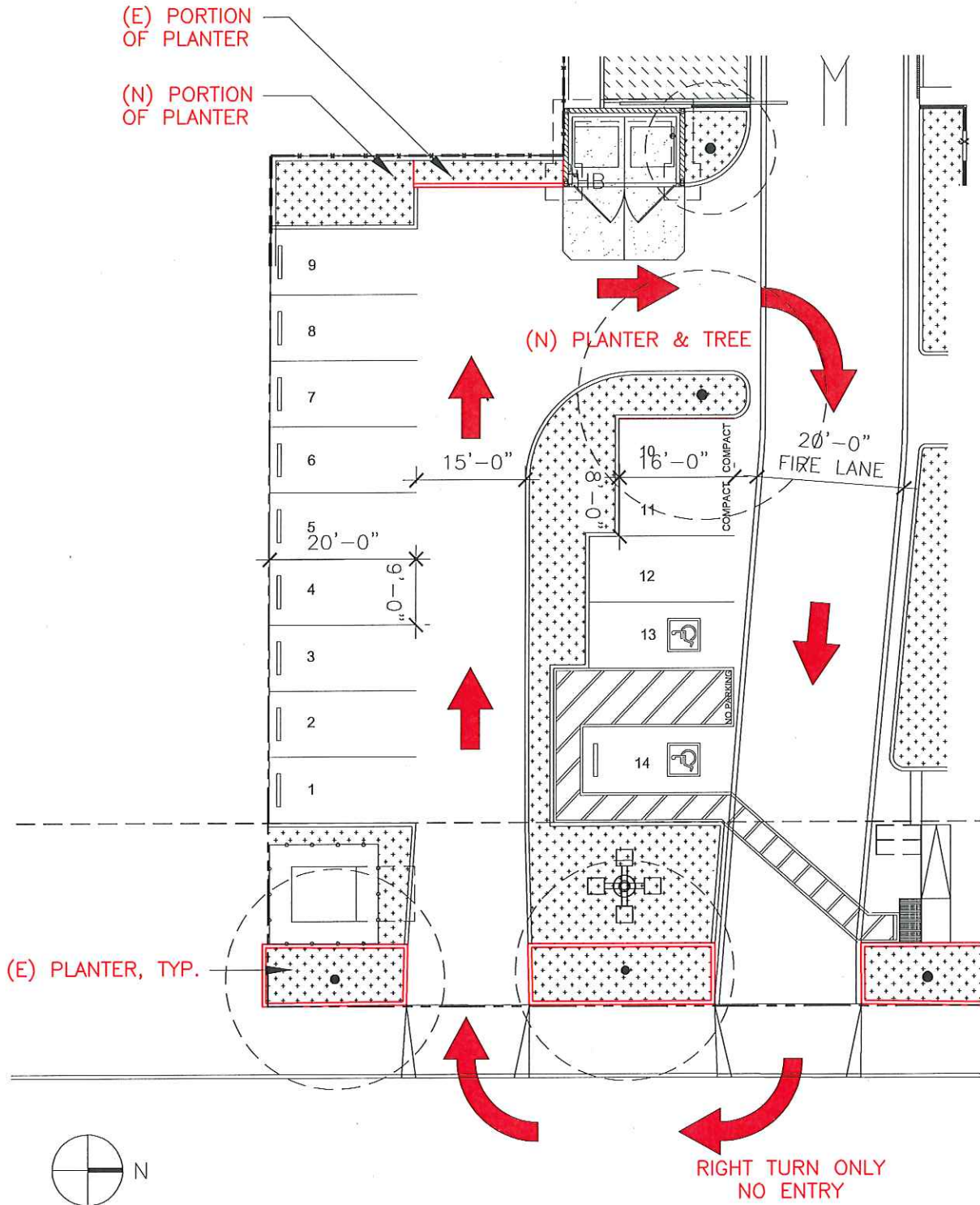
Arne Simonsen, CMC
City Clerk of the City of Antioch

Attachment D
Vicinity Map



ATTACHMENT D

ATTACHMENT E



- (12) STANDARD
- (2) ACCESSIBLE
- (14) TOTAL @ SOUTH PARKING

17.10.23



SWIFTL EEOFFICE
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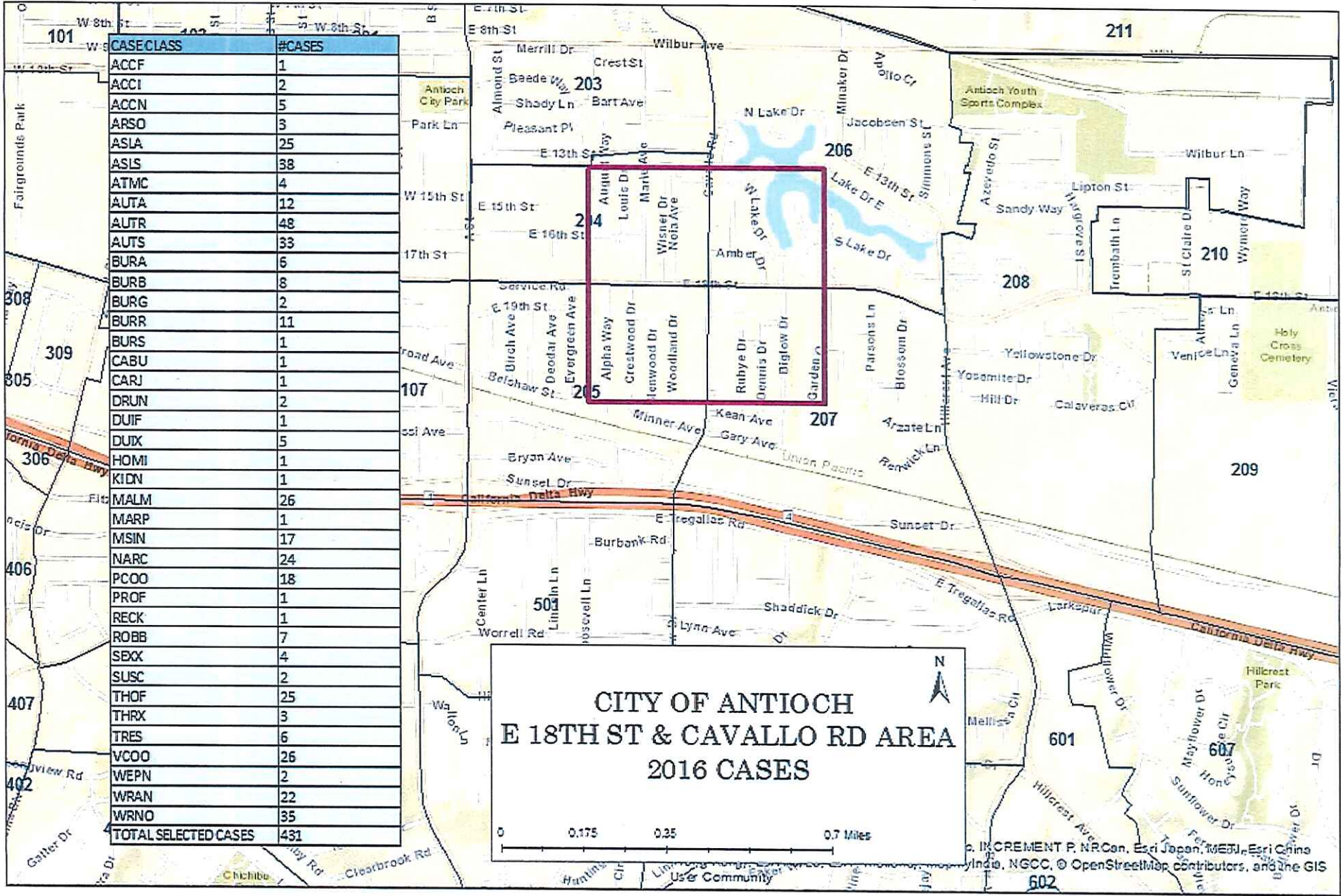
REVISED SOUTH PARKING LAYOUT

Rocketship Antioch Public School

17.10.23

Antioch, CA 94509

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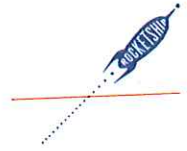


CASE CLASS	#CASES
ACCF	1
ACCI	2
ACCN	5
ARSO	3
ASLA	25
ASIS	38
ATMC	4
AUTA	12
AUTR	48
AUTS	33
BURA	6
BURB	8
BURG	2
BURR	11
BURS	1
CABU	1
CARJ	1
DRUN	2
DUIF	1
DUIX	5
HOMI	1
KIDN	1
MALM	26
MARP	1
MSIN	17
NARC	24
PCOO	18
PROF	1
RECK	1
ROBB	7
SEX	4
SUSC	2
THOF	25
THRX	3
TRES	6
VCOO	26
WEPN	2
WRAN	22
WRNO	35
TOTAL SELECTED CASES	431

F1

ATTACHMENT G

Spring 2017



Rocketship Antioch

1700 Cavallo Campus
Security Plan

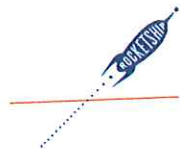


Summary

Our goal with the Rocketship Antioch Safety & Security Plan is to a) recognize the safety concerns raised by Police Chief T. Brooks regarding the location of the new campus at 1700 Cavallo Rd and, after close review of our own facility and operating procedures, b) communicate how we are addressing those concerns. As such, this report takes the format of first labeling the concern and second outlining our mitigation efforts.

It is no coincidence Rocketship has extensive experience operating schools in high crime neighborhoods. Unfortunately high-crime is a frequent by-product of the communities we seek to serve: low-income neighborhoods without access to a great education. Over our decade of operating experience, across four states, we have learned how to orient the school culture towards the community, how to comport ourselves in emergency situations and how to design our facilities to protect our kids, staff and parents – all in an effort to minimize risk.

Upon close review, we are confident 18th and Cavallo is the right neighborhood for Rocketship Education. We believe this new campus is exactly the kind of community investment needed to spark change in the neighborhood and to alter the trajectory of the neighborhood's children.



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Concern #1: Low Income + High Density = High crime

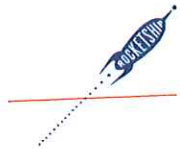
- a) Alcohol and drug use are commonplace in the neighborhood
 - o Two liquor stores nearby
 - o Drug deals occur on corner of 18th and Cavallo
- b) Violence: fights and shooting
 - o High number of incidents of violence
 - o Homicides
 - o 18th and Cavallo is the 2nd most crime-ridden intersection in the City of Antioch
- c) Motels are hosts to prostitutes / johns / pimps
- d) Homeless people are attracted to five dollar pizzas at little Caesar's

Mitigation:

Since these security issues relate to protecting our kids during operating hours, as well as during arrival and dismissal, we are addressing them in one section. We have divided our mitigation efforts into several categories including: security features of the building interior, security features of the exterior site, operations (also in the attached manual), and statistics.

Security Features of the Building Interior

- Controlled Access:
 - o Single point of access for public visitors, located at front entrance on Cavallo Rd. All visitors will be able to enter the lobby. Staff will use key fobs to proceed into the campus. After signing in, visitors must be "buzzed-in" by the Office Manager. The release button will be mounted to the Office Manager's desk.
 - o Key-fob controlled access on all other exterior doors within the school campus. For staff use only.
- Panic Button:
 - o Panic button linked to security monitoring company, pressed in the event of an emergency. Located at the front office.
- Motion Sensors:
 - o All rooms with windows equipped with motion sensors. These sensors prevent burglars from entering through ground floor or balcony windows. Motion sensors are tied into the alarm.
- Door Contacts:
 - o All exterior doors equipped with door contacts. Door contacts detect any door that has been unlocked or forced open after the alarm is armed.
- Doors:
 - o All classroom doors are lockable from the inside with a key. Used during a lockdown procedure, the keyed locks secure students but do not allow for the foul play of push-button locks (e.g. teachers locked out of the classroom).
 - o Visibility into all learning spaces through door view-lights. These small windows in the doors protect against inappropriate private interactions by creating visibility into all spaces potentially be used by students. During lockdown drills only, teachers will roll-down small curtains to cover the view lights.
- PA System:
 - o Public Address system communicates to all classrooms from the front office in the case of an emergency.
 - o PA system accessible at front office and secondary, emergency location. In an emergency, if the office managers are unable to remain at the front desk, the secondary location of the PA system allows them to alert the campus.



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- o Teacher to school-leader communication on walkie-talkies.

Security Features of the Exterior Site

- Exterior Cameras:
 - o Exterior cameras on the North, East and South sides of the building near main entrances and street. Cameras feed a closed-circuit-TV at the reception desk and are played-back, upon request, through an off-site security monitoring company.
- Fencing:
 - o 6' high fencing around all play areas. No children will be accessible to the outside public during school operating hours.
 - o Drop off and pick up will occur within enclosed fenced area with staff surveying entry and exit points to ensure all adults are Rocketship guardians.
- Exterior Lighting:
 - o North driveway entrance, South driveway entrance, and parking lot illuminated for heavy use during the dark hours of morning and evening, especially for the short days of winter. East and West building entrances equipped with security lighting.
 - o All exterior lighting on an automatic, daylight-sensitive timer. The timer ensures the site will be lit whenever it is dark and does not depend on staff to remember to cut the lights on or off.

Security Protocols Established in Our Operating Procedures (See attached Health and Safety Plan)

Rocketship operates under an extensive Health and Safety Plan outlining the correct actions for staff in a number of dangerous situations (Drive-by, Threat to School, Intruder with a Weapon, etc.). See full attached Health and Safety Plan.

As all of our schools are located in higher-crime areas, our teachers and school leaders are trained to teach and thrive despite this environment. We have many successful, safe schools in similar areas. The proximity of crime hot-spots near our other campuses is detailed below.

	Rocketship Mateo	Rocketship Sheedy	Rocketship Si Se Puede	Rocketship Los Suenos	Rocketship Mosaic	Rocketship Discovery Prep	Rocketship Alma	Rocketship Brilliant Minds	Rocketship Spark	Rocketship Milwaukee	Rocketship Fuerza	Rocketship Nashville Northeast	Rocketship United Academy	Rocketship RISE	Rocketship Rising Stars
Liquor Stores	X	X	X	X			X	X			X	X			
Adult Stores				X								X			
Smoke Shops	X	X					X				X	X			
Motels												X			
Homicides				X										X	
Public Housing						X						X		X	



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Crime Statistics from our first Campus in Washington DC

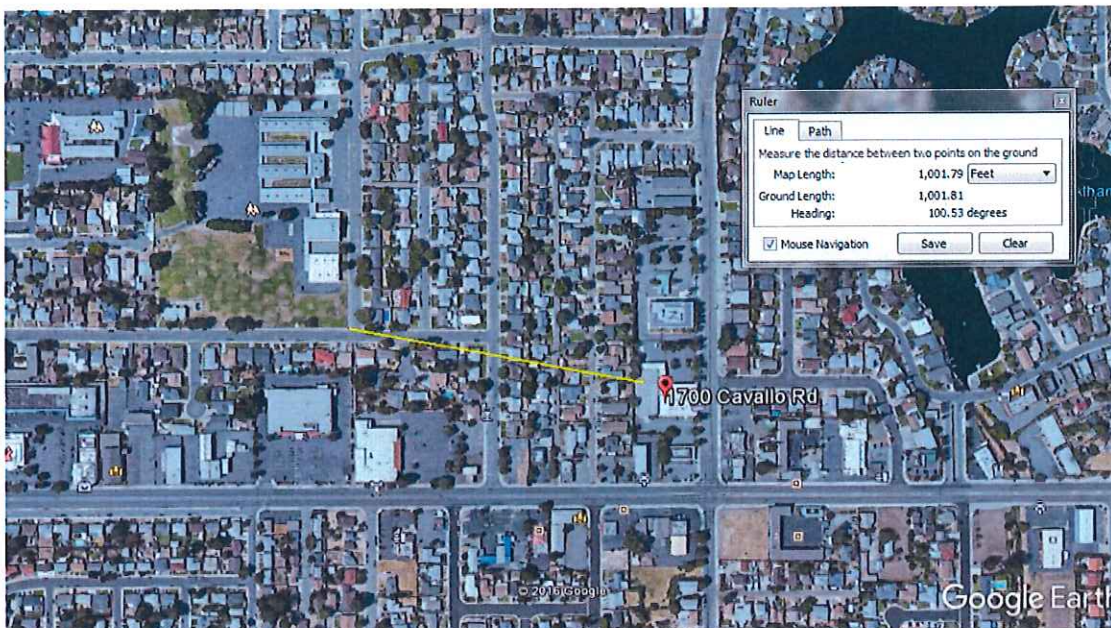
Rocketship understands kids are already living in this neighborhood, crime and all. We are simply meeting the kids and families where they live. We have some evidence – as in the DC crime statistics below – that Rocketship schools help to lower the crime rates. Below is the change in crime data the year the first Rocketship DC campus opened; of 14 categories, 12 declined, 1 remained neutral and only 1 increased.

Crimes that reported in 702, located in the **SEVENTH** Police District(s) between 11/08/2015 and 11/07/2016.
[Download Crime Data](#) [Crime Definitions](#) | [New Search](#)

Crime Type	Number of Crimes Reported Between		Change
	11/8/2014 to 11/7/2015	11/08/2015 to 11/07/2016	
Homicide	11	5 [view map]	↓
Sex Abuse	6	5 [view map]	↓
Robbery Excluding Gun	23	21 [view map]	↓
Robbery With Gun	25	25 [view map]	↔
Assault Dangerous Weapon (ADW) Excluding Gun	35	28 [view map]	↓
Assault Dangerous Weapon (ADW) Gun	31	22 [view map]	↓
Total Violent Crime	131	106 [view map]	↓
Burglary	44	29 [view map]	↓
Theft	108	133 [view map]	↑
Theft F/Auto	64	36 [view map]	↓
Stolen Auto	44	32 [view map]	↓
Arson	1	0 [view map]	↓
Total Property Crime	261	230 [view map]	↓
Total Crime	392	336 [view map]	↓

Proximity to Other Elementary Schools

Kimball Elementary school is only 1,000 feet from the 1700 Cavallo Rd site; both are situated in the same neighborhood. While violence and drug activity exist in the neighborhood, as we have mentioned, so do children and elementary schools. Our school will offer parents an alternative choice. We believe when a neighborhood is struggling, the way to solve the problem is to invest in the neighborhood.

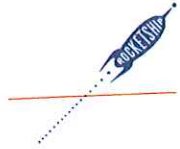


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Concern #2: Traffic

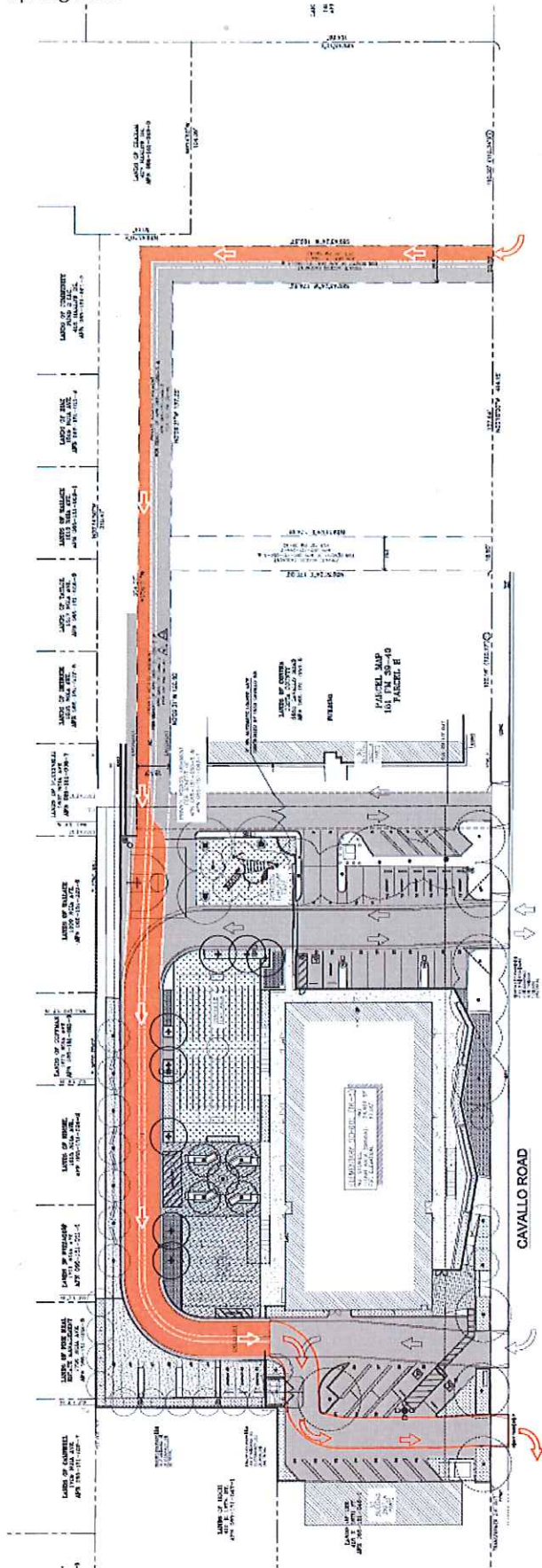
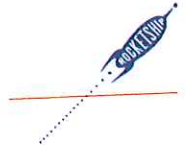
- a) Proximity to 18th and Cavallo will create traffic obstructions
 - o 18th is cut-through for people avoiding HWY 4
 - o Safety for motorists will be affected if 18th is clogged



Mitigation:

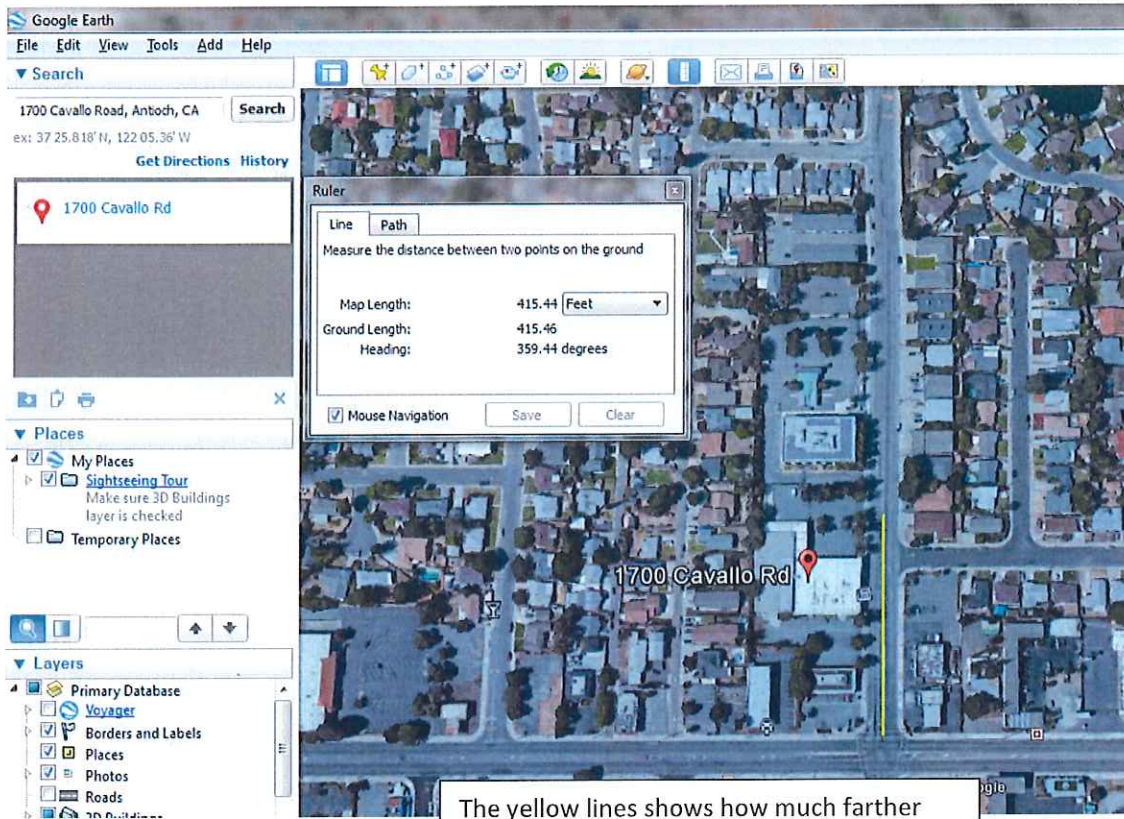
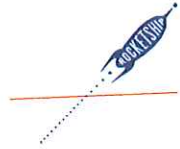
- By entering into the site at the far northern driveway via the Reciprocal Access Easement, Rocketship's queuing plan keeps cars as far away from the 18th and Cavallo intersection as possible, extending the entry point 415' away from 18th St. to 785' away from 18th St.
- We have submitted a Traffic Demand Management Plan in our Planning Department package. Launchpad (the real estate non-profit of Rocketship) recognizes traffic and parking are paramount concerns for the neighborhood. This plan mitigates the impact of the new campus, beyond the standard requirements, in an effort to be good neighbors. Including:
 - o **Carpooling to Reduce Trip Count:** Parents will be encouraged to carpool. Our staff will work closely with parents to match them with other parents in their neighborhood (while maintaining privacy of addresses until the point of an agreed match). The carpooling program will be presented at enrollment fairs and community meetings to ensure widespread knowledge of the program. For up to 50 families a \$50 monthly gas car will be offered to those who participate in the carpooling program, totaling \$25,000 of annual investment on part of the school (assuming 10 month school year). With the program operating at full capacity, there will be 50 fewer AM and PM trips to and from the site.
 - o **Ride-Share to Reduce Parking Need:** For staff members who live within 2 miles of the campus, Rocketship will offer an allowance for ride-share applications (e.g. Lyft and Uber) to arrive to and from campus. Since staff members do not need their cars during the course of a typical day, staff members living in Antioch can save parking spaces for others and ease their own commute.
- Lastly, our traffic study, conducted by Hexagon Traffic Consultants shows few impacts on the neighborhood. However, in one location we could use the City's partnership. The traffic study did reveal the eastbound left-hand turn from 18th onto Cavallo could use additional capacity to handle parents during arrival and dismissal. The turn pocket currently terminates into a two-way left-turn. If the lane is re-stripped, the turn pocket could handle the additional eastbound left-turns from 18th to Cavallo.

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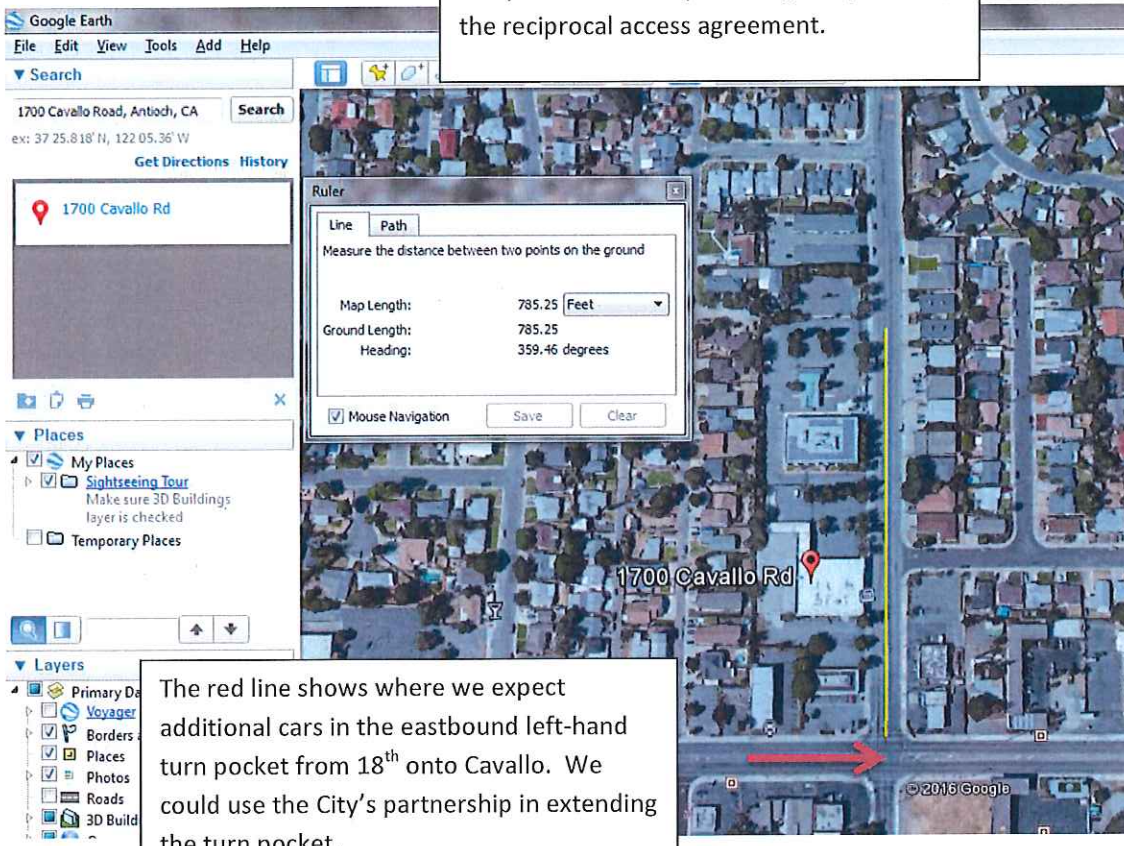


The orange line shows the direction / length of the queue for Rocketship parents during drop-off and pick-up.

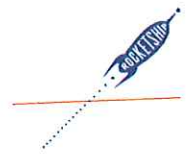
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The yellow lines shows how much farther away from 18th the queue begins by utilizing the reciprocal access agreement.



The red line shows where we expect additional cars in the eastbound left-hand turn pocket from 18th onto Cavallo. We could use the City's partnership in extending the turn pocket.



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Concern #3: Transience

- a) Families frequently move-in and out of the area
 - o Making community organizing difficult
 - o Creates instability among police relationships
 - o Could affect enrollment

Mitigation:

All of Rocketship’s schools are located in low-income communities, and often with a high level of transience. Our schools, especially with our focus on parent engagement, become anchors in the community for the portion of the population who is not transient. For those who cannot help but move due to their life’s circumstances, Rocketship’s presence provides a sense of stability and community for however long they are able to remain in place.

The school will include a room specifically dedicated to parents. They always have a place to come within the school. And one of the staff members, the Office Manager, explicitly manages parent involvement as part of that position’s job duties, tracking hours volunteered and directing parents into helpful activities (e.g. tutoring, classroom management, administrative tasks, etc.). We cannot solve the problem of transience, but we can offer a place of stability.

Concern #4: Megan’s Law

Comparing the rate of Megan Law listed residents to other elementary schools in the area; Rocketship Antioch is no different than the rest.

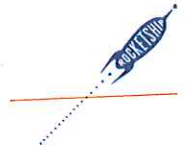
School	Address	1 Mile Radius	2 Mile Radius
Mission Elementary School	1711 Mission Dr, Antioch, CA 94509	28 Postable Offenders	66 Postable Offenders
Turner Elementary School	4207 Delta Fair Blvd, Antioch, CA 94509	16 Postable Offenders	54 Postable Offenders
Rocketship Antioch	1700 Cavallo Rd, Antioch, CA 94509	28 Postable Offenders	64 Postable Offenders
Kimball Elementary School	1310 August Way, Antioch, CA 94509	25 Postable Offenders	66 Postable Offenders

Rocketship also maintains constant supervision over all children on site at all times, during the school day, and during arrival and dismissal. For example, each parent who arrives on site to pick-up a child must have the dismissal card, a color-coded card given out by Rocketship staff with the child’s name, grade and class labeled. If the parent is not carrying their child’s dismissal card, they must go to the main office and check-in with the Office Manager for the permission to pick-up the student.

In Partnership:

We would like to partner with the City of Antioch to improve crime in the area. In particular, we understand the business licenses for the motels and liquor stores in the area are up for renewal. We hope we can work together with the City, the Business and Neighborhood Watch Groups and the local businesses themselves to address safety concerns for the school and the broader community.

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ATTACHMENT H

STAFF REPORT TO THE PLANNING COMMISSION FOR CONSIDERATION AT THE MEETING OF NOVEMBER 1, 2017

Prepared by: Kevin Valente, Contract Planner
Reviewed by: Alexis Morris, Planning Manager
Date: November 1, 2017
Subject: Rocketship Elementary School Project (Z-17-02, UP-17-01, V-17-05, AR-17-02)

RECOMMENDATION

It is recommended that the Planning Commission take the following actions:

1. Adopt the resolution recommending approval of the Rocketship Elementary School Project Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Report Program for the Project.
2. Adopt the resolution recommending approval of an ordinance Rezoning the project site from C-3 to C-0.
3. Adopt the resolution recommending approval of a Variance to allow a six-foot tall wrought iron fence with a cast-in-place concrete wall base within the front setback along Cavallo Road.
4. Adopt the resolution recommending approval of a Use Permit for the construction of an elementary school and Design Review, subject to conditions of approval.

REQUEST

The applicant, Gant Bowman and Harrison Tucker from Rocketship Education, requests approval of an Initial Study/Mitigated Negative Declaration, a Rezone from Regional Commercial District (C-3); to Professional Office District (C-0), a Variance to allow a six-foot tall wrought iron fence with a cast-in-place concrete wall base within the front setback along Cavallo Road, and a Use Permit and Design Review approval for the development of an elementary school located at 1700 Cavallo Road, near the 18th Street Corridor (APN 065-151-049-7) (see Attachment A). Each request is described in detail below:

1. Mitigated Negative Declaration: The Planning Commission must recommend approval of the Initial Study/Mitigated Negative Declaration to City Council prior to taking action on the other resolutions for the project.
2. Zoning Amendment: The proposed use of an elementary school is not permitted in C-3 districts; therefore, the project would require approval of a Rezone of the site from C-3 to C-0.

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3. Variance: The project would require approval of a Variance from maximum fence height requirements in order to allow a six-foot tall wrought iron fence with a cast-in-place concrete wall base within the front setback along Cavallo Road.
4. Use Permit: The project would require approval of a Use Permit for the construction of a 31,052-square-foot two-story elementary school in a C-0 zoning district.
5. Design Review: Design Review of the project's architecture, design and landscaping.

BACKGROUND

The 1.7-acre project site is located at 1700 Cavallo Road, Antioch, CA 94509, near the 18th Street Corridor, southeast of downtown Antioch and north of State Route (SR) 4 (APN) 065-151-049-7. The site is currently zoned C-3 and is designated by the City's General Plan as Commercial Office (CO). The site currently consists of a vacant office building built in 1965 and formerly used as a newspaper office and distributor, 29 on-site trees, and 31 existing parking spaces. The proposed project is surrounded by existing development, including commercial uses to the south and southwest, single-family residential to the east and northwest, and a Contra Costa County office building immediately north of the site (see Attachment A). The existing K through 5th grade Kimball Elementary School is located approximately 0.21 miles to the northwest of the project site. The Antioch Unified School District (AUSD) granted a charter to Rocketship Education on December 7, 2016.

ENVIRONMENTAL

In accordance with CEQA, an Initial Study/Mitigated Negative Declaration IS/MND was prepared and determined that all significant environmental impacts would be mitigated to a less-than-significant level with incorporation of mitigation. The Mitigation Monitoring and Reporting Program (MMRP) is provided as an Exhibit A to the attached Resolution. The Mitigated Negative Declaration is available for review Monday through Friday between the hours of 8:00 AM and 11:30 AM, and between the hours of 1:00 PM and 5:00 PM by appointment only, at the City of Antioch City Hall, Community Development Department, 200 H Street, and online at:

<http://ci.antioch.ca.us/CityGov/CommDev/PlanningDivision/Environmental-docs.htm>.

Potentially significant impacts to biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology, noise, transportation and circulation, and tribal cultural resources were identified in the IS/MND. All impacts would be reduced to a less-than-significant level with the implementation of mitigation measures.

The Mitigated Negative Declaration was released for public review from September 22, 2017 to October 11, 2017 and City staff did not receive any comment letters on the Mitigated Negative Declaration.

ANALYSIS

Issue #1: Project Overview

The proposed project would include the removal of an existing, vacant office building and the development of a new charter elementary school with a total building area of 31,052 square feet (see Attachments B and C). The applicant has proposed the school would serve up to 600 students between Pre-K and 5th Grade with 32 full-time staff. The proposed two-story school would include 20 classrooms, 2,250 square feet of office space, and two classrooms for learning labs, as well as a parent work room, conference rooms, a warming kitchen, and student and staff restrooms. The proposed project would include a total of 40 on-site parking spaces to serve the 34 full-time staff members. The project also includes nine overflow spaces that could be used during pick-up and drop-off times. In addition to the proposed building, the project would include 12,406 square feet of landscaping area, and 35,856 square feet of open space, which would include a play structure, soccer turf, tree grove, lunch shelter, and garden boxes for the students. The proposed project would also be used for monthly community meetings in the evening for 10-20 families to discuss issues with school leadership, and professional development, testing preparation, and enrichment workshops twice per month on Saturdays from 8:00 AM to 4:00 PM with attending staff.

As mentioned above, AUSD granted a charter to Rocketship Education in December 2016. A charter school is a school, often privately owned, that receives government funding but operates independently of the established state school system in which it is located. Although, the proposed charter school is intended to serve students in the surrounding areas, enrollment can include students from anywhere in the school district and not just the surrounding neighborhood.

Issue #2: Rezone

In order to allow development of the proposed project site with a 31,052-square-foot two-story elementary school, the proposed project would require a Rezone from Regional Commercial District (C-3) to Professional Office District (C-0), as the existing zoning does not permit school development. With City Council approval of the requested rezone, school development would be conditionally permitted on the project site with the approval of a Use Permit (Section 9-5.3803 of the Antioch Municipal Code [AMC]).

The Rezone of the project site would be compatible with the surrounding uses including the adjacent Contra Costa County office building to the north. The proposed use, as conditioned, would also be compatible with the surrounding residential neighborhoods in the area, which the proposed project would serve.

Issue #3: Parking

The proposed project would include a total of 40 on-site parking spaces to serve the 34 full-time staff members. The project also includes nine overflow spaces that could be used during pick-up and drop-off times. In addition, the applicant has prepared an

exhibit restriping the southern parking lot pursuant to City Engineer recommendations (see Attachment I) (Condition of Approval J.12). All vehicle parking space and aisle dimensions shall conform to City development standards pursuant to Section 9-5.1709 of the AMC, as approved by the City Engineer (Condition of Approval A.16).

The project proposes parent teacher conferences are to be held off-site, and conducted as home visits. In order to support parking when the proposed school does have on-site school events, the applicant has been pursuing off-site parking agreements. The applicant has received letters of intent from Contra Costa County for the adjacent County office building (approximately 115 vehicle spaces) to the north (see Attachment J), Templo Santo Church (approximately 22 vehicle spaces) located at 201 East 18th Street approximately 900 feet west of the project site (see Attachment K), and the Veterans of Foreign Wars property (approximately 100 vehicle spaces) located at 815 Fulton Shipyard Road approximately 0.45 mile north of the project site (see Attachment L) to provide off-site parking for after school and weekend events. Currently, pursuant to Section 9-5.1705 of the AMC, all three options do not meet the City's requirements for off-site parking agreements and have not yet been recorded. Therefore, according to the AMC, staff is unable to consider the proposed off-site parking agreements as part of the proposed project and count them towards the vehicle parking spaces total at this time. As a result, staff has included Condition of Approval J.3 requiring the recordation and execution of an off-site parking agreement pursuant Section 9-5.1705 of the AMC.

According to the Section 9-5.1703.1 of the AMC, off-street parking requirements for school development is determined by the City Engineer based upon Institute of Transportation Engineers (ITE) studies as specified by the use permit process. According to the City Engineer and based on ITE studies, an elementary school with 600 students would need to provide approximately 120 vehicle spaces (0.2 vehicle spaces per student). The City Engineer has taken into account measures proposed by the applicant to reduce parking demand, including potential shared off-site parking agreements and providing a shuttle for staff members to and from the Antioch BART station located 1.3 miles away from the project site, and would be comfortable with a minimum of 60 on-site vehicle spaces for everyday operations.

Staff conducted a parking survey of newer and older elementary schools in the area for analysis and comparison, see table below.

Existing Antioch Schools				
School	Year Built	Enrollment	Total Off-Street Parking	Parking Per Student
Kimball Elementary School	1950	529	26	0.05
Sutter Elementary School	1964	644	65	0.10
Lone Tree Elementary School	2003	767	75	0.10
Carmen Dragon Elementary School	2004	489	80	0.16
Antioch Charter Academy II (K-8)	2007	202	41	0.20

Using the average parking per student ratio of schools in the area (0.12), a school of 600 students should have approximately 73 vehicle spaces. In addition to the proposed project not providing a similar amount of vehicle parking spaces as other schools in the area, the project would not have a regular bus system for student pick-up and drop-off.

The applicant provided a parking study for other Rocketship school locations that follow the same model as the proposed project, see table below.

Existing Rocketship Schools				
School	Enrollment	Total Off-Street Parking	Parking Per Student	Off-site Parking Agreement
Rising Stars Academy	465	36	0.077	Yes
Mateo Sheedy	591	38	0.064	No
Spark Academy	591	26	0.044	No
Fuerza Community Prep	622	33	0.053	Yes
Discovery Prep	482	37	0.076	No
Mosiac Academy	583	25	0.043	No
Los Suenos Academy	498	24	0.048	No
Brilliant Minds Academy	607	100	0.016	Shared
Si Se Puede Academy	508	28	0.055	No
Alma Academy	537	25	0.046	No

Using the average parking per student ratio of other Rocketship school locations (0.052), an average Rocketship school of 600 students has approximately 31 vehicle spaces, which is consistent with the proposed project.

However, staff has significant concerns regarding on-site parking capacity for the proposed project. Staff is concerned the 40 on-site parking spaces would not be enough to support the 34 staff members and any parent volunteers or visitors for daily operations. Furthermore, off-site parking arrangements for overflow parking have not yet been secured for special events. Limited street parking options on Cavallo Road present an issue for overflow parking, and staff is concerned parking could impact the adjacent residential neighborhoods.

Therefore, as a result of the above analysis, staff recommends approval of the proposed on-site parking, with Condition of Approval J.4, limiting the school capacity to 400 students (parking per student ratio of 0.10). The applicant may propose to amend the approved Use Permit if additional parking is acquired or a parking study is prepared, which demonstrates that after the school has opened and operated for at least one full school year, sufficient on-site parking exists for 600 students and staff, subject to review and approval of the Antioch Planning Commission.

Issue #4: Circulation

The proposed site currently shares a reciprocal access agreement with the adjacent Contra Costa County office building to the north. All existing driveways would remain as part of the proposed project; however, the main access for the project, consisting of student pick-up and drop-off, would be off-site to the north through the Contra Costa

County office building parking lot, utilizing the reciprocal access agreement. The main access driveway to the north consists of a locked vehicle gate with key fob access for County employees only. The County has agreed to open the vehicle gate during the student pick-up and drop-off times to honor the access agreement. Student drop-off would be from 7:00 AM to 7:45 AM Monday through Friday and student pick-up would be tiered according to grade: pick-up for Pre-K would be from 3:45 PM to 3:55 PM; grades 1 and 2 from 4:00 PM to 4:10 PM; grades 3, 4, and 5 from 4:10 PM to 4:20 PM. Pick-up for all grades would be at 2:15 PM on Thursdays to allow teachers time for professional development. Outside play periods would occur throughout the day with a maximum of 120 students at play at any one time.

The project applicant has developed operation guidelines for student arrivals and departures and to direct vehicles through the pick-up and drop-off queue. Five operations support staff would be staged on-site to safely manage student arrival/dismissal, as well as three school leaders, such as the Principal, Assistant Principals, Business Operations Managers, etc. All staff associated with arrival and dismissal operations would undergo a day of professional development regarding traffic safety and arrival/dismissal operations prior to the start of school. Parents would additionally have a development day to receive similar education regarding proper traffic operations, and how and where to safely unload and load students on-site.

Dismissal operations would include the provision of color-coded dismissal placards to all parents prior to start of school that must be displayed on the dashboard in order to enter the queue during dismissal. Each color would be assigned to a certain grade level and would include the child's name. Parents would be required to pick-up their child according to the staggered dismissal times previously listed.

As vehicles enter the queue, staff would announce the name of the child on each vehicle's placard. Staff staged with the students under the lunch shelter would prepare each student for dismissal. Additional staff would fill the student loading area with vehicles and confirm that the loading area is safe for students to load into the appropriate vehicles. Once staff confirms that all students are safely in their respective vehicles and the queue is free and clear, cars would be allowed to exit. Support staff and/or the school leader would then allow additional vehicles to refill the student loading area.

In addition, the proposed project includes off-site road improvements to construct a crosswalk at the intersection of Amber Drive and Cavallo Road along the project frontage. During pick-up and drop-off operations, a trained staff crossing-guard would be monitoring the Amber Drive crosswalk. Staff has also included Condition of Approval J.10 and J.11 requiring the applicant to remove the existing red curb on Cavallo Road along the project frontage and install a "**Loading Only during 6 AM to 5 PM Monday through Friday**" sign, which would allow street parking in the evenings and on weekends.

Issue #5 Safety and Security

The Antioch Police Department has identified the 18th Street and Cavallo Road area as one of the areas that experiences the most calls for service in the City of Antioch. According to the Antioch Police Department, 431 calls for service occurred in a quarter mile area surrounding the project site during 2016 (see Attachment D). On April 11, 2017 the Antioch City Council approved the purchase and use of three surveillance cameras that are to be installed at the 18th Street and Cavallo Road intersection. The applicant, Rocketship Education, is aware of the Antioch Police Department's concerns of locating an elementary school in the proposed location and has prepared a Security Plan in consultation with the Police Department specifically for the proposed project to address these concerns (see Attachment E). The Rocketship Security Plan describes interior safety building features, site security, proximity to high-crime areas, traffic, transience, Megan's Law, and efforts to coordinate with the City of Antioch Police Department.

Interior Security Features

The following interior security features are identified in the Security Plan for the proposed Rocketship School.

Controlled Access

- Single point of access for public visitors, located at front entrance on Cavallo Road. All visitors would be able to enter the lobby and staff would use key fobs to proceed into the campus. After signing in, visitors would need to be "buzzed-in" by the Office Manager. The access button would be mounted to the Office Manager's desk.
- Key-fob controlled access on all other exterior doors within the school campus, for staff use only.

Panic Button

- The front office would be equipped with a panic button linked to a security monitoring company, that would be pressed in the event of an emergency.

Motion Sensors

- All rooms with windows would be equipped with motion sensors connected to the alarm system, to prevent burglars from entering through ground floor or balcony windows.

Door Contacts

- All exterior doors would be equipped with door contacts, that would detect any door that has been unlocked or forced open after the alarm is armed.

Doors

- All classroom doors would be lockable from the inside with a key, which would be used during a lockdown procedure. The keyed locks secure students, but would not allow for the foul play of push-button locks (e.g., teachers locked out of the classroom).

- Visibility into all learning spaces through door view-lights, which would protect against inappropriate private interactions by creating visibility into all spaces potentially used by students. Small curtains would be available for staff to cover the view lights during a lockdown situation only.

Public Address System:

- The Public Address (PA) system communicates to all classrooms from the front office in the case of an emergency.
- The PA system would be accessible at the front office and a secondary, emergency location. In an emergency, if the staff is unable to remain at the front desk, the secondary location of the PA system would allow staff to alert the campus.
- School staff would also possess walkie-talkies for communication between staff.

Exterior Security Features

The following exterior security features are identified in the Security Plan for the proposed Rocketship School.

Exterior Cameras

- Exterior cameras on the north, east and south sides of the building would be located near main entrances and the street.
- The cameras feed a closed-circuit-TV at the reception desk and could be played-back, upon request, through an off-site security monitoring company.

Fencing

- A six-foot tall fence would be located around all play areas. Children would not be accessible to the outside public during school operating hours.
- Drop-off and pick-up would occur within an enclosed fenced area with staff surveying entry and exit points to ensure all adults are Rocketship guardians.

Exterior Lighting

- The north driveway entrance, south driveway entrance, and parking lots would be illuminated for heavy use during the dark AM and PM hours, especially for the short days of winter. The east and west building entrances would also be equipped with security lighting.
- All exterior lighting would be on an automatic, daylight-sensitive timer, which would ensure the site would be lit during dark periods and would not depend on staff to power the lights on or off.

Security Guards

Antioch Police Captain, Tony Morefield, has stated the proposed security features and mitigation techniques proposed by the applicant would be more than sufficient to protect the students and staff while located on-site; however, Captain Tony Morefield and Police Chief T. Brooks have expressed additional concern for the safety of students arriving to and departing from the school. Therefore, the Security Plan also includes a security guard stationed on the corner of 18th Street and Cavallo Road, during school operation. After discussions with Captain Morefield and Chief Brooks, the Antioch Police

Department recommends two-armed security guards during the student AM drop-off and PM pick-up hours. Pursuant to Captain Morefield and Chief Brooks recommendations, the security guards would only be responsible for the safety of the students and staff and should not intervene in any criminal activity outside their scope. Therefore, staff has included Condition of Approval J.21, requiring armed security, subject to review and approval by the Antioch Police Department, which could be reevaluated after a period of two years.

Health and Safety Plan

Rocketship Education has also prepared a Health and Safety Plan that is intended to protect the safety and security of students, faculty, staff, and visitors (see Attachment F). The Health and Safety Plan identifies emergency mitigation and prevention, health, preparedness, response, and recovery procedures relevant to natural and human-caused disasters. The major objective of emergency preparedness is to save lives and protect property in the event of a disaster, including, fire, earthquake, severe weather, flood, air pollution, power loss, criminal activity in the area, shooting, intruder, hostage situation, vehicle accident, and school threats, among others. The Health and Safety Plan is the official policy of Rocketship Education and is reviewed annually. Staff has included Condition of Approval J.22, requiring that all safety measures proposed in the Security Plan and the Rocketship Education Health and Safety Plan shall be implemented.

Issue #6: Project Architecture and Design

Overall, staff is satisfied with the proposed design of the Rocketship Elementary School Project. The project is subject to the Citywide Design Guidelines and the design of the proposed project was peer reviewed by an outside architect, Moniz Architecture, to review compliance with the Guidelines (see Attachment G).

Per Section 9-5.207 of the AMC, all new development within the City is subject to Design Review approval. The purpose of the Design Review process is to promote the orderly development of the City, encourage high quality site design and planning, protect the stability of land values and investments, and ensure consistency with the Citywide Design Guidelines.

Wall Articulation and Roofline

The Citywide Design Guidelines require new structures to avoid long, flat, monolithic blank wall facades, and each wall surface visible from a street, parking lot, or adjacent property shall be treated as a major façade and shall be designed for public view. In addition, the Design Guidelines encourages full gabled, hipped, and shed roofs. Mechanical equipment shall also be screened from the street and other buildings on all four sides by a structural feature that is an integral part of the building's architectural design. Furthermore, electronic surveillance equipment and alarm hardware shall be as invisible and unobtrusive as possible.

According to the architectural peer review prepared by Moniz Architecture, the proposed façade is relatively blank and the north elevation does not include windows or variation in roofline. The architectural peer review recommends adding articulation features that

add visual interest to the building façade and to the long unbroken courtyard fencing in order to add variation to the north and south facades and the roofline, which are visible while approaching from north and south on Cavallo Road (Condition of Approval J.29).

Building Materials and Color

The Citywide Design Guidelines encourage the use of stucco; clay or concrete roof tiles; native fieldstone sandstone and flagstone; wrought iron; brick; tile; slump stone garden walls; split face concrete block; slump block; metal accents; concrete block bulkhead of accent material. The Guidelines discourage the use of metal or aluminum siding/roofing; wood shingle on walls; log cabin; plywood siding; plastic tile; pipe railings; metal stair treads; precision architectural concrete block; unlimited bare aluminum window frames. The proposed materials have been reviewed by Moniz Architecture, who notes that the plans include discouraged materials and the architectural peer review recommends incorporating materials that are preferred by the City Design Guidelines (Condition of Approval J.30).

In addition, the Citywide Design Guidelines prohibits the use of building background wall colors that are loud, bright, or reflective. The proposed project includes accent wall color that is bright red/orange; however, the color is minimally used.

Trash Enclosure

The Citywide Design Guidelines require trash enclosures to be architecturally integrated into the design of the structure, to be located at the rear of the building, to provide adequate space for recycling, and to be constructed with masonry walls, metal doors, and overhead coverings. The project plans did not include detailed designs of the trash enclosure; therefore, staff has included Condition of Approval J.28 requiring the design of the trash enclosure shall be reviewed and approved by the Planning Division prior to building permit approval.

Lighting

The Citywide Design Guidelines require parking lot lighting be black, white, brown, bronze, hunter green, or midnight blue, be designed for normal levels during operating hours and reduced intensity levels throughout late, non-operation hours, and shall prevent direct glare onto adjoining property, street, or skyward. The proposed project's site photometric lighting plan illustrates that the proposed lighting does not overlap onto adjacent residential parcels.

Signs

The proposed project includes an approximately six-foot tall ground sign. Final ground sign design, including size, location, color and materials, and lighting, is subject to review and approval from the Antioch Planning Division (Condition of Approval J.27). The proposed ground sign shall be consistent with the City of Antioch Sign Code (Article 5 of the AMC) and the Citywide Design Guidelines.

Issue #7: Variance

According to Section 9-5.1602 of the AMC, current development standards do not allow for a fence, wall or hedge that exceeds three-feet in the required front yard setback.

Therefore, the proposed project requests a Variance to allow a six-foot tall wrought iron fence with a cast-in-place concrete wall base within the front setback along Cavallo Road (see Attachment H).

In order to approve a Variance, the Planning Commission shall find the following:

- a) That there are exceptional or extraordinary circumstances or conditions applicable to the property involved, or to the intended use of the property, that do not apply generally to the property or class of use in the same zone or vicinity.

The project site is a 31,052-square-foot two-story elementary school proposed to serve up to 600 students between Pre-K and 5th Grade with 32 full-time staff located approximately 130' north of the 18th Street Corridor. The six-foot tall wrought iron fence is necessary to ensure the safety of the elementary school students. The City's current development standards do not allow for a "fence, wall or hedge that exceeds three feet in the required front yard setback" (9-5.1602, Walls and Fences: Height Restrictions).

- b) That the granting of such Variance would not be materially detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity.

The granting of the six-foot tall wrought iron fence within the front setback would not be detrimental to the public health and welfare, as the fence is intended to ensure the safety of the proposed elementary school students. The design and location of the six-foot tall wrought iron fence has been considered as to not obstruct the line of sight for vehicles entering or exiting the community. Therefore, the granting of a variance for the six-foot tall wrought iron fence within the front setback would not affect public health or welfare.

- c) That because of special circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, the strict application of the zoning provisions is found to deprive the subject property of privileges enjoyed by other properties in the vicinity under the identical zone classifications.

The City of Antioch Police Department has identified the project location as one of the areas that experiences the most calls for service in the City of Antioch. Therefore, the proposed use of an elementary school would require additional security measures compared to other permitted or conditionally permitted uses allowed in this zone. Therefore, the granting of a variance for the six-foot tall wrought iron fence within the front setback would add the necessary safety and security measures to ensure the safety of the proposed elementary school students.

- d) That the granting of such Variance would not adversely affect the comprehensive General Plan.

The granting of the six-foot tall wrought iron fence with a cast-in-place concrete wall base would not change the allowed uses of the site and would not adversely affect the comprehensive General Plan.

ATTACHMENTS

- A: Vicinity Map
- B: Rocketship Elementary School Project Plans (dated May 17, 2017)
- C: Rocketship Elementary School Project Renderings
- D: Antioch Police Department: Project Area - 2016 Calls for Service
- E. Security Plan
- F: Health and Safety Plan
- G: Design Review – Peer Review Summary prepared by Moniz Architecture
- H: Wrought Iron Fence Detail
- I: South Parking Lot Exhibit
- J: Contra Costa County Parking Agreement Letter of Intent
- K: Templo Santo Church Parking Agreement Letter of Intent
- L: Veterans of Foreign Wars Property Parking Agreement Letter of Intent



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Lizeht Zepeda, Economic Development Program Manager VZ

APPROVED BY: Ron Bernal, City Manager

SUBJECT: Purchase and Sale Agreement and Joint Escrow Instructions for One Marina Plaza Antioch, California

RECOMMENDED ACTION

It is recommended that the City Council adopt a resolution approving the Purchase and Sale Agreement (PSA) and Joint Escrow Instructions (Attachment B) for the sale of One Marina Plaza, Antioch, California (also known as "Humphrey's Restaurant") with Sean McCauley Investments, Inc., a California corporation and authorize the City Manager to execute the PSA.

STRATEGIC PURPOSE

The recommended action supports **Strategy G-1:** Grow Antioch's Economy through Economic Development Activities. **Strategy G-2:** Focus on community enhancements, such as Downtown/Rivertown development. **Strategy G-3:** Determine and prioritize geographical areas of focus.

FISCAL IMPACT

The recommended action will eliminate operating/maintenance expenses of the former Humphrey's restaurant building by shifting maintenance costs of the premises through the sale of the property and will enhance revenues through increased property and sales taxes with the \$1.2 million sale price. The renovation of the premises will have a positive effect on downtown "Rivertown" revitalization efforts especially Marina businesses in close proximity will be positively impacted. The economic details of the proposed transaction are contained in Attachment B.

DISCUSSION

Sean McCauley Investments, Inc. (SMI) is a local business with a variety of investments in East Contra Costa County. They operate a private Investment/Property management firm, catering to the needs of businesses and entrepreneurs. They focus on performance and their commitment to partnering with their tenants. SMI has built out many office, residential, and mixed-use commercial spaces throughout the East County area.

In Antioch SMI has invested millions of dollars in development and revitalization of several blighted buildings, bringing additional businesses and entrepreneurs into downtown and other areas of Antioch.

One Marina Plaza

The City of Antioch owns One Marina Plaza adjacent to the Antioch Marina overlooking the beautiful San Joaquin River. This site was formerly known as Humphrey's on the Delta restaurant. The 12,432 square foot restaurant operated for many years until the ownership defaulted; the City petitioned and acquired the site through a "quiet title" action in 2014. In August of 2014 the City put out a Request for Qualifications (RFQ), and received no responses to this solicitation. After the official solicitation ended staff made further efforts to market the site. The following are actions that staff took to solicit interest:

- Created a marketing flyer for the site and posted on the City website.
- Uploaded flyer to International Council of Shopping Center's (ICSC) website.
- Reached out to ICSC members who develop or own restaurants and franchises.
- Reached out to "destination" restaurants or other restaurant looking to expand.
- Held tours on site with restaurant owners and restaurant brokers.
- Held meetings with County Health & Environmental, Delta Diablo Sanitary, developers, & restaurant designers.
- Advertised the site with the San Francisco Chronicle.

Prior to the current SMI negotiations and PSA, staff negotiated with Dorothy Everett and John Jernigan DBA Everett and Jones Barbeque for 16 months. These negotiations did not result in a final agreement.

In an effort to bring the site back to a working restaurant, SMI submitted to the City a signed Letter Of Intent (LOI) between SMI and a restaurant operator for the site. The LOI (Attachment C) describes the operator lease terms, and scope of work between SMI and Randy Tei and his wife Lynn Tei, DBA RLW Properties (RLW) for the operation of a Zephyr Grill & Bar restaurant at One Marina Plaza. SMI will be doing extensive repairs and improvements to deliver a "vanilla shell" to the tenant, RLW. Once the PSA is executed the estimated timeframe for SMI's delivery of improvements is about two months to complete. Additional work, kitchen and interior design will be made by the tenant after SMI completes their work.

RLW has over 30 years of experience in the restaurant industry. They currently own and operate two restaurants in the Bay Area, Zephyr Grill & Bar in Brentwood and Zephyr Grill & Bar in Livermore; Ca. RLW is committed to revitalizing the site and operating an

elegant upscale restaurant. SMI was instrumental in RLW's decision to launch this endeavor in the Rivertown District of Antioch. This will be their 3rd location in the Bay Area. They look forward to operating this 3rd restaurant for many years to come in Downtown Rivertown Antioch.

Next Steps

If approved the City will execute the PSA and the sale price includes the restaurant building as well as the building pad.

ATTACHMENTS

- A. Resolution
- B. Purchase and Sale Agreement
- C. Signed Letter of Intent between SMI and Randy Tei and Lynn Tei and proposed lease terms

ATTACHMENT A

RESOLUTION NO. 2017/**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH AUTHORIZING THE CITY MANAGER TO EXECUTE THE PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS FOR THE SALE OF ONE MARINA PLAZA, ANTIOCH, CALIFORNIA WITH SEAN MCCAULEY INVESTMENTS, INC.

WHEREAS, the City of Antioch (“City”) owns an approximately 12,432 square foot vacant building located at 1 Marina Plaza (“Property”); and

WHEREAS, the City desires to see a successful restaurant operation use for the Property that will serve as a catalyst project in the revival of Downtown/Rivertown ; and,

WHEREAS, such development is in accordance with the goals, policies and programs of the City’s General Plan; and,

WHEREAS, in August 2014, the City sent notices of the availability of the Property through a Request for Qualifications, that was advertised in the local newspaper, direct mailing to commercial brokers, and placed on the City’s website; no responses were received through this solicitation; and

WHEREAS, in September 2017, the City received two unsolicited proposals for the Property, and Sean McCauley Investments, Inc.(SMI) proposal, was determined by the City Council to be the most qualified offer; and

WHEREAS, SMI will make certain improvements to the Property, as described in Exhibit C of the proposed Purchase and Sale Agreement; and

WHEREAS, SMI has also submitted to the City a signed Letter Of Intent (LOI) between SMI and Randy Tei and Lynn Tei, DBA RLW Properties restaurant operators of Zephyr Grill & Bar restaurants as the proposed restaurant operator; and

WHEREAS, the City recommends moving forward with the sale of the Property and joint escrow instructions with Sean McCauley Investments, Inc. in the amount of \$1.2 million dollars;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Antioch that:

1. The Purchase and Sale Agreement and Joint Escrow Instructions between the City and Sean McCauley Investments, Inc. for the sale of the Property, in the amount of \$1.2 million dollars, is hereby approved in substantially the form attached hereto as **Exhibit A** and incorporated herein by reference.
2. The City Manager is hereby authorized to execute the Purchase and Sale Agreement and Joint Escrow Instructions, and all other documents necessary to complete the transaction, in accordance with the terms outlined in the purchase and sale agreement and joint escrow instructions, subject to any minor technical or non-substantive changes as approved by the City Manager and the City Attorney.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH**

ATTACHMENT B

EXHIBIT A

Purchase and Sale Agreement

[to be inserted]

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”) is made and entered into as of _____, 2017 for reference purposes only, by and between the City of Antioch, a municipal corporation (“**Seller**”), and Sean McCauley Investments, Inc., a California corporation (“**Buyer**”). The date upon which both Buyer and Seller have executed this Agreement and delivered the same to one another, shall hereinafter be referred to as the “**Effective Date**”.

IN CONSIDERATION of the respective agreements hereinafter set forth, Seller and Buyer hereby agree as follows:

1. Purchase and Sale of Property; Site Lease. Seller hereby agrees to sell “AS-IS” and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following (collectively, the “**Property**”) of approximately .41 acres:

(a) Building. That building of approximately 12,432 square feet and located at 1 Marina Plaza, in the City of Antioch, County of Contra Costa, State of California, commonly referred to as Assessor's Parcel Number 066-010-018, all as more fully described in **Exhibit A**, together with all rights, privileges, easements or appurtenances to or affecting the Property (collectively, the “**Appurtenances**”).

(b) Tangible Personal Property. All of Seller’s right, title and interest, without warranty, in the equipment, machinery, furniture, fixtures, furnishings, supplies and other tangible personal property, located on the Property, specifically excluding any items of personal property owned by third parties and leased to Seller (collectively, the “**Tangible Personal Property**”). The following items are excluded from the sale and shall be removed by Seller prior to Closing: [None].

2. Purchase Price.

(a) The purchase price for the Property (“**Purchase Price**”) shall be ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00).

(b) The Purchase Price shall be paid as follows:

(i) Within three (3) days following the Effective Date, Seller and Buyer shall open an escrow in connection herewith (“**Escrow**”) at Old Republic Title Company, 555 12th Street, Suite 2000, Oakland, CA 94607 (“**Escrow Holder**”), and Buyer shall deposit into Escrow the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) (“**Initial Deposit**”) in cash or other immediately available funds.

(ii) The Initial Deposit shall be held by Escrow Holder in an interest-bearing account for the benefit of Buyer in accordance with this Agreement. Notwithstanding anything herein to the contrary, One Hundred Dollars (\$100.00) of the Initial Deposit (the “**Independent Consideration**”) shall not be refundable to Buyer, but shall represent

consideration for this Agreement and shall be paid to Seller. The Independent Consideration shall be paid to Seller within 3 days of the Effective Date. The Independent Consideration shall serve as consideration for the granting of the time periods herein contained for Buyer to exercise Buyer's right to satisfy and approve all of Buyer's conditions herein contained.

(ii) The Deposit (less the Independent Consideration) are referred to herein from time to time as the "**Earnest Money**." The Earnest Money shall be held by Escrow Holder in an interest-bearing account for the benefit of Buyer in accordance with this Agreement.

(iii) If the Closing (as defined herein) as contemplated hereunder should occur, then the Earnest Money will be paid by the Escrow Holder to Seller at the Closing, and the Earnest Money and any interest accrued thereon will be credited against the Purchase Price payable by Buyer to Seller at the Closing.

(iv) If this Agreement is not terminated prior to the expiration of the Feasibility Period, the Earnest Money and any interest accrued thereon shall be nonrefundable to Buyer, except that if this Agreement is terminated prior to the Closing due to Seller's default or the failure of any of the Conditions Precedent (as defined herein) or as expressly set forth herein, then the Earnest Money together with any interest accrued thereon shall be returned to Buyer. The Earnest Money together with all interest accrued thereon shall be applied to the Purchase Price at the Closing.

(v) On or before the Closing, if this Agreement has not been earlier terminated, Buyer shall deposit into Escrow cash or other immediately available funds in the amount of the balance of the Purchase Price, less any credits due Buyer hereunder (the "**Closing Amount**"). The Closing Amount shall be applied towards the Purchase Price at the Closing.

3. Title to the Property. At the Closing, Seller shall cause to be conveyed to Buyer fee simple title to the Property by duly executed and acknowledged grant deed substantially in the form attached hereto as **Exhibit B** and incorporated herein by this reference (the "**Deed**") as well as a duly executed Bill of Sale for the Personal Property, if any. As used in this Agreement, Closing (the "**Closing**") shall be deemed to occur upon the recording of the Deed. Evidence of delivery of fee simple title shall be the issuance by Escrow Holder to Buyer of an ALTA standard coverage owner's policy of title insurance in the amount of the Purchase Price, insuring fee simple title to the Property in Buyer, subject only to such exceptions as Buyer shall have approved as provided below (the "**Title Policy**"). The Title Policy shall provide full coverage against mechanics' and materialmen's liens and shall contain such special endorsements as Buyer may reasonably require, including, without limitation, any endorsements required as a condition to Buyer's approval of any title exceptions (the "**Endorsements**"). Within five (5) business days following the opening of Escrow, Seller shall order the issuance of a preliminary title report with respect to the Property, together with copies of all underlying documents referenced therein and a map containing a plotting of all easements capable of being plotted (collectively, the "**Preliminary Report**"), to be prepared by the Escrow Holder and delivered to Buyer. No later than thirty (30) business days after receipt of the Preliminary Report, Buyer shall give written notice to Seller of any items contained in the Preliminary Report which Buyer disapproves ("**Buyer's Disapproval Notice**"). Failure of Buyer to notify Seller of Buyer's

disapproval of all or any item on the Preliminary Report shall be deemed to be an approval by Buyer of such item(s). In any event, Seller covenants to remove as exceptions to title prior to the Closing, any mortgages, deeds of trust, and other monetary encumbrances (collectively, “**Disapproved Liens**”) shown on the Preliminary Report except for real property taxes not delinquent. Seller shall notify Buyer no later than five (5) business days after receipt of Buyer’s Disapproval Notice whether it elects to remove such other items disapproved by Buyer. If by the expiration of the Feasibility Period, there remain exceptions to title which have not been modified to the satisfaction of Buyer and/or removed prior to the Closing Date, then Buyer may elect to do either of the following by the expiration of the Feasibility Period: (i) accept such exceptions and proceed to take title to the Real Property subject to such exception(s); or (ii) this Agreement may be terminated in accordance with Section 4(b). In the event Buyer elects to terminate this Agreement pursuant to this Section 3, neither party shall have any further obligations to the other hereunder (except under provisions of this Agreement which specifically state that they survive termination).

4. Feasibility.

(a) From and after the Effective Date until the Closing or earlier termination of this Agreement, Seller shall afford authorized representatives of Buyer access to the Property, upon reasonable prior notice to Seller, and so long as such access does not unreasonably interfere with the conduct of business on or use of the Property, for purposes of conducting such physical inspections and investigations of the Property as Buyer deems necessary (the “**Inspections**”). Seller’s representative shall be present with Buyer or Buyer’s representative for any access to the Property. The Inspections and investigations may include, without limitation, (i) a review of existing zoning, entitlement, planning or similar issues applicable to the Property; (ii) a review of the physical condition of the Property and the systems serving the Property; (iii) a review of the environmental condition of the Property, including a Phase I environmental site assessment and any proposal regarding a Phase II environmental site assessment. Buyer agrees not to conduct or cause to be conducted a Phase II environmental site assessment without the prior written consent of Seller. Buyer’s Inspections and investigations shall be governed by Section 14.

(b) As used herein, the term (“**Feasibility Period**”) shall refer to a period of time to expire at 5:00 p.m., California time, on the sixtieth (60th) calendar day following the Effective Date; provided, however, that if the 60th day is a Saturday, Sunday or holiday on which banking institutions are closed in the State of California, then the Feasibility Period shall expire on the following business day. Buyer may elect, by written notice to Seller at any time prior to the expiration of the Feasibility Period, to terminate this Agreement, which election shall be in Buyer’s sole and absolute discretion. If Buyer desires to terminate this Agreement pursuant to this Section 4(b) then before the expiration of the Feasibility Period, Buyer shall deliver written notice to Seller of Buyer’s election to terminate (the “**Buyer’s Notice to Terminate**”). If Buyer desires to proceed with the purchase of the Property subject to the remaining conditions set forth in this Agreement, then on or before the expiration of the Feasibility Period, Buyer shall deliver written notice to Seller of such election to proceed (the “**Buyer’s Notice to Proceed**”), electing to waive Buyer’s right of termination pursuant to this Section 4(b) and proceed with the Closing subject to the remaining conditions set forth in this Agreement. If Buyer fails to deliver either Buyer’s Notice to Terminate or Buyer’s Notice to Proceed to Seller prior to the expiration of the Feasibility Period, then Buyer shall be deemed to have elected to proceed with this Agreement

and the Closing. In the event of the termination of this Agreement pursuant to this Section 4(b), neither party shall have any further obligations to the other hereunder (except under provisions of this Agreement which specifically state that they survive termination).

(c) In the event Buyer elects to terminate this Agreement pursuant to Section 4(b), or if Closing does not occur for any reason, Buyer shall return all Seller's Deliveries to Seller. Buyer further agrees that prior to Closing, Buyer shall provide Seller with copies of all studies, reports, appraisals and other materials commissioned by or prepared for Buyer relating to or regarding the Property ("**Buyer's Reports**"), at no cost to Seller.

5. [Reserved.]

6. Conditions to Seller's Obligations. Seller's obligations hereunder, including, but not limited to, its obligation to consummate the purchase transaction provided for herein, are subject to the satisfaction of each of the following conditions, each of which is for the sole benefit of Seller and may be waived by Seller in writing in Seller's sole and absolute discretion:

(a) Buyer shall not be in default under this Agreement.

(b) Seller shall have completed and approved any environmental review documentation that is determined to be required for the sale of the Property to Buyer.

(c) Seller shall have obtained all necessary approvals from the City of Antioch, in its capacity as a regulatory body, to develop, construct and operate a restaurant and banquet hall on the Property.

(d) Buyer shall have provided Seller with evidence satisfactory to Seller that it has the equity capital and binding commitments for mortgage financing necessary for acquisition and development of the Property in accordance with this Agreement.

(e) Buyer shall have submitted, and the City of Antioch (in its regulatory capacity) shall have approved, construction plans, drawings, and related documents for improvements to the Property. Such improvements are set forth in the Scope of Work, attached hereto as **Exhibit C**.

(f) Buyer has obtained the approval of the City of Antioch of the restaurant operator proposed by Buyer to occupy and sublease the Property. Buyer has submitted a letter of intent and proposed lease terms with the owners of Zephyr Grill & Bar to operate a restaurant on the Property, and Seller hereby approves such operator.

(g) Each representation and warranty made in this Agreement by Buyer shall be true and correct in all material respects at the time as of which the same is made and as of the Close of Escrow.

7. Conditions to Buyer's Obligations. The following are conditions precedent to Buyer's obligation to purchase the Property which are intended solely for the benefit of Buyer and may be waived only by Buyer in writing in Buyer's sole and absolute discretion. In the

event any of the following conditions is not satisfied, Buyer may, in its sole and absolute discretion, terminate this Agreement, subject to the provisions of Section 8.

(a) Buyer's inspection, review and approval, within the Feasibility Period, of all of the following:

(i) The physical characteristics and condition of the Property (including without limitation the condition of the soils);

(ii) Seller's Deliveries; and,

(b) Escrow Holder shall be unconditionally committed to issue the Title Policy to Buyer upon the Closing in the form and with such exceptions and endorsements as have been approved, or are deemed approved, by Buyer as provided in Section 3 above.

(c) Buyer shall have submitted, and the City of Antioch (in its regulatory capacity) shall have approved, construction plans, drawings, and related documents for improvements to the Property. Such improvements are set forth in the Scope of Work, attached hereto as **Exhibit C**.

(d) Seller shall have obtained all necessary approvals from the City of Antioch, in its capacity as a regulatory body, to develop, construct and operate a restaurant and banquet hall on the Property.

(e) Buyer has the equity capital and binding commitments for mortgage financing necessary for acquisition and development of the Property in accordance with this Agreement.

(f) Buyer has obtained the approval of the City of Antioch of the restaurant operator proposed by Buyer to occupy and sublease the Property. Buyer has submitted a letter of intent and proposed lease terms with the owners of Zephyr Grill & Bar to operate a restaurant on the Property, and Seller hereby approves such operator.

(g) Seller shall have complied with all of Seller's duties and obligations contained in this Agreement and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date.

8. LIQUIDATED DAMAGES. IF THE SALE OF THE PROPERTY PURSUANT TO THIS AGREEMENT IS NOT CONSUMMATED SOLELY BECAUSE OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER, THE INITIAL DEPOSIT, THE SECOND DEPOSIT AND ANY EXTENSION DEPOSIT (THE "**DEPOSITS**"), AND ALL BUYER'S REPORTS, SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT OF A DEFAULT BY BUYER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE EARNEST MONEY AND BUYER'S REPORTS HAVE BEEN AGREED UPON, AFTER NEGOTIATION, AS THE

PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER. UPON THE OCCURRENCE OF ANY SUCH DEFAULT BY BUYER, BUYER SHALL DELIVER WITHIN 2 BUSINESS DAYS OF SELLER'S REQUEST ALL BUYER'S REPORTS AND APPROPRIATE DOCUMENTS ASSIGNING SAME TO SELLER. SELLER HEREBY WAIVES ANY AND ALL BENEFITS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 3389. FURTHERMORE, THE PAYMENT AND RETENTION OF SUCH EARNEST MONEY AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 AND 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. UPON BUYER'S DEFAULT, SELLER MAY INSTRUCT ESCROW HOLDER TO CANCEL THE ESCROW, AND PROMPTLY UPON RECEIPT OF SAID INSTRUCTIONS, ESCROW HOLDER SHALL (i) CANCEL THE ESCROW, (ii) PAY ALL OF ESCROW HOLDER'S CHARGES FROM THE EARNEST MONEY, AND (iii) DISBURSE TO SELLER THE EARNEST MONEY PURSUANT TO THIS SECTION 8.

INITIALS: Seller _____ Buyer _____

9. Escrow; Closing, Prorations.

(a) Upon mutual execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with Escrow Holder and this Agreement shall serve as instructions to Escrow Holder for consummation of the purchase contemplated hereby. Seller and Buyer shall execute such supplemental Escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement, provided such supplemental Escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary Escrow instructions signed by Buyer and Seller, the terms of this Agreement shall control.

(b) The Closing shall take place (the "**Closing Date**") on or before the date that is fifteen (15) days following the expiration of the Feasibility Period or as may be extended as provided below.

(c) [Buyer shall have the option to extend the Closing Date for no more than two (2) periods of thirty (30) days (each an "**Extension Period**"), exercisable by written notice of the Extension Period (the "**Extension Notice**") delivered to Seller and Escrow Holder not later than five (5) days prior to the previously scheduled Closing Date, together with an additional deposit of TEN THOUSAND DOLLARS (\$10,000.00) (the "**Extension Deposit**"). The Extension Deposit shall be immediately released to Seller upon receipt by Escrow Holder and shall not be applicable to the Purchase Price, and shall be nonrefundable to Buyer except in the event of Seller's default hereunder.]

(d) At or before the Closing, Seller shall deliver to Escrow Holder or Buyer the following:

(i) the duly executed and acknowledged Grant Deed for the Property and the duly executed Bill of Sale;

(ii) a duly executed affidavit that Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986 in the form attached as **Exhibit D** and incorporated herein by this reference together with a duly executed non-foreign person affidavit and evidence that Seller is exempt from the withholding obligations imposed by California Revenue and Taxation Code Sections 18805, 18815, and 26131;

(iii) evidence reasonably acceptable to Escrow Holder that the documents delivered by Seller have been duly authorized and executed on behalf of Seller and constitute valid and binding obligations of Seller.

(iv) any other documents which the Escrow Holder may reasonably require from Seller in order to close Escrow which do not increase Seller’s liability or obligations hereunder;

(v) a closing statement in form and content satisfactory to Buyer and Seller (the “**Closing Statement**”) duly executed by Seller; and

(vi) any other instruments, records or correspondence called for hereunder which have not previously been delivered.

(e) At or before the Closing, Buyer shall deliver to Escrow Holder or Seller the following:

(i) the Closing Statement, duly executed by Buyer;

(ii) the Closing Amount; and

(iii) evidence reasonably acceptable to Escrow Holder that the documents delivered by Buyer have been duly authorized and executed on behalf of Buyer and constitute valid and binding obligations of Buyer.

(f) Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms hereof.

(g) The following are to be paid by Buyer or Seller or apportioned as of the Closing Date, as follows:

(i) General real property taxes for the year in which Closing occurs together with assessments, property operating expenses, utilities and other recurring costs relating to the Property shall be apportioned as of the Closing Date on the basis of a thirty (30)-day month.

(ii) Costs and expenses of Escrow incurred in this transaction shall be paid as follows:

(1) Buyer shall pay all sales, use and documentary transfer taxes (except as provided in Subparagraph (ii)(4) below);

(2) Buyer shall pay the premium for a standard ALTA coverage owner's policy of title insurance as well as any premium for any extended ALTA coverage if desired;

(3) Buyer shall pay all Escrow fees, recording fees and related expenses;

(4) Buyer shall pay any city or county transfer taxes due;

(5) all other costs of escrow shall be paid by Buyer.

(iii) The provisions of this Subparagraph (g) shall survive the Closing.

10. Representations, Warranties and Covenants of Seller. As of the date hereof and again as of Closing, Seller represent and warrants to Buyer as follows:

(a) Seller is duly organized, validly existing and in good standing under the laws of the State of California. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are and at the time of Closing will be duly authorized, executed and delivered by Seller, are and at the time of Closing will be legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms. Seller has obtained all necessary authorizations, approvals and consents to the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) No Action. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending against Seller, nor are any such proceedings contemplated by Seller;

(c) No Representations as to Property. There are no representations, agreements, arrangements, or circumstances, oral or written, between the parties relating to the subject matter contained in this Agreement that are not fully expressed in the Agreement, and Seller has not made and does not make any representation or warranty concerning any matter or thing affecting or relating to the Property, including but not limited to its fitness for a particular use, its physical condition or any other matter; and

(d) Sale "AS-IS". Subject to Seller's representations and warranties contained herein, Buyer's election to purchase the Property will be based upon and will constitute evidence of Buyer's independent investigation of the Property, its use, development potential and suitability for Buyer's intended use, including (without limitation) the following: the feasibility of developing the Property for the purposes intended by Buyer and the conditions of approval for any subdivision map; the size and dimensions of the Property; the availability, cost and adequacy of water, sewerage and any utilities serving or required to serve the Property; the presence and adequacy of current or required infrastructure or other improvements on, near or affecting the Property; any surface, soil, subsoil, fill or other physical conditions of or affecting the Property, such as climate, geological, drainage, air, water or mineral conditions; the condition of title to the

Property; the existence of governmental laws, statutes, rules, regulations, ordinances, limitations, restrictions or requirements concerning the use, density, location or suitability of the Property for any existing or proposed development thereof including but not limited to zoning, building, subdivision, environmental or other such regulations; the necessity or availability of any general or specific plan amendments, rezoning, zoning variances, conditional use permits, building permits, environmental impact reports, parcel or subdivision maps and public reports, requirements of any improvement agreements; requirements of the California Subdivision Map Act, and any other governmental permits, approvals or acts (collectively “Permits”); the necessity or existence of any dedications, taxes, fees, charges, costs or assessments which may be imposed in connection with any governmental regulations or the obtaining of any required Permits; the presence of endangered plant or animal species upon the Property; and all of the matters concerning the condition, use, development or sale of the Property. Seller will not be liable for any loss, damage, injury or claim to any person or property arising from or caused by the development of the Property by Buyer.

Except with respect to a default by Seller hereunder (including a breach of Seller’s warranties and representations), Buyer at the Close of Escrow expressly waives its rights granted under California Civil Code Section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Buyer’s Initials: _____ Seller’s Initials: _____.

11. Representations, Warranties and Covenants of Buyer. Buyer hereby represents and warrants to Seller as follows:

(a) Buyer is a corporation duly organized, validly existing and in good standing under the laws of California and qualified to do business in California. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are and at the time of Closing will be duly authorized, executed and delivered by Buyer, are and at the time of Closing will be legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, and do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is subject. Buyer has obtained all necessary authorizations, approvals and consents to the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) Buyer warrants that Buyer is a sophisticated owner and buyer of real property, familiar and experienced with requirements for the development of real property. Buyer has examined the Property or will have done so by Closing, is or will be familiar with its physical condition, and accepts the Property in an “AS-IS” condition.

(c) Buyer has conducted or will conduct an independent investigation with respect to zoning and subdivision laws, ordinances, resolutions, and regulations of all governmental authorities having jurisdiction over the Property, and the use and improvement of the Property and is, or at Closing will be, satisfied with the results of such investigation.

(d) The Property is being sold "AS-IS" and with all faults.

12. Environmental Matters/Release. As used in this Agreement, "**Hazardous Materials**" includes petroleum, asbestos, radioactive materials or substances defined as "hazardous substances," "hazardous materials" or "toxic substances" (or words of similar import) in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), and under the applicable laws of California. Buyer must rely on its own investigation and not on any representation by Seller regarding Hazardous Materials. Buyer shall rely solely upon its own investigation and inspection of the Property and the improvements thereon and upon the aid and advice of Buyer's independent expert(s) in purchasing the Property, and shall take title to the Property without any warranty, express or implied, by Seller or any employee or agent of Seller. Seller makes no representations regarding Hazardous Materials in, on or under the Property. Seller's knowledge and disclosures regarding Hazardous Materials are limited to the contents of Seller's Deliveries.

Accordingly, Buyer hereby expressly waives and relinquishes any and all rights and remedies Buyer may now or hereafter have against Seller, whether known or unknown, with respect to any past present, or future presence of Hazardous Materials on, under or about the Property or with respect to any past, present or future violations of any rules, regulations or laws, now or hereinafter enacted, regulating or governing use, handling, storage or disposal of Hazardous Materials, including, without limitation (i) any and all remedies Buyer may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("**CERCLA**"), as amended, and any similar law, rule or regulation, (ii) any and all rights Buyer may now or hereafter have against Seller under the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code, Section 25300 et seq.), as amended and any similar law, rule or regulation, and (iii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Property under Section 107 of CERCLA (42 U.S. C.A. § 9607).

BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR"

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

(Buyer's Initials)

13. Continuation and Survival. All representations, warranties and covenants by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall be deemed made as of the date of this Agreement or such writing and again at the Closing, shall be deemed to be material, and unless expressly provided to the contrary shall survive the execution and delivery of this Agreement, the Deed and the Closing.

14. Indemnity.

Buyer agrees to indemnify Seller and the Property against, and to hold and save Seller and the Property harmless from, all claims, demands, suits, actions, damages, obligations, liabilities, losses, costs and expenses, including but not limited to attorneys' fees and court costs, as a result of the Inspections; provided, however, that Buyer will not be obligated to indemnify Seller with respect to its own negligence. The foregoing indemnity shall survive termination of this Agreement. Buyer shall not suffer or permit any mechanic's or materialmen's or other lien to stand against the Property in connection with any labor, materials or services furnished or claimed to have been furnished by or on behalf of Buyer in connection with or as a result of any Inspections. If any such lien shall be filed against the Property, Buyer shall cause such lien to be discharged or bonded within thirty (30) days after such filing. Following any Inspections Buyer shall restore the Property to substantially its physical condition as existed prior to such inspection (except for any changes to the Property caused by Seller, or its agents or employees). Prior to any entry on the Property Buyer or its consultant shall at its sole cost obtain a policy of liability insurance with a combined single limit in an amount not less than One Million Dollars (\$1,000,000); Seller shall each be named an additional insured on said policy; and Buyer or its consultants shall furnish to Seller a certificate of insurance confirming such coverage.

15. Condemnation.

(a) In the event a governmental entity commences eminent domain proceedings to take any portion of the Property after the date hereof and prior to the Closing, then Buyer shall have the option to terminate this Agreement by written notice to Seller within ten (10) business days after Buyer first learns of such commencement. In the event of any such termination, the Earnest Money, together with all interest, shall be returned to Buyer. Buyer and Seller shall each be liable for one-half of any escrow fees or charges, and neither party shall have any further liability or obligation under this Agreement.

(b) In the event a governmental entity commences eminent domain proceedings to take any part of the Property after the date hereof and prior to the Closing and this Agreement is not terminated pursuant to Section 15(a), then the Closing shall occur as scheduled notwithstanding such proceeding; provided, however, that Seller's interest in all awards arising

out of such proceedings (except for any award attributable to the loss of Seller's business or income, Seller's personal property, or the property of any tenant of the Property) shall be assigned to Buyer as of the Closing or credited to Buyer if previously received by Seller. Seller's obligations pursuant to this Section 15(b) shall survive the Closing.

16. Possession. Possession of the Property shall be delivered to Buyer on the Closing Date free of any occupant or property not being conveyed to Buyer as provided hereunder.

17. Seller's Cooperation with Buyer. At no cost to Seller, Seller shall cooperate and do all acts as may be reasonably required or requested by Buyer, at no additional cost to Seller, with regard to the fulfillment of any Condition Precedent. Seller hereby authorizes Buyer and its agents to make all inquiries with and applications to any third party, including any governmental authority, as Buyer may reasonably require to complete its due diligence and satisfy the Conditions Precedent.

18. No Brokers. Buyer and Seller each represents to the other that no brokers have been involved in this transaction. Buyer and Seller agree to indemnify one another against any claim, suits, damages and costs incurred or resulting from the claims of any person for any fee or compensation due in connection with this transaction pursuant to a written agreement made with said claimant.

19. Professional Fees. In the event legal action is commenced to enforce or interpret any of the terms or provisions of this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the prosecution or defense of said action. In addition, the prevailing party shall be entitled to recover any actual accounting, engineering or other professional fees reasonably incurred in said action or proceeding.

20. Publicity and Confidentiality. Buyer and Seller each agree that prior to the Closing, the terms of the transaction contemplated by this Agreement, the identity of each party and all information made available by the parties to each other, shall be maintained in strict confidence and prior to the Closing, no disclosure of such information will be made by Buyer or Seller, except to such attorneys, accountants, investment advisors, lenders and others as is reasonably required to evaluate and consummate this transaction or except as may be mutually agreed by Buyer and Seller. Buyer and Seller each further agree that nothing in this Section 20 shall prevent Buyer or Seller from disclosing or accessing any information otherwise deemed confidential under this Section (a) in connection with that party's enforcement of its rights hereunder; (b) pursuant to any legal requirement, any statutory reporting requirement or any accounting or auditing disclosure requirement; (c) in connection with performance by either party of its obligations under this Agreement (including, but not limited to, the delivery and recordation of instruments, notices or other documents required hereunder); or (d) to potential lenders, investors, participants or assignees in or of the transaction contemplated by this Agreement or such party's rights therein.

21. Miscellaneous.

(a) Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, (iii) upon facsimile transmission (except that if the date of such transmission is not a business day or if such transmission is made after 5:00 p.m. on a business day, then such notice shall be deemed to be given on the first business day following such transmission), or (iv) two business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows (or such other address as either party may from time to time specify in writing to the other in accordance herewith):

If to Seller: City of Antioch
 Attn: Ron Bernal, City Manager
 200 H Street
 Antioch, CA 94509
 Phone: (925) 779-7011

With a copy to: Best Best & Krieger LLP
 Attn: Iris P. Yang
 500 Capitol Mall, Suite 1700
 Sacramento, CA 95814
 Phone: (916) 325-4000

If to Buyer: Sean McCauley Investments, Inc.
 Attn: Sean McCauley
 420 Beatrice Court, Suite E
 Brentwood, CA 94513
 Phone: (925) 513-7336

To Escrow Holder: Old Republic Title Company
 Attn: Jennifer Senhaji
 555 12th Street, Suite 2000
 Oakland, CA 94607
 Phone: (510) 272-1121

(b) Successors and Assigns. Buyer shall have the right to assign this Agreement to any entity controlling, controlled by or under common control with Buyer without Seller's consent or approval, and otherwise Buyer shall have the right to assign this Agreement to any entity subject to Seller's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Any such assignee shall assume all obligations of Buyer hereunder; however, Buyer shall remain liable for all obligations hereunder. Seller shall have the right to assign this Agreement. Except as otherwise permitted by this paragraph, neither this Agreement nor the rights of either party hereunder may be assigned by either party. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

(c) Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(e) Construction. Headings at the beginning of each Section and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to Sections and subparagraphs are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

(f) No Joint Venture. This Agreement shall not create a partnership or joint venture relationship between Buyer and Seller.

(g) Section 1031 Exchange. Seller and Buyer acknowledge and agree that the purchase and sale of the Property may be part of a tax-free exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, for Buyer. Each party hereby agrees to take all reasonable steps on or before the Closing Date to facilitate such exchange if requested by Buyer, provided that (i) Seller shall not be required to acquire any substitute property, (ii) such exchange shall not affect the representations, warranties, liabilities and obligations of the parties to each other under this Agreement, (iii) Seller shall not incur any additional cost, expense or liability in connection with such exchange (other than expenses of reviewing and executing documents required in connection with such exchange), and (iv) no dates in this Agreement will be extended as a result thereof. Notwithstanding anything to the contrary contained in the foregoing, if Buyer so elects to close the acquisition of the Property as an exchange, then (A) Buyer, at its sole option, may delegate its obligations to acquire the Property under this Agreement, and may assign its rights to receive the Property from Seller, to an Intermediary or to an exchange accommodation titleholder, as the case may be; (B) such delegation and assignment shall in no way reduce, modify or otherwise affect the obligations of Buyer pursuant to this Agreement; (C) Buyer shall remain fully liable for its obligations under this Agreement as if such delegation and assignment shall not have taken place; (D) Intermediary or exchange accommodation titleholder, as the case may be, shall have no liability to Seller; and (E) the closing of the acquisition of the Property by Buyer or the exchange accommodation titleholder, as the case may be, shall be undertaken by direct deed from Seller (or, if applicable, from other affiliates of Seller whom Seller will cause to execute such deeds) to Buyer (or to exchange accommodation titleholder, as the case may be).

(h) Merger of Prior Agreements. This Agreement and the exhibits attached hereto constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof, including without limitation, any letters of intent previously executed or submitted by either or both of the parties hereto, which shall be of no further force or effect upon execution of this Agreement.

(i) Time of the Essence. Time is of the essence of this Agreement. As used in this Agreement, a "business day" shall mean a day which is not a Saturday, Sunday or

recognized federal or state holiday. If the last date for performance by either party under this Agreement occurs on a day which is not a business day, then the last date for such performance shall be extended to the next occurring business day.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

(k) Further Assurances. Each of the parties shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties.

(l) Exhibits. All exhibits attached hereto and referred to herein are incorporated herein as though set forth at length.

(m) Captions. The captions appearing at the commencement of the sections and paragraphs hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the section at the head of which it appears, the section and paragraph and not such caption shall control and govern in the construction of this Agreement.

(n) No Obligation To Third Parties. Execution and delivery of this Agreement shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than each other.

(o) Waiver. The waiver by any party to this Agreement of the breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach, whether of the same or another provision of this Agreement.

(p) Interpretation. This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law (including California Civil Code § 1654 and any successor statute) or legal decision that would require interpretation of any ambiguities against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

(q) Counterparts/Facsimile/.PDF Signatures. This Agreement may be executed in counterparts and when so executed by the Parties, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument that shall be binding upon the Parties, notwithstanding that the Parties may not be signatories to the same counterpart or counterparts. The Parties may integrate their respective counterparts by attaching the signature pages of each separate counterpart to a single counterpart. In order to expedite the transaction contemplated herein, facsimile or .pdf signatures may be used in place of original signatures on this Agreement. Seller and Buyer intend to be bound by the signatures on the

facsimile or .pdf document, are aware that the other party will rely on the facsimile or .pdf signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written below.

SELLER:

CITY OF ANTIOCH, a municipal corporation

By: _____
Ron Bernal, City Manager

Date: _____

Approved as to Form

City Attorney: _____

Date: _____

BUYER:

SEAN MCCAULEY INVESTMENTS, INC., a
California corporation

By: _____
Sean McCauley, President

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Parcel C, as shown on the Parcel Map filed April 3, 1989, in Book 139 of Parcel Maps, Page 12, Contra Costa County records, excepting therefrom the following:

All oil, gas and other hydrocarbons, as reserved in the Deed from Santa Fe Land Improvement Company, recorded June 26, 1944, in Book 760, Page 458, Official Records, as follows

“All oil, gas and other hydrocarbon substances in and under the land herein conveyed; provided, however, that the first party, its successors and assigns, shall not have the right to enter upon or in any manner use any portion of the surface of the land for the purpose of drilling for or extracting any of said substances.”

EXHIBIT B
FORM OF DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO, AND
MAIL TAX STATEMENTS TO:

[buyer address or attorney]

A.P.N.: _____

(Space Above Line for Recorder's Use Only)

The Undersigned Grantor(s) Declare(s):

DOCUMENTARY TRANSFER TAX \$ _____; CITY TRANSFER TAX \$ _____; SURVEY MONUMENT FEE \$ _____

- [] computed on the consideration or full value of property conveyed, OR
- [] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- [] unincorporated area; [] City of _____, and

GRANT DEED

[NOTE- IF SELLER IS PUBLIC ENTITY NO EXEMPTION FOR RECORDING FEES (AS SHOWN HERE); IF BUYER IS PUBLIC ENTITY RECORDING FEES AND TRANSFER TAX-EXEMPT AND SUCH EXEMPTION/CODE CITE MUST BE MADE ON DEED FOR RECORDING OFFICE]

FOR VALUE RECEIVED, _____
 (“Grantor”), grants to _____ (“Grantee”), all that certain real
property situated in the County of _____, State of California, described on
Schedule 1 attached hereto and by this reference incorporated herein (the “Property”).

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of
_____, 20__.

GRANTOR:

By: _____

Name: _____

Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT C
SCOPE OF WORK

[10/16/17 SMI letter to City to be inserted]



420 Beatrice Ct. Suite E
Brentwood, Ca. 94513

1 Marina Plaza
Antioch, CA 94509

October 16, 2017

Attn: City of Antioch, Planning/Building Division
200 H Street, 2nd Floor of City Hall
Antioch, CA 94531

We propose the following repairs and construction to 1 Marina Plaza, Antioch, CA. This description of work is based off our inspections. This includes but not limited to the below scope of work:

SCOPE OF WORK:

Left side patio has pockets of dry-rot on decking surfaces. Some damage was also noted to exterior deck trim. Generally speaking the deck appears to be serviceable. The walking surfaces are irregular and have large gaps between planks which might be difficult to navigate with a wheelchair.

Temporary un-bolt and remove metal railing. Lift existing decking and remove fungus damaged trim. Install new pressure treated decking (walking surface) and new fascia/trim. Replace existing railing and bolt in place.

Drywood termite pellets were noted at the base of the front wooden porch posts.

PRIMARY RECOMMENDATION: Fumigate the entire structure with Vikane gas for the control of drywood termites. Owner or agent to prepare the structure for fumigation as per list of instructions to be furnished by this Company. The structure must be vacated until release for re-entry is issued by the licensed fumigator.

As noted in item 11A, there is evidence of drywood termites on the front porch or the structure. Drywood termite pellets are emerging from the front porch posts. The following is a local treatment option.

SECONDARY RECOMMENDATION: Drill into and treat drywood termite galleries using an E.P.A. registered foam termiticide mixture (Termidor and Bora-Care Mix).

Fungus and termite damage is evident to the base of the front porch posts.

Temporary support the front porch roof and structure. Trim up the base of the front porch posts and reset on elevated, steel reinforced, concrete footings. Secure the posts to the base with a bolted metal bracket.

This building has wood composite (masonite) siding. This type of siding is commonly used in newer construction but not as durable as natural wood siding. This type of siding has the tendency to warp, shrink, chip and water damage and requires additional maintenance to protect it from the elements. Shrinkage has created major gaps at siding joints.

Replace badly warped and weathered siding. In addition maintain the siding in the most practical manner. Open joints should be caulked or covered with straps. Warped siding should be secured. Any other chips or surface damage should be repaired. Siding should be painted regularly to keep the surface sealed.

Fungus damage was noted to front siding and vertical 1x8 trim.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

The front rail system, along right side entry, has fungus damage to rail cap, exterior siding, and interior framing. Enclosed rail system wobbles as a result of damage.

Remove the rail cap and exterior rail siding. Remove fungus damaged framing and reconstruct structural framing. Install new siding and rail cap.

Fungus damage to corner trim on the right front corner. Damage extends into the corner framing.

Remove corner trim and siding to expose damage to wall framing. Removed damaged corner stud and replace with new wood framing. Replace siding as needed and install new corner trim with new trim to match as closely as possible.

Fungus damaged lower siding where indicated on the diagram.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

Fungus damaged siding on the right side wall of the building.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

Visual inspection noted fungus damage to the second story roof cap and siding where noted on the diagram.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

Fungus damaged corner trim on the right back corner near the back steps and landing. Exposed corner stud is badly fungus damaged at this location.

Remove corner trim and siding to expose framing. Remove fungus damaged corner stud and other framing from foundation to roof and replace with new wood to match as closely as possible. Wrap the new area with felt paper. Install new siding and corner trim.

Fungus damaged siding on the back wall of the structure.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

Fungus damage to wooden trim on the left side exit of the building on the back entry porch. Fungus damage was noted to vertical and horizontal trim in this area.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

Fungus damaged siding and trim along much of the left side wall of the structure.

Remove fungus damaged wood members and replace with new wood to match as closely as possible.

The wooden double doors on the left side of the building are badly weathered and have some fungus damage.

Remove and replace these doors with new doors to match as closely as possible.

The gutters around much of the perimeter are rusted out and leaking onto the structure. This is promoting damage to the exterior wood members.

Replace existing gutters with new gutters.

Some fungus damage was noted sporadically around the structure to fascia boards and trim adjacent gutters and eaves.

Remove and replace fungus damaged fascia boards as needed.

Fungus damage to plywood siding panels on the back left gable.

Remove and replace fungus damaged siding with new siding to match as closely as possible.

Fungus damage was noted to inside corner trim, outside corner trim and other decorative wood members on the left side of the structure.

Remove fungus damaged trim and replace with new wood to match as closely as possible.

Bring interior to vanilla shell.

Renew Landscaping on exterior

Repair/replace HVAC

Repair/ replace subfloor rough plumbing

Prep and Paint interior/exterior

Make access to building and update bathrooms, ADA compliant.

EXHIBIT D

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

This form is provided so that the Buyer and/or Seller in this transaction can certify compliance with the Foreign Investment in Real Property Tax Act to the Escrow Agent and/or Buyer. Buyer (“**Transferee**”) must retain a copy of this document until after the fifth taxable year following the transfer.

Section 1445 of the Internal Revenue Code of 1986, as amended (“**Code**”) provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform Transferee that withholding of tax is not required upon the disposition of a U.S. real property interest, the undersigned hereby certifies the following on behalf of _____ (“**Transferor**”):

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder).
2. The Transferor is not a disregarded entity as defined in Income Tax Regulation Section 1.1445-2(b)(2)(iii).
3. The Transferor's U.S. employer or tax identification number is _____.
4. The Transferor's office address is _____

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Date: _____, 20__

TRANSFEROR:

By: _____

Name: _____

Its: _____

Letter of Intent

RE: One Marina Plaza Antioch, CA 94509

Randy & Lynn Tei DBA RLW Properties:

We are pleased to offer you the following terms and conditions upon which we would be willing to lease the space described below for One Marina Plaza at Antioch, CA 94509:

Landlord: Sean McCauley Investments, Inc.

Tenant: Zephyrs

Premises: One Marina Plaza, Antioch, Approximately-12,400 Square Feet.

Term 20 years.

Option Term: (1) One 5 year Term Option To Extend

Possession: Approximately: January 31, 2018 ("Possession Date").

Rent Commencement: Rent, Operating Expenses and all other monies due under the lease shall commence upon the earlier to occur of Tenant opening for business in the Premises, or within days following the Possession Date.

Base Rent: \$.70 PSF Base Rent, with increases of 3%

Percentage Rent: (5%) of annual gross sales in excess of the "Breakpoint." "Breakpoint" shall be an amount determined by dividing the applicable Base Rent by 5 percent (5%). (If not using natural breakpoint; put in the applicable information)

Tenant Improvements: (To be determined by the Landlord and Tenant)

Security Deposit: An amount equal to the Base Rent for the final month of the Term (This may be adjusted to reflect 1st mo rent with increases as rent increases)

Use: Restaurant, Bar, and Grill

Trade Name of Business: T.B.D (To Be Determined)

Utilities: Tenant shall pay all utilities actually used by Tenant on the Premises.

Signage: To the extent permitted by the City of Antioch, and subject to Landlord's consent, Tenant shall be entitled to signage on the exterior of the Premises.

Operating Expenses/Taxes: Tenant will pay its proportionate share of operating costs (including without limitation, insurance and taxes) (collectively, "CAM") for the Center. Tenant's proportionate share means the gross leasable area of the Premises divided by the gross leasable area of the Center.

Maintenance and Repairs: Landlord, subject to CAM reimbursement, shall be responsible for maintaining and repairing the common area, including utility lines, meters, and pipes, and the foundation, roof structure, outer walls, and other structural components of the Premises. Tenant's maintenance and repair obligations shall include all interior and non-structural components, including storefront glass, interior walls, roof membrane, and HVAC and utility systems within the Premises that exclusively serve the Premises.

Janitorial. Tenant shall be responsible for its own janitorial services, including garbage removal. Landlord shall provide the garbage container.

Parking, Access and Common Areas: Tenant, its patrons and employees, shall have the non-exclusive right to park throughout the common area on a 24/7 basis. Landlord has the right to designate time limit parking at the Center and designate employee parking areas.

Assignment/Subletting: Tenant shall have the right to assign or sublet its interest in this Lease or the Premises, subject to Landlord's written consent, which consent shall not be unreasonably withheld, provided, if the proposed assignee or subtenant will change the use or name of the Premises, such change will be subject to Landlord's written consent, which may be withheld. Any change in signage, color scheme, trade dress or other appearance items shall require the reasonable approval of Landlord. (Note that there are probably deals in which we will be more restrictive on Assignment/Subletting)

Personal Guarantee: Each partner of Tenant shall provide a personal guarantee of the Lease.

Brokerage Commission: Landlord will pay a real estate commission per separate agreement.

Lease Format: Landlord's lease form, subject to mutual approval.

Hours of Operation: 10:30 am-11pm

Relocation: (Standard lease provision – we'll want to at least consider it at the LOI level)

Project Drawing: Upon Tenant's execution of this Letter of Intent, Tenant shall diligently commence in developing drawings and plans for the Premises and keep Landlord informed of Tenant's drawings and any material changes.

ACCEPTED AND APPROVED:

The undersigned confirms that the foregoing constitutes the agreement made between the

Landlord and Tenant around which the lease will be drafted. However, it is understood and agreed that neither party is under a binding obligation to the other until a mutually satisfactory lease has been executed by both parties.

LESSEE:

LESSOR:

**RANDY TEI & LYNN TEI DBA RLW
PROPERTIES**

By: Randy Tei

Date: 10/10/17

SEAN MCCAULEY INVESTMENTS

By: [Signature]

Date: 10/10/17



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Arne Simonsen, CMC, Secretary to the Board of Administrative Appeals AS

SUBJECT: Final Determination of Board of Administrative Appeals Decision Regarding: Grievance Hearing Appeal of Operating Engineers Local Union No. 3 Regarding The City Managers Denial of the Grievance that Section 12.1(B) of the Memorandum of Understanding between the City of Antioch and Operating Engineers Local Union No. 3 Has Been Violated

RECOMMENDED ACTION

It is recommended that the City Council Uphold the Board of Administrative Appeals Determination.

STRATEGIC PURPOSE

The proposed action is consistent with Strategy L-4, Implement City Council policies and direction.

FISCAL IMPACT

The fiscal impact of upholding or granting the appeal is set forth in the attached material.

DISCUSSION

On October 3, 2017, in accordance with Antioch Municipal Code 1-4.03(C), Council Member Tiscareno requested the transfer of the Board of Administrative Appeals September 27, 2017 Denial of the Appeal by Operating Engineers Local Union No. 3 (OE3) to the City Council for consideration and final determination (copy attached).

The City Council approved the Memorandum of Understanding (MOU) between the City of Antioch and OE3 for the period of October 1, 2016 – September 20, 2021, and acknowledging the City Manager and OE3 representatives' execution of the MOU on January 10, 2017.

On June 22, 2017, OE3 took the first step in filing a formal grievance with the City Manager per Section 22.2 of the current MOU for Unit IV OE3. The grievance involves Section 12.1(B) of the current MOU, wherein OE3 asserts that the City is paying the \$128 Minimum Employer Contribution (MEC) and deducting it out of the retiree's check

which OE3 maintains does not match up with the current Medical after Retirement (MAR).

On July 20, 2017, City Manager, Ron Bernal, addressed a letter to OE3 stating that the City has been making the same minimum contribution payment to both employees and retirees; that there is no violation of Section 12.1(B) of the MOU; and that the grievance is denied.

On July 24, 2017, OE3 filed an Appeal of Grievance with City Manager Ron Bernal in regards to Section 12.1(B) as it pertains to the MOU between the City of Antioch and OE3 to the Board of Administrative Appeals.

The Board of Administrative Appeals held a Special Hearing on September 27, 2017 to consider OE3's appeal of City Manager's denial of the grievance.

Based on a preponderance of the evidence, the Board of Administrative Appeals found that the Appellant (OE3) failed to prove that the City was not complying with Section 12.1(B) of the current MOU and the grievance appeal was denied. A full transcription of the Board's September 27, 2017 hearing is attached.

On October 18, 2017, the attorneys for the City of Antioch and OE3 were given the opportunity to provide "position papers" to be included in the agenda packet for the November 14, 2017 City Council meeting.

The Interim City Attorney will act as an advisor to the City Council on procedural issues associated with the request by Council Member Tiscareno to Council for consideration and final determination.

City Administration is separately represented by independent legal counsel in this matter.

ATTACHMENTS

- A. Position Statement – OE3 (*No P.S. received by agenda publication date 11/9/17*)
- B. Position Statement – City of Antioch
- C. E-mail dated October 3, 2017 from Council Member Tiscareno
- D. Transcription of September 27, 2017 Board of Appeals Special Meeting
- E. Approved Board of Appeals Special Meeting Minutes of September 27, 2017
- F. September 27, 2017 Board of Appeals Special Meeting Staff Report including OE3 documents submitted
- G. Notice of Decision
- H. City of Antioch's Exhibits

ATTACHMENT

“A”



MEMORANDUM FOR THE RECORD

November 9, 2017

On October 18, 2017 the Interim City Attorney sent an email to Mr. Darren Semore and City of Antioch Administrative Director Nickie Mastay requesting they would like to submit a position paper to be included in the agenda packet for the City Council meeting on November 14, 2017

The City Administration submitted a position paper to the City Clerk's Office.

On November 7, 2017 I forwarded the Interim City Attorney's email to Mr. Semore of OE3 again asking if he or their attorney would be providing a position paper to include in the agenda packet.

As of publication of the agenda packet at noon on Thursday, November 9, 2017 for the City Council meeting on Tuesday, November 14, 2017, the City Clerk's Office had not receive a position paper from Mr. Semore or their attorney representing Operating Engineers Local Union 3.

A handwritten signature in blue ink, appearing to read 'Arne Simonsen', is written over a horizontal line.

ARNE SIMONSEN, CMC
City Clerk

Simonsen, Arne

From: Simonsen, Arne
Sent: Tuesday, November 07, 2017 2:56 PM
To: 'dsemore@oe3.org'
Cc: Garcia, Christina
Subject: FW: City Council hearing re OE3 appeal
Attachments: City_of_Antioch.docx

Importance: High

Tracking:	Recipient	Delivery
	'dsemore@oe3.org'	
	Garcia, Christina	Delivered: 11/7/2017 2:56 PM

Mr. Semore,

I am following up as to whether you wish to have a "position paper" (as noted in the email from Interim City Attorney Derek Cole on October 18th) to be included as an attachment to the staff report for the November 14th City Council meeting.

As the Secretary to the Board of Administrative Appeals and a neutral party, I will be writing the staff report for the City Council.

We are finalizing the agenda packet at noon, Wednesday, November 8th for printing, the city website and email distribution. No document will be accepted after noon tomorrow, November 8th.

The City has already provided us with a "position paper" to be included in the agenda packet.

If you cannot meet this deadline, you can present a "position paper" when your agenda item comes up at the November 14th City Council meeting. If so, then I would need you to provide twenty (20) copies for the council, staff, clerk and public, which you can hand me when you are called to speak.

Respectfully,
Arne

Arne Simonsen, CMC

City Clerk
City of Antioch
P.O. Box 5007
Antioch, CA 94531-5007
(925) 779-7008

The City keeps a copy of all E-mails sent and received for a minimum of 90 days. All retained E-mails will be treated as a Public Record per the California Public Records Act, and may be subject to disclosure pursuant to the terms and subject to the exemptions of that Act.

From: City Attorney
Sent: Wednesday, October 18, 2017 3:14 PM
To: 'dsemore@oe3.org'; Mastay, Nickie

Cc: Merchant, Dawn; Bernal, Ron; Simonsen, Arne; Garcia, Christina; Grant-Smith, Rakia; Daniels, Sharon
Subject: City Council hearing re OE3 appeal

All:

This appeal will proceed on 11/14 before the City Council. I will be handling the preparation of the staff report for this matter. My staff report will be basic and will simply advise the Council of the issues, the history, and the BOAA decision. The back-up material for this item will consist of all the material that was included in the BOAA packet, the evidence binder and other documents that were presented at the BOAA hearing, and the transcript. (See the attached, which we had an attorney service prepare based on the video from the meeting.)

I would request that both sides make sure all of that documentation is sent up to Rakia or Sharon on the Third Floor so I can take care of getting everything to Arne and Christina in time for agenda packet preparation. Also, if you want the Council to have position papers in advance of the hearing, please provide that in time for Arne and Christina to include that in the packet. Usually, that deadline is 8 days before the Council meeting (i.e., the Monday of the preceding week of the Tuesday Council meeting). But I will ask Arne and Christina to confirm that.

As far as process, the hearing is limited to the record that was before the BOAA. The matter will be treated as a public hearing, which means that the principal advocate of each side shall have 10 minutes to make his/her presentation. Any other persons wishing to speak shall have 5 minutes to present.

Please let me know if you have any questions.

Thanks,

Derek Cole

ATTACHMENT

“B”



POSITION STATEMENT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Nickie Mastay, Administrative Services Director

SUBJECT: Position Statement: The Operating Engineers Local Union No. 3 (“the Union”) filed a grievance contending that the City of Antioch violated Section 12.1(B) of the Memorandum of Understanding (“MOU”) between the City and the Union. The City Manager denied the grievance, and the Union appealed to the Board of Administrative Appeals (“the Board”). The Board denied the appeal. It is recommended that the City Council uphold the Board’s decision.

RECOMMENDED ACTION

The Operating Engineers Local Union No. 3 filed a grievance contending the City of Antioch violated Section 12.1(B) of the Memorandum of Understanding between the City and the Union. The City Manager correctly determined there was no violation and denied the grievance. The Union appealed to the Board of Administrative Appeals. The Board correctly determined there was no violation and denied the Union’s appeal. The City Council should uphold the Board of Administrative Appeals’ decision.

DISCUSSION

The Union’s grievance, the appeal to the Board of Administrative Appeals, and this appeal to the City Council raise the question of what amount the City is required to contribute to the cost of retiree health insurance. However, the answer to that question is straightforward, because the existing MOU between the City and the Union requires the City to make only those contributions that do not exceed the capped amounts expressly set forth in the City’s Medical After Retirement Plan (“MAR”).

A. Background

Because retiree health benefits are available to City retirees through CalPERS, Government Code sections 22890 and 22892 require the City to provide at least the CalPERS Minimum Employer Contribution (“MEC”) for each retiree in the program. Presently, that amount is \$128.00, but it will increase to \$133.00 in 2018. The City actually provides more than the required minimum (MEC) to its retirees. The City does so in the following way. First, the City pays the \$128.00 MEC for each participating retiree directly to CalPERS. Those funds become available to the retirees to help purchase health insurance. Next, the City pays an additional amount directly to each participating retiree so that the total of the \$128.00 MEC paid to CalPERS plus the

amount paid directly to the retiree equals the capped amount agreed to in the MOU and MAR.

For example, if an employee retired on or after July 1, 1993, was not yet Medicare eligible, and was enrolled as a single beneficiary, according to the MOU and MAR, that retiree would be entitled to a current maximum benefit of \$354.69. The City would pay the \$128.00 MEC to CalPERS on the retiree's behalf, and would pay an additional \$226.69 with a reimbursement check made out directly to the retiree.

B. The Grievance

The Union grievance contends that the City should pay the full capped amount directly to the retirees and should additionally pay the \$128.00 MEC to CalPERS. Because doing so would result in contributions toward retiree health insurance that would exceed the caps set by the MOU, the City Manager denied the grievance. The Board agreed and upheld the City Manager's decision.

Section 12.1(B) of the MOU states, "The City shall pay the PERS required Minimum Employer Contribution (MEC) per month on behalf of each active and retired employee who participates in the City's health Insurance plans." The City does so.

Section 12.7 of the MOU incorporates the City's Medical After Retirement Plan ("MAR") thereby making it part of the MOU. (The MAR is attached to the MOU as Exhibit C.) Pursuant to Section 12.7 and the MAR, the City is to make contributions toward retiree health insurance costs up to, but not to exceed, the capped amounts set forth in the MAR. The City does so.

The City meets its obligation to reach the capped amounts by making the \$128 MEC payment to CalPERS, and by providing the rest directly to the retiree. Despite the clear provisions of the MOU and the caps identified in the MAR, the Union's June 22, 2017 grievance requested the City "to stop deducting the \$128 from the retiree's checks." In essence, the Union grievance seeks to require the City to pay the \$128.00 MEC on behalf of the retirees, and to then overpay the retirees by providing an additional check equal the full capped amount. This is not what the MOU and MAR provides for, and it would result in an overpayment of \$128.00 per retiree, per month.

On July 20, 2017, the City responded in writing denying the grievance, and it provided the following explanation to the Union:

As you know, the City participates in CalPERS administered health insurance programs. As a CalPERS contracting agency, the City is required to provide a minimum employer contribution on behalf of each City employee and each City retiree who participates in City offered benefits. The amount of this minimum employer contribution is set annually by CalPERS and is currently \$128.00 per month.

For retirees who meet certain eligibility criteria, the City provides enhanced retiree medical benefits in the form of a greater contribution towards premiums. The amount paid towards benefits varies based on

the individual's retirement date and plan participation. For example, eligible employees who retired before July 1, 1993, are eligible to receive a total retiree health benefit that is equal to the premium cost for single-party coverage in the plan which had the highest enrollment of active City employees in the previous enrollment period. Employees who retired on or after July 1, 1993, are eligible to receive a current maximum benefit of \$354.69 towards insurance coverage (this current maximum benefit becomes \$236.69 once the individual is eligible for Medicare coverage). Employees who retire on or after October 15, 2002, may also receive an additional amount if a spouse is enrolled in a City plan. These amounts include the minimum employer contribution set forth in Section 12.1(B) of the MOU.

Turning to the grievance, I understand that retirees would like the City to stop deducting the minimum employer contribution from the benefits paid on behalf of retirees. All retirees are receiving the same minimum employer contribution amount as employees. This minimum contribution amount is paid by the City directly to CalPERS. Retirees are then directly paid any remaining reimbursement owed for retiree health care benefits, as determined based on an individual's eligibility, date of retirement and plan participation. Therefore, **since the City has been making the same minimum contribution payment to both employees and retirees, there is no violation of Section 12.1(B) of the MOU and the grievance is denied.**

C. The Board of Administrative Appeals Hearing

On July 24, 2017, the Union appealed the City's decision to the Board of Administrative Appeals, and a hearing was held before the Board on September 27, 2017. The issue addressed by the Board was whether the City was correctly paying for the Medical After Retirement benefits the retirees were entitled to under the MOU and MAR.

1. The Union's Presentation At the Appeal Hearing

The Union argued to the Board that the City should pay retirees the capped amount in the MAR plus an additional sum of \$128.00 per month (which is the current MEC required by CalPERS).¹ The Union's sole argument was that Section 12.1(B) requires the City to pay the MEC, and therefore, it could not be "deducted" from retirees' benefits checks. The Union failed to address Section 12.7 and the MAR, which provide that the total contributions made by the City to the retirees' benefits "shall not exceed" the capped amounts. The Union also ignored the fact that the City had been calculating its contributions the same way for almost 20 years, over the course of eight collective bargaining agreements, and the Union had never before grieved the way the

¹ The Union's legal representative actually argued the additional amount should be \$133.00 because the MEC is set to increase, but the grievance itself requested \$128.00, the present MEC. Regardless, the real issue is whether the City must pay the MEC plus the capped amount, or a capped amount which includes the MEC.

calculations were being performed, or negotiated for the benefits calculation it now claims is required. The Union simply speculated that no one had ever noticed the issue until now.

2. The City's Presentation at the Appeal Hearing

The City's legal representative, James Jones of Jackson Lewis P.C., presented twenty-seven exhibits (**See Attachment H - City of Antioch Exhibits**) that included, among other items: (1) the grievance documents; (2) documents enrolling the City in CalPERS; (3) actuarial reports related to Post-Employment Benefits programs; (4) Staff Reports related to whether the capped amounts should be increased; (5) the controlling Government Code sections; (6) past MOUs; (7) the existing MOU; and (8) the MAR. Witnesses who testified on behalf of the City included Nickie Mastay, Administrative Services Director, Dawn Merchant, City Finance Director, and Austris Rungis, the IEDA negotiator for the City, who had negotiated the relevant terms of the MOU.

The City's legal representative, Mr. Jones, pointed out that two documents, which are part of Attachment A, answered the question at issue. Those documents include the relevant excerpts of the existing MOU (**Tab 25 See Attachment H – City of Antioch Exhibits**) and the MAR (**Tab 7 See Attachment H – City of Antioch Exhibits**), which is part of the existing MOU. Through the City's witnesses and exhibits, Mr. Jones pointed out that Section 12.7 of the MOU and the MAR clearly set forth the contributions the City must make to help pay for retirees' medical benefits. The MOU and MAR specifically state that the contribution amounts are capped (have an upper limit), and the capped amounts are expressly stated in the MAR.

Through testimony and exhibits, Mr. Jones also pointed out that the City had been performing its benefits calculations the same way for almost 20 years, over the course of eight collective bargaining agreements, and the Union never sought to negotiate for different benefits calculations. Nor did it ever before grieve the way the City was calculating them. Furthermore, actuarial reports that were introduced demonstrated that calculating benefits in the manner the Union was arguing for could not have been the intent of the MOU, because it would add millions of dollars in unfunded liabilities to programs that are already facing large unfunded liabilities.

During the hearing, Austris Rungis testified that he had negotiated on behalf of the City for the MOU covering the years 2005 through 2009 (**Tab 15 See Attachment H – City of Antioch's Exhibits**). As a result of these negotiations, the capped amounts in the MAR were increased to their present level, but the Union never contended that the retirees were entitled to the capped amounts plus the MEC. And, the Union never sought to negotiate for the capped amounts plus the MEC. Mr. Rungis also testified that he was familiar with the discussions that preceded his negotiations related to raising the capped amounts (**see Tabs 8 through 14 in Attachment H – City of Antioch's Exhibits**), and if the Union believed that the City was calculating benefits incorrectly it would have become a topic of the negotiations. However, the Union never took the position that retirees were entitled to the capped amount in the MAR plus the MEC. Mr. Rungis' negotiations are important because the relevant terms of the existing MOU and MAR are identical to those negotiated by Mr. Rungis.

Mr. Rungis also testified that, at the time he was negotiating the MOU, significant unfunded liabilities existed for the Post-Employment Benefits program, over \$10 million at that time, and the City could not have afforded to increase the caps if it also had to pay the capped amounts plus the MEC. In sum, he testified that the Union's interpretation of the MOU as stated in the grievance is wrong.

Dawn Merchant, the Finance Director, also testified that there were significant unfunded liabilities related to Post-Employment Benefits, and the City cannot not afford to pay retirees the capped amount plus the MEC. If it were to do so, this would significantly increase the unfunded liabilities.

3. The Board's Decision

With the above testimony and **Attachment H – City of Antioch's Exhibits**, the Board of Administrative appeals voted 4-1 to deny the Union's appeal, thereby affirming the City Manager's decision denying the grievance.

CONCLUSION

Clearly, the City and the Union have always understood that the City's method of calculating its contribution to retiree health benefits is consistent with the history of the MOU and MAR, and with the express language of the existing MOU and MAR. Until now, the Union has never contended otherwise, but the MOU and MAR prove the position the Union is taking in its grievance is incorrect, because the existing MOU and MAR expressly state that the City's contributions shall not exceed the capped amounts of the MAR. The Union seeks an improper determination that the City's contributions shall exceed the capped amounts. Because the Union is wrong, the City Council should uphold the decision of the Board of Administrative Appeals.

Please reference the following Attachments included with the Staff Report to City Council:

- *Attachment D of the Staff Report to City Council - Transcription of September 27, 2017 Board of Appeals Special Meeting*
- *Attachment H of the Staff Report to City Council - City of Antioch's Exhibits*

ATTACHMENT

“C”

Simonsen, Arne

From: Tiscareno, Tony
Sent: Tuesday, October 03, 2017 8:45 AM
To: Simonsen, Arne
Cc: City Attorney; Bernal, Ron; Mastay, Nickie
Subject: OE3 final review with City Council

Arne,

I am requesting that the Council hear a final review of a grievance determination and outcome from OE Local 3. As you are aware, i've been out of the country and have just returned so i have no knowledge of this issue other than receiving a email request to review this matter.

Please let me know if this email request is sufficient enough or if i need to go about this another way.

Thanks

Tony Tiscareno

Sent from my iPhone

ATTACHMENT

“D”

CITY OF ANTIOCH
BOARD OF ADMINISTRATIVE APPEALS

IN RE: APPEAL OF OPERATING ENGINEERS LOCAL 3 TO CITY MANAGER'S
DETERMINATION REGARDING MINIMUM EMPLOYER CONTRIBUTION BENEFIT

DATE: SEPTEMBER 27, 2017

PETITIONER: OPERATING ENGINEERS LOCAL 3

RESPONDENT: ADMINISTRATION, CITY OF ANTIOCH

BILL TO: 10450.000 (CITY OF ANTIOCH/GENERAL)

[General room conversation until [00:06:16]]

Deborah Simpson: Okay. Good afternoon. I'd like to call to session the Board of Administrative Appeals Administrative Review Panel Special Meeting for September 27th, 2017. The time is now 4:01. Could we have the role call?

Unidentified Male: Yes, Madam Chair. Board Member Schleder?

Andrew Schleder: Present.

Unidentified Male: Board Member Ussam-Lemmons?

A. Ussam-Lemmons: Present.

Unidentified Male: Alternate Board Member Faraji?

Farideh Faraji: Here.

Unidentified Male: Vice Chair Adeyemi?

A. Adeyemi: Here.

Unidentified Male: Chair Simpson?

Deborah Simpson: Present.

Unidentified Male: You have a quorum.

Deborah Simpson: Thank you. Could we all stand for the Pledge of Allegiance, please?

Group: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Deborah Simpson: Thank you. You may be seated. We have first on our consent calendar approval of administrative appeals meeting minutes for September 7th, 2017.

We have a recommended action to continue these minutes to our next regularly scheduled meeting in October. So if I can get a motion from someone on the board to continue the minutes until the next meeting.

Andrew Schleder: I move that we continue the minutes until the next meeting.

Deborah Simpson: Okay. Do I have a second?

A. Adeyemi: I second.

Deborah Simpson: Okay. It has been moved that the board will continue the minutes until the next meeting. It has been properly second. We'd like to vote.

Unidentified Male: There are five affirmative votes.

Deborah Simpson: Okay. The motion has carried. And next we have on our regular agenda number 2A, a grievance hearing. We are to consider the appeal of Operating Engineers Local Union 3 regarding the City Manager's denial of the grievance that Section 12.1B of the Memorandum of Understanding between the City of Antioch and Operating Engineers Local Union 3 has been violated. I'm going to turn it over to the City Attorney to give us some further instructions.

Attorney Cole: Thank you, Madam Chair. Members of the board, I do have some preliminary instructions for the record. And I first want to apologize. I'm not feeling very well and I'm congested so I don't know that I will sound very well as I say this so please bear with me.

Welcome to the meeting of the Antioch Board of Administrative Appeals. We realize that this may be your first time attending the board's meeting so I wanted to provide some introductory comments. First, please turn off your cell phones. I note that the City Attorney is exempted from that requirement. That's a joke. Excuse me. I'm sorry. I'm not really good at reading things. I usually do everything off the cuff so I apologize.

Second, the board is comprised of volunteer Antioch residents who serve without pay. They give their time to the Antioch community to assist in resolving community issues. They do not make or control the law. They are hearing officers who will review the appeal that has been filed, such as when the City of Antioch staff issues citations for violations of municipal code ordinances regarding public nuisances and property maintenance, or as in this case, grievances submitted by City employees or bargaining units.

The board has five members and one alternate who only serves if a board member is unable to attend. A quorum of the five member board is three members. Today we have five board members meaning that three must vote to pass a motion. The agenda and staff report for this matter were posted on

the City's website last week and sent to the board members and the appellants who are appealing the citation or appealing a personnel decision. I serve as the attorney for the board and assist with the parliamentary and hearing procedures. I was not involved in staff's determination to issue the citation or personnel action. And that is, in fact, the case.

We will begin with a collective oath that anyone speaking will tell the truth. Anyone wishing to speak is asked to complete the yellow cards that can be found in the back racks on either side of the doors. The completed yellow cards should be placed in the basket next to the speaker's podium here in the center of the room next to the City Clerk. The Chair will be given the speaker cards to call speakers to the podium.

Staff will make its report that will be limited to five minutes. The appellant, who is the person who is appealing the personnel decision, will then have five minutes to present testimony as to why he or she should not have been issued the abatement notice or grievance of a personnel decision. I'm sorry, personnel decision. I'm not really getting through this very well. I apologize. Anyone else wishing to speak on the matter who has submitted a yellow card will be called by the Chair to speak for up to three minutes. Any materials presented to the board become public records and will be kept by the City.

Board members may ask any specific follow up questions. This is not an opportunity to argue with the board or to ask questions of any other side. Any questions must be addressed to the board Chair who will decide whether to ask those questions of another speaker. The board may then ask staff and the appellant if there is any rebuttal to the comments provided. Any rebuttals are limited to three minutes.

We ask that everyone be respectful. Yelling or other disturbances from the audience will not be tolerated. I'm looking at this audience and I'm thinking that's not going to be a problem. But everyone wishing to speak to the board and testify will have the opportunity to do so. We ask that you focus your comments on the issue before the board, that is whether the personnel decision should have been made as it was.

In order to allow everyone to speak, you will see a traffic light looking device when you come to the podium. The green light means you will have time to speak. The yellow light means that you have one minute left. And the red light means time is done. A buzzer will sound. We don't mean to be rude, but we want to ensure that everyone has the opportunity to speak. Once everyone wishing to speak has done so, the hearing will be closed, and the board will begin its deliberations in public.

The board will vote on its decision, which will be announced. A written decision will also be provided to the appellants. Any appeal would be to the superior court. That may not technically be true in this particular case. So I'm

simply reading what's on here, but I note that that's probably not the case for this particular matter. The board will determine by majority vote if the appeal should be upheld. The burden is on the appellants, those who filed the appeal, to prove that the personnel action should be overturned and the appeal upheld. To win the appeal, the majority of the board must uphold your appeal, for example, three out of the five board members.

In order to complete the hearing so that a decision can be reached today, we will ask everyone who may speak on this matter to stand up and raise their right hand.

Unidentified Male: Do you solemnly swear or affirm that the testimony that you will give to the Board of Administrative Appeals will be the truth, the whole truth, and nothing but the truth?

Group: Yes.

Unidentified Male: You may be seated. Thank you.

[Inaudible conversation from [00:14:53] to [00:17:28]]

David Tuttle: Or if you're not, yes. I'd also like a point of order and I think _____ [00:17:33] written briefs before the council votes. That's in our _____ [00:17:40] City Attorney.

Unidentified Male: No.

Unidentified Male: Is it possible to bring it?

Unidentified Male: _____ [00:17:50] that way.

Unidentified Male: Yes.

[No audible conversation from [00:17:52] to [00:19:02]]

Attorney Cole: Madam Chair, members of the board, the City Clerk has been talking to the parties. The protocols that I read earlier really are geared towards code enforcement appeals, which this board is very familiar with. The parties have, through the City Clerk, appeared to agree, and we can certainly ask them to come up and confirm, that the process will be a little different.

The City's presentation will involve outside counsel who is lead speaker for the City asking questions of City witnesses. And he anticipates about ten minutes per witness. So they'll be somewhat of a question and answer format, and then the Operating Engineers, I believe, will do something very similar. And so we'll have essentially almost somewhat like a courtroom proceeding. We won't be following all the courtroom rules of evidence, but it

will be a question and answer format. And so my recommendation would be that the board deviate from its policies and procedures to allow this procedure. I also understand that the City's presentation will involve binders. Is that correct?

Unidentified Male: _____ [00:20:21].

Attorney Cole: Okay, and the Operating Engineers has expressed a...I'll call it a concern, but a statement that they have not seen what's in those binders yet. Is that...

David Tuttle: Well, I...

Attorney Cole: Why don't you come to the microphone and introduce yourself for the record.

David Tuttle: Thank you. My name is David Tuttle, and I'm representing the Operating Engineers Local 3. Thank you for letting me come and speak to you today. I appreciate it. My understanding based on the City's practice is that all written materials need to be submitted 72 hours prior to this hearing, which we have done. We submitted those via email last week. It seems to me that if you're going to adopt a rule like that, that it needs to apply to everyone. Thank you.

Attorney Cole: And just so I can make clear, do you know where that...you saw that rule? Because I'm not aware of that rule.

David Tuttle: That was the rule that we received from the City Clerk's office.

Attorney Cole: Okay, and...

Unidentified Male: Mr. City Attorney, just for clarification, I asked the Operating Engineers' attorney, Mr. Tuttle, if there are any materials that he'd like to provide in advanced to include in the packet for the board so they can review them. I made the same request of the Administrative Services Director, whether the City would like to provide any materials to include in the packet.

Attorney Cole: So technically then, what's being referred to as the Brown Act Requirement that an agenda and the backup be published 72 hours in advance of the hearing. So technically, that's not a legal requirement for the material to be submitted to this board and exchanged with the other side. But what I would recommend is that we allow the presentation to go forward and then we can take up the issue of the binders, which I presume...I'll ask the City's counsel, are you going to be going through those in your presentation with the witnesses?

James Jones: I will.

Attorney Cole: Okay. So what I would suggest is that we proceed with the presentation and that the Operating Engineers can reserve their rights and that we take up the

issue of how to handle the fact that these binders were not provided to the board as part of the staff packet that came to you. And we can deal with how to address that once we've heard the presentation. That would be my recommendation. So we essentially postpone that issue and let's hear what the parties have to say.

Deborah Simpson: Okay.

Attorney Cole: So my suggestion is that we then proceed.

Deborah Simpson: All right. Thank you. Okay. So Mr. Tuttle?

David Tuttle: I'm sorry. Yes.

Deborah Simpson: Would you like to come forward?

David Tuttle: I would.

Deborah Simpson: Okay.

David Tuttle: I just want to adopt a little bit of a clarification. Are we doing oral statements and then witness calling or are we doing all of this in one kind of moment? And I apologize. I know you explained it. I just want to make sure I understand it so that I can best prepare myself.

Attorney Cole: And again, this is somewhat of an unusual format. What I would suggest is that if the parties think that some introduction would be helpful to put everything into context, what I would suggest is take the five minutes to do that, and then we will proceed into the questioning. So that would be my recommendation if the board is fine with that. If each side can have a five minute essentially opening statement.

Deborah Simpson: That's fine.

David Tuttle: Perfect.

Deborah Simpson: It would probably make it easier for us to follow the flow.

David Tuttle: I completely understand. And as I said, thank you for letting me come talk to you today. This is a relatively complicated issue, and we appreciate your full attention in this matter. And I understand that you are citizens who are here to help us resolve this.

We, the International Union of Operating Engineers Local 3, are a labor union. We represent employees who are employed by the City of Antioch. We have a contract with the City, which is the Memorandum of Understanding. A copy has been provided to you previously. The

Memorandum of Understanding requires that the City provide to the employees a medical after retirement plan or it allows the employees to participate in said plan. This is the plan that provides additional funding so that the employees of the City of Antioch when they retire have the opportunity to have health insurance and maintain their health insurance and to help assist them financially in paying for it.

This plan, as others, are governed under the California Government Code. California Government Code 22890 starts with the idea that the contracting agency and each employee shall contribute to a portion of the cost providing the benefit afforded to the employees. When it says employer contributions and employee contributions, it means exactly that, that the employer is supposed to pay part of it and then the employees are supposed to pay part of it.

Unfortunately, I think that the City has gotten a little confused about what it's supposed to pay and when is it supposed to pay. If you look at the retiree after medical plan, the plan is designed and setup to do exactly what I said it would do. It's to help pay for all these things. And so the way it works is the CalPERS retiree medical plan costs a certain amount per month. And a certain portion of that is paid by the City and a portion is paid by the employee. And then the retiree after medical then reimburses the employee for that cost.

For example, and I just pulled some of these numbers off of the CalPERS website today, a single employee for 2018, for Kaiser would pay \$779.86. The employer contribution for that is \$133.00 meaning that the employee would then pay \$346.86, and then under the retiree after medical plan, would then reimburse the employee \$310.00 so that the employee's total out of pocket cost is \$336.00.

What the City is doing instead of that is they are taking the employer contribution, that \$133.00, and they are taking it out of the reimbursement amounts so that in this same scenario, rather than reimbursing the employee \$310.00, they are reimbursing it \$182.00. And they don't provide any itemized checks to the employees. They just give them the check. They just mail them a check. Here's your reimbursement check. And so what they are doing is they're shorting the employees this \$133.00. And these are our members.

These are our members who worked for the City for a considerable amount of time, and then they should have that full amount that they are entitled to. When we started out this process, we asked the City to make the employees whole, and we asked them to adopt a new process going forward. They told us that they didn't want to do that. They told us that this had been their past practice and they were going to do it this way regardless of what the state statute might say.

Now I don't think that they are deliberately ignoring the statute. I think that they are confused about their responsibilities under this plan. I think that they genuinely think that they are entitled to withhold this money, but that misunderstand what that medical after retiree plan is. It is employee contributions. It is employees' money. It is their benefit. And the employer should not be able to take that money and use it to satisfy its obligation. Now I understand...thank you very much for your attention.

Deborah Simpson: Okay. Thank you.

David Tuttle: What would you like me to do next? You want me to do the witnesses, or do you want to their opening statement?

Attorney Cole: I'm sorry. Why don't we have both arguments, opening arguments essentially, first and then we'll do exams.

James Jones: Good evening, everybody.

Deborah Simpson: Good evening.

James Jones: My name's James Jones. I'm here on behalf of the City. And what I'd like to try to do is perhaps simplify the issues a little bit for you. I appreciate that Mr. Tuttle had sort of the laboring oar of trying to explain to you a very complex background. But the issue, actually, can be boiled down to something much simpler.

There will be two documents that will matter to you when you finally make your decision as to whether or not the City is paying correctly or incorrectly. And those two documents that are going to matter to you are the existing Memorandum of Understanding, it's the contract between the City and the employees, and what is referred to as the medical after retirement plan, the MAR we'll call it for the evening. The Memorandum of Understanding, the contract, actually incorporates the MAR. The MAR is part of the contract.

What the MAR does is it sets out the level of benefits that a retiree can receive after they've retired to help them pay for their medical benefits. And the MAR and the Memorandum of Understanding, the contract, specifically states that the amount that the retirees can receive is capped. It has an upper limit.

What the Union is arguing is that the City should be paying the capped amount, the actual stated capped amount, plus an additional sum that they feel they're entitled to. It's not the \$133.00 that Mr. Tuttle mentioned, although I know where he got the 133 number. If you look at the grievance, it's really 128. The grievance actually says 128. So the Union is saying that what they're entitled to is the capped amount plus \$128.00 each month. What

the City is saying is they're entitled to the capped amount.

The \$128.00 number that Mr. Tuttle has included in the grievance is a contribution that the City gives to PERS so that the employee can use that contribution, that \$128.00, to assist in buying medical benefits. The cap in the MAR is actually higher than that. So what the City does is the City gives the employee a check to make up the difference. Those two contributions are what the employee is entitled to under the MOU and the MAR. The \$128.00 contribution to PERS plus an additional amount that gets them up to the cap. That's what this appeal is all about. That's what the Memorandum of Understanding says. That's what the practice has been for years and years. The City has continually paid its obligations exactly to the letter of the contract.

Now we will present a binder today. My understanding is that the binders did not need to be submitted 72 hours in advance. The Brown Act doesn't require that. I have given two copies to the Union so they can see it. The past will inform the present. What that binder will do is it will walk you through the history of the medical after retirement benefits that retirees have been receiving over the past several different Memorandums of Understanding. And you'll be able to see that the City's practice has always been, and the contracts have always said, and the medical after retirement plans have always said, that what the employees get is the contribution to PERS plus that extra amount that gets them to the cap. And that's what the City does. Thank you.

Unidentified Male: Madam Chair, at this time, I'd recommend that you give Mr. Tuttle, the attorney for the Operating Engineers Local 3 the opportunity to come up and do any cross-examination or examination of witnesses he may have. We'll allow ten minutes for each witness that he brings forward. If the witnesses would be sure to identify them self as well.

Deborah Simpson: Okay. Mr. Tuttle.

David Tuttle: Yes, thank you very much. Sit over there?

Attorney Cole: Yes. My recommendation, board members, is that the witness sits in the staff chair. That way there's a microphone and we can capture everything on the video. Okay. All right.

Unidentified Male: If you'll bear with me a moment _____ [00:35:03].

Attorney Cole: We'll give the City Clerk a moment here to check on everything.

David Tuttle: Been up here a few times.

[No audible conversation from [00:35:12] to [00:35:43]]

David Tuttle: Yeah, yeah, yeah. If you want to let me just vamp a little bit, too. Yeah. And then here's the _____ [00:35:50].

Unidentified Male: Okay. Madam Chair, the video's all set up to include coverage of the witnesses sitting.

Deborah Simpson: Okay. Thank you. So Mr. Tuttle, you will now question your witness. And could I get the name of the witness as well?

David Tuttle: Thank you, Madam Chairman. Can you state your name and spell it, I guess, for the record?

Kevin Scudero: Kevin Scudero, last name's S-C-U-D-E-R-O.

David Tuttle: And I apologize, Mr. Scudero, if I crush your name. I will endeavor to not do that. We'll hope. I'm sure it's probably not the first time that's happened to you. So you're here today as a City employee. Is that right?

Kevin Scudero: Correct.

David Tuttle: Are you a member of our bargaining unit?

Kevin Scudero: Yes.

David Tuttle: And how long have you been a bargaining unit member?

Kevin Scudero: I started full-time with the City in August 2004.

David Tuttle: So a considerable amount of time?

Kevin Scudero: Yes.

David Tuttle: Okay. Are you familiar with the medical after retiree plan?

Kevin Scudero: Yes.

David Tuttle: And how are you familiar with it?

Kevin Scudero: Through my involvement as one of the negotiation members for our negotiating team.

David Tuttle: Thank you. And we heard testimony...well, I guess not testimony, but an opening statement a few moments ago about the cap amount and the City's contributions into it. Did you hear that testimony?

Kevin Scudero: I did.

David Tuttle: Was that testimony confusing to you?

Kevin Scudero: A little bit especially since the caps in our MAR were established first in 1993, before we were even member of PERS Medical. So to think that an MEC would be any part of that cap kind of doesn't make much sense. And the fact that our MOU specifically states that the City should pay the MEC on employees' and retirees' behalf. Nowhere does it state that it should be taken out of any kind of retiree allotment for medical after retirement.

David Tuttle: Thank you. And I'm new to some of this stuff, too, so you're going to have to...

Kevin Scudero: Yeah.

David Tuttle: ...one, just slow down a little bit when we're talking, and two, when you use the acronym MEC, what does that mean?

Kevin Scudero: That's the minimum employer contribution that the City is required to pay PERS on behalf of employees' medical.

David Tuttle: Okay. And is that a city code or is that a state code, do you know?

Kevin Scudero: I believe it's a state code, and it's also, as part of our MOU, a negotiated benefit for both employees and retirees.

David Tuttle: Okay, and I believe that if you look in our packet, and I believe it is Exhibit 6, which is the section of the California Government Code 22890, you see that?

Kevin Scudero: Yes.

David Tuttle: And I know you're not a lawyer like I am or like the lawyer from Jackson Lewis, who I apologize have forgotten his name. But you can read that code, can't you? Can you just read the first sentence for us?

Kevin Scudero: It says the contracting agency and each employer _____ [00:39:11] shall contributed a portion of the cost of providing the benefit coverage afforded under the health benefit plan approved or maintained by the board in which the employee or annuitant may be enrolled.

David Tuttle: And so what does that mean to you?

Kevin Scudero: It means that the employer and the employee each have a required contribution.

David Tuttle: Okay, and prior to 2004, that contribution was, what \$16.00? Is that right?

Kevin Scudero: I believe so, yes.

David Tuttle: And it's gone up every year since that, right?

Kevin Scudero: That's is my understanding, yes.

David Tuttle: Okay. Now when we talk about this medical after retiree plan, are you familiar with that plan as well?

Kevin Scudero: Somewhat. I do understand that they have fixed caps that whenever you're grandfathered in, there's a tiered system. But yeah, I'm roughly familiar with it.

David Tuttle: Okay, and is it your understanding that that's amounts that the City pays to PERS or to the employees?

Kevin Scudero: It's my understanding that that's the amount the City pays to the employees.

David Tuttle: Okay. And in fact, stepping back for a moment, if we look at Exhibit 1, it's that same medical after retiree plan. Is that right?

Kevin Scudero: Correct.

David Tuttle: And that's where it talks about reimbursement to the employees. Is that right?

Kevin Scudero: I believe so, yes.

David Tuttle: And if you look at that and you flip...there's the plans. It stops at page five and then there's another page that's listed as City of Antioch, and it lists a whole bunch of retiree. Do you see the document that I'm talking about?

Kevin Scudero: Yeah.

David Tuttle: Okay, and do you see the list...like can you describe what that document is and what it says?

Kevin Scudero: So it looks like it shows the premium amount; the participant share, which would be the employee; and then as well as the employer share.

David Tuttle: I see. Thank you. I don't think I have any more questions for him. You, I think, could not speak on his behalf if he wanted, right?

Attorney Cole: Why don't you go ahead and then call your next witness.

David Tuttle: That is my only witness today. So we'll have the other side do and then he can speak?

Attorney Cole: Yes. Yes.

David Tuttle: Sounds great. Yeah. Yeah.

Kevin Scudero: Okay. I'm done.

James Jones: You have your binder?

Unidentified Male: Mr. _____ [00:41:47] first.

Attorney Cole: Yes.

Unidentified Male: _____ [00:41:56].

Unidentified Male: You've got it? Okay.

Unidentified Male: _____ [00:42:23].

James Jones: Yes, I think we have enough, yeah.

Unidentified Male: _____ [00:42:29] board members and six _____ [00:42:33]

Unidentified Male: So we need one more?

Unidentified Male: Yes, sir.

Unidentified Male: _____ [00:42:36]. That'll be yours. Okay.

Unidentified Male: Oh, I'm sorry.

James Jones: All ready?

Deborah Simpson: Yes.

James Jones: Okay. Good evening. Ms. Mastay, can you state your name for the record, please?

Nickie Mastay: My name is Nickie Mastay. I'm the Administrative Services Director with the City.

James Jones: And Ms. Mastay, you have one of the binders in your hand, right?

Nickie Mastay: I do.

James Jones: It's the same binder that we've handed out to everyone on the committee.

Nickie Mastay: Correct.

James Jones: Okay. Now the binder has approximately 27 exhibits. We're going to go through these kind of quickly. Some of them are historical and sort of give us a frame of reference for the later records, which are the operative records. But you were involved in gathering together all of these documents to help pull them into this binder and present them tonight, right?

Nickie Mastay: Correct.

James Jones: Okay. Could you first take a look at Exhibit 1, and Exhibit 1 includes all of the items that identify the nature of this grievance, correct?

Nickie Mastay: Correct.

James Jones: And if you look at the first page, in the middle of the page, that first full paragraph, the Operating Engineers Local Union 3 says, last sentence, we have recently found that the City is paying the \$120.00 MEC but also deducting it out of the retiree checks only. Do you see that?

Nickie Mastay: I do.

James Jones: You understand that that's the nature of tonight's grievance, right?

Nickie Mastay: Yes.

James Jones: And the MEC is the acronym for the minimum employer contribution that the City is obligated to make for each employee and each retiree, right?

Nickie Mastay: Correct.

James Jones: Okay. All right. If you could take a look, please, at the second exhibit, you'll see it's the Memorandum of Understanding, the contract, that existed between the City and this bargaining unit, Unit 4, from 1994 to 1997. Do you see that?

Nickie Mastay: Yes.

James Jones: Now this is the Memorandum of Understanding that existed just before the City entered the PERS program for its medical benefits, right?

Nickie Mastay: Correct. Correct.

James Jones: Okay. If you take a look, please, at the first page, and you look at Article 12.1 that describes medical benefits, just before the City went into PERS, the employees had the option of Blue Cross, Kaiser, or Foundation Health, right?

Nickie Mastay: Correct.

James Jones: If you would now turn, please, to Article 12, Section 12.7 at the bottom of that page, it'll say page 20. The contract with the employees back then said that the City would provide benefits according to a medical after retirement plan, which was attached to that contract as Exhibit C. Do you see that?

Nickie Mastay: I do.

James Jones: And then if you turn to the next page, you see Exhibit C.

Nickie Mastay: Correct.

James Jones: Okay. Now would you please turn to page three of that exhibit, and look at the section that says B2. What that reads is that for eligible employees who file their retirement on or after July 1st, 1993, the City will pay as medical after retirement benefits an amount not to exceed what is paid for the active employees for the same coverage until the coverage reaches the caps listed below. So just before going into PERS, there was a system where the retirees' benefits were capped so that they weren't as great as the employee's benefits, right?

Nickie Mastay: Correct.

James Jones: And the caps were stated there, \$310.00 for a single enrollee. All right. Could you turn please to the next exhibit? So the next exhibit is the California Government Code that describes what contributions need to be made to PERS when the City wants to enroll its employees in PERS. Is that your understanding?

Nickie Mastay: That's my understanding.

James Jones: If you look at the very next page, you see the section of the Government Code 22892, and if you look at subsection A, it's the first subsection, it says that the employer's contribution of a contracting agency, and I'll skip a few words, but it says it shall be the amount fixed from time to time by resolution, I'll skip a few more words, filed with the board. So the City adopts a resolution, then files it with PERS, and that becomes the statement to PERS of what the employer's obligation is, right?

Nickie Mastay: Yes, that's correct.

James Jones: Okay. Now when it started in 2004, the amount that had to be contributed had a minimum of \$16.00, right?

Nickie Mastay: Correct.

James Jones: It almost sounds silly in these days because it's such a small amount, but when the City adopts its first resolution, turn to Exhibit 4, the City resolved that it would pay to PERS the minimum employer contribution of \$16.00.

Nickie Mastay: Yes.

James Jones: Okay, and you're familiar with Exhibit 4. This, in fact, is the resolution that's on file with PERS that establishes the City of Antioch's obligation to CalPERS.

Nickie Mastay: Yes.

James Jones: Okay. Now the \$16.00 wasn't the only thing that an employee got back under that Memorandum of Understanding, was it?

Nickie Mastay: Could you rephrase that?

James Jones: The employee was entitled to \$310.00, a portion of which was the \$16.00 given to PERS.

Nickie Mastay: Yes, that's correct.

James Jones: If you would turn to Exhibit 5, there's a new Memorandum of Understanding that's entered into in 1997, and it runs through 2001. Now this is the first Memorandum of Understanding that exists where the City is part of PERS, right?

Nickie Mastay: Yes. Yes, that's correct.

James Jones: If you turn to the first page, 12.1, you see the very first sentence says so. This is where the City is getting itself into PERS for medical benefits.

Nickie Mastay: Yes.

James Jones: Was that your understanding?

Nickie Mastay: Yes, that was my understanding.

James Jones: If you would turn to page 20 of...it's 20 on the bottom of the page. It's Section 12.7. This again describes the medical after retirement plan, right?

Nickie Mastay: Yes.

James Jones: And it says the medical after retirement plan, the benefits that a retiree can get under the contract are set out in Exhibit C, right?

Nickie Mastay: Correct.

James Jones: And if you turn to Exhibit C, it's the same one we looked at as before, isn't it?

Nickie Mastay: Yes.

James Jones: So if we go to coverage on page three, B2 still says that even though we are now in PERS, and even though we are making a contribution of \$16.00 on your behalf directly to PERS, the total benefit is an amount not to exceed \$310.00. Is that your understanding?

Nickie Mastay: That is correct.

James Jones: Could you turn to Exhibit 6, please? This is the Memorandum of Understanding that follows and goes from October 1, 2001, through September 30 of 2004. If you look at Section 12.1 in that exhibit, look at B, it states that the City is going to pay the \$16.00 MEC for the minimum employer contribution directly to PERS, right?

Nickie Mastay: Correct.

James Jones: Okay. If you turn to the last page in that exhibit, you'll see Section C discusses the medical after retirement benefits. Do you see that?

Nickie Mastay: I do.

James Jones: And now what it says is that the City is going to provide the medical after retirement benefit in accordance with the plan on file with the personnel department.

Nickie Mastay: Correct.

James Jones: Do you see that? Okay. And then the plan that was on file with the personnel department is Exhibit 7, right?

Nickie Mastay: Yes.

James Jones: Okay. So if you look at Exhibit 7, let's look at the very first sentence in the opening paragraph. It's on page one of the medical after retirement reimbursement plan, the MAR. It says that this plan is established to provide for City contributions toward medical insurance premiums for retired employees.

Nickie Mastay: Yes.

James Jones: Your understanding is that that's the way this thing was setup, right?

Nickie Mastay: Correct.

James Jones: Okay. Now let's turn, please, to page three, and it still says in B2 that even under this new Memorandum of Understanding that the City's obligation was to provide an amount not to exceed the capped amounts.

Nickie Mastay: Correct.

James Jones: Okay. So for a single, \$310.00, for somebody with a spouse, \$620.00.

Nickie Mastay: Correct.

James Jones: Could you take a look at Exhibit 8? Exhibit 8 is the next Memorandum of Understanding. Now the MEC has arisen. The MEC now in 12.1 is \$48.00 per month, right?

Nickie Mastay: Correct.

[Cross talking]

Attorney Cole: Excuse me. We are at ten minutes for this witness. So I guess the question is how much longer do you have?

James Jones: Probably five more minutes with this witness.

Attorney Cole: Okay, and then what about the discussion with your other witnesses?

James Jones: I was operating under the assumption that it was ten to 15 minutes per witness.

Attorney Cole: Okay.

James Jones: If I'm incorrect, I'll shorten one of the other witnesses.

Attorney Cole: That's really a call for you. We had talked about ten minutes per witness. Ultimately, it's a judgment call. Does this board want to allow this to continue? Or do you want to stick firm to the ten minutes limitation?

Deborah Simpson: I think we would want to stick to the ten minute, and if we have any other questions, we'll be able to at that time ask those afterwards.

James Jones: Can I ask two more questions then?

Deborah Simpson: Well, we're at the ten minutes, and we did afford the Union ten minutes as well for their witness so I don't want to go over that amount of time.

James Jones: That's fine. I'll move forward with the rest of it with different witnesses.
That's fine.

Deborah Simpson: Okay. Thank you. You want to call your next witness?

James Jones: The next witness is Austris Rungis. Good evening, Mr. Rungis.

Austris Rungis: Good evening.

James Jones: Mr. Rungis, we were looking at the exhibit binder, and we were up to the Memorandum of Understanding, which is at tab eight. Can you please take a look at that?

Austris Rungis: Yes, I have.

James Jones: All right. Now you negotiated a Memorandum of Understanding on behalf of the City of Antioch with the bargaining unit that's represented here tonight in 2005. Is that right?

Austris Rungis: Correct.

James Jones: And so the Exhibit 8 is the Memorandum of Understanding that existed just prior to the MOU that you negotiated.

Austris Rungis: That's correct.

James Jones: Okay. So as part of your negotiations, you became familiar with Exhibit 8, right?

Austris Rungis: Yes.

James Jones: You understood how Exhibit 8 worked, right?

Austris Rungis: Correct.

James Jones: That gave you the foundation to be able to negotiate a new contract to follow.

Austris Rungis: Yes.

James Jones: If you look at Exhibit 8, the first page 12.1B, that describes that the City is going to contribute on behalf of retirees and employees the minimum employer contribution directly to PERS. Is that your understanding?

Austris Rungis: Yes, 12.1B.

James Jones: Okay, and then if you look at the next page where it describes what the benefits are to employees and retirees at that point in time, they were those

benefits in the MAR, which was on file with the personnel department. Is that right?

Austris Rungis: Correct.

James Jones: Okay, and the benefits that were on file with the personnel department at that point in time were Exhibit 7. Is that right?

Austris Rungis: Yes.

James Jones: Okay. So the Memorandum of Understanding that existed right before the one you negotiated was setup so that the City would pay the minimum employer contribution, and then if you look at page three of the MAR an amount not to exceed the \$310.00 for a single or the \$620.00 for someone with a spouse, right?

Austris Rungis: Correct.

James Jones: And was it your understanding that the way you would arrive at the \$310.00 is the City would contribute the minimum employer contribution directly to PERS and then it would provide a check, a reimbursement check, to the retiree for the difference to get that person up to 310?

Austris Rungis: That's correct.

James Jones: Or to get that person with a spouse up to 620?

Austris Rungis: That's correct.

James Jones: And then you negotiated a new Memorandum of Understanding, and that's the MOU that exists at Exhibit 15. Is that correct?

Austris Rungis: Yes. October 1st, 2005, through October 30th, 2009.

James Jones: Okay. Now in between Exhibits 9 and 15, excuse me, eight and 15, we have several different staff reports. We have one, this is number nine, from January of 2005. Do you see that?

Austris Rungis: Yes.

James Jones: Were you familiar with that?

Austris Rungis: Yes.

James Jones: Okay. We have a resolution that was adopted in January of 2005. Have you seen that?

Austris Rungis: Correct.

James Jones: You were familiar with that through your negotiations?

Austris Rungis: Yes.

James Jones: We have a letter from the personnel department of the City of Antioch which describes how the MEC and the cap interrelate. Were you familiar with that?

Austris Rungis: Yes, I am.

James Jones: We have another memorandum from April 26th of 2005. Were you familiar with that?

Austris Rungis: Yes.

James Jones: We have another from May 10th of 2005. Were you familiar with that?

Austris Rungis: Correct.

James Jones: We have the last May 10th, 2005. Were you familiar with that?

Austris Rungis: Yes.

James Jones: Okay. Now all of those exhibits, nine through 14, all relate to an issue where the Union was seeking to increase the capped amount, right?

Austris Rungis: Correct.

James Jones: And the City temporarily agreed to increase the caps, right?

Austris Rungis: Subject...

[City_of_Antioch_01 ends. City_of_Antioch_2 begins.]

Austris Rungis: ...to negotiations of a new labor contract.

James Jones: Okay. So there was a resolution to temporarily increase the caps, and the City ultimately concluded that if it was going to make them permanent, it would have to be part of a new MOU. Is that right?

Austris Rungis: That's correct.

James Jones: And that's the MOU that you negotiated?

Austris Rungis: That's tab five...tab 15, yes.

James Jones: Okay. Now during any of the negotiations that you had with the Union during that period of the time where the Union's goal was to increase the cap...

Austris Rungis: Yes.

James Jones: ...did anyone ever take the position that the City had an obligation to pay the cap plus the minimum employer contribution?

Austris Rungis: No, they did not.

James Jones: What was the practice back then?

Austris Rungis: As described in both the new Memorandum of Understanding under tab 15 as well as in the MAR plan as well as the administrative documents which were given to the Union during the negotiations by me.

James Jones: Was the practice then that the City would contribute whatever the existing minimum employer contribution was to PERS and then make up the difference by giving a check to the retiree?

Austris Rungis: Yes.

James Jones: Now at that point in time when you were doing these negotiations, were actuarial reports generated where accountants looked at the City's financial health to determine what it could afford to provide as benefits?

Austris Rungis: Yes.

James Jones: Were there significant unfunded liabilities to the tune of over ten or \$20 million existing at the time?

Austris Rungis: Yes, there were.

James Jones: Based on your understanding of what the negotiations were attempting to accomplish, could the City at that point in time have afforded to give the Union an increase in the caps and then on top of that pay for the minimum employer contribution each month?

Austris Rungis: No, we could not.

James Jones: So no one was negotiating for that?

Austris Rungis: No.

James Jones: What they negotiated for was an increase to the caps, right?

Austris Rungis: They wanted the temporary caps made permanent.

James Jones: And they got that, right?

Austris Rungis: They did as a quid pro quo.

James Jones: Okay. But no one ever asked if it could be increase the cap but make it cap plus MEC?

Austris Rungis: No, they did not. There is no written proposal by the Union during 2005, for that particular approach.

James Jones: Okay. I don't have any other questions for this witness. I will call my next witness.

Attorney Cole: Please do.

James Jones: Dawn. So the City is presenting the testimony of Dawn Merchant. Good evening, Ms. Merchant.

Dawn Merchant: Good evening.

James Jones: Can you tell us what you do for the City?

Dawn Merchant: I am the Finance Director for the City.

James Jones: Okay, and so we have gotten through the binder up to Exhibit 16. Could you please turn to Exhibit 16? That's a memorandum that you wrote in November of 2007. Is that right?

Dawn Merchant: Yes.

James Jones: And if you look at the summary of that memorandum, the third numbered item, the very last sentence says internal service funds will last for a period of about five years, after which additional funding from the City's general fund will be required. See that?

Dawn Merchant: Yes.

James Jones: Were retiree benefits being provided from that internal service fund?

Dawn Merchant: Yes.

James Jones: And so as of November 14th, 2007, you had a fund that might carry you out five years?

Dawn Merchant: Yes.

James Jones: Were you familiar with the actuarial report that was attached to your memorandum?

Dawn Merchant: Yes.

James Jones: So you had professional accountants look at the health of the fund to see whether it was in good shape or bad shape?

Dawn Merchant: Yes.

James Jones: And if you turn to the actuarial draft that's attached, it's the June 30th, 2007, valuation and you look at the third page in, do you see that there are unfunded liabilities of \$33 million if you adopted one kind of a program, almost 18 million if you adopted a second type of program, and again almost \$18 million if you adopted a third type of program?

Dawn Merchant: Yes.

James Jones: Significant unfunded liabilities.

Dawn Merchant: Correct.

James Jones: From your experience, could the City have afforded to pay the retirees the minimum employer contribution plus the cap at that time?

Dawn Merchant: No, that would've significantly increased the amount of the unfunded liability.

James Jones: Okay. If you look at the next exhibit, it's Exhibit 17. You see it's an actuarial from 2007.

Dawn Merchant: Yes.

James Jones: And if you turn, please, to the very last page, was there an unfunded liability of over \$24 million?

Dawn Merchant: Yes.

James Jones: Then there was another Memorandum of Understanding that was entered into in 2009.

Dawn Merchant: Yes.

James Jones: Okay. And that Memorandum of Understanding, if you look at page 23, says that the benefits will be those on file with the personnel department.

Dawn Merchant: Yes.

James Jones: And that was the MAR that we looked at.

Dawn Merchant: Yes.

James Jones: And caps applied?

Dawn Merchant: Correct.

James Jones: Okay. If you look at number 19, another actuarial was performed. Do you see that?

Dawn Merchant: Yes.

James Jones: In the second page, do you see that there is still unfunded liabilities in the range of \$20 million?

Dawn Merchant: Correct.

James Jones: And then more valuations through Exhibit 23. They still had millions of dollars in unfunded liabilities.

Dawn Merchant: Yes.

James Jones: Okay. If you look at 23, that's a Memorandum of Understanding from 2014 to 2016.

Dawn Merchant: Yes.

James Jones: And again, the benefits that are provided under that contract are those on file with the Human Resources Department. That's Article 13, the last page of the exhibit. Is that right?

Dawn Merchant: Yes.

James Jones: And still, the MAR on file with the HR Department had those caps in place, right?

Dawn Merchant: Correct.

James Jones: Okay. In 2015, another actuarial is formed.

Dawn Merchant: Yes.

James Jones: Okay. There are still significant unfunded liabilities. If you look at the second page, for the unit that is represented here, an unfunded liability of over \$10 million for the retirement plan.

Dawn Merchant: Yes.

James Jones: If you look at 25, that's the MOU that exists today, right?

Dawn Merchant: Yes.

James Jones: Okay. So the MOU that exists today, if you look at Section 12.1, says that the City will pay the minimum employer contribution, you see that?

Dawn Merchant: Sorry. Let me get to that page. That is on page 18, correct?

James Jones: Yes. It's 12.1B.

Dawn Merchant: Okay. Yes. Yes, I see it.

James Jones: It doesn't say that it will pay the minimum employer contribution plus the capped amount, does it?

Dawn Merchant: No.

James Jones: In fact, if you look at the medical after retirement benefits, so it's the very last page in the exhibit, it's Article 13, the benefits afforded are still those that are set out on the MAR on file with the Human Resources Department, right?

Dawn Merchant: Correct.

James Jones: It still hasn't changed. It's the one we saw before, Exhibit 7, right?

Dawn Merchant: Correct.

James Jones: It has capped amounts, right?

Dawn Merchant: Yes.

James Jones: Okay. Could you please turn to Exhibit 27? We won't go through all these calculations. I don't want to take up more time than we need. But if you look at the first page, what you see in the center of the page is that a cap increase occurred raising the \$310.00 cap up to three fifty-four sixty-nine, right?

Dawn Merchant: Correct.

James Jones: And then to determine how much you reimbursed to an employee, the \$80.80 was the minimum employer contribution at the time, right?

Dawn Merchant: Yes.

James Jones: So you gave the \$80.80 to PERS, correct?

Dawn Merchant: Yes.

James Jones: You gave a reimbursement of \$273.89 to the employee, right?

Dawn Merchant: Yes.

James Jones: The combination of those two things equals the cap they're entitled to.

Dawn Merchant: Yes.

James Jones: Was it always calculated that way?

Dawn Merchant: Yes.

James Jones: So throughout all these years where all of these Memorandums of Understanding are being entered into, no one ever asked to change that calculation?

Dawn Merchant: Not to my knowledge.

James Jones: Okay. So the first time that you have ever heard anyone say that you should get the capped amount plus the MEC is this grievance?

Dawn Merchant: Correct.

James Jones: But history has always said the opposite?

Dawn Merchant: Yes.

James Jones: And the Memorandum of Understanding has always said the opposite?

Dawn Merchant: Yes.

James Jones: And the medical after retirement plan has always said the opposite?

Dawn Merchant: Yes.

James Jones: No other questions.

Deborah Simpson: Okay. Thank you. Do you have any other witnesses?

James Jones: No, that's it.

Deborah Simpson: Okay. Thank you.

Attorney Cole: At this stage, it may be helpful if the board members have any questions for either party's representative that you could ask those questions. So I guess that would be the next step if you want. Either counsel for the City or for the Operating Engineers, if you have any questions for them based on the evidence or what you've read, this would be, I think, an appropriate time to ask them.

Deborah Simpson: Okay. Do you have any questions for...

Unidentified Male: _____ [00:11:10] the mic.

Deborah Simpson: Do you have any questions for either one?

A. Adeyemi: _____ [00:11:14].

A. Ussam-Lemmons: I do.

Deborah Simpson: Okay. So we're going to start down that way and work our way this way. So is your mic on?

A. Ussam-Lemmons: Okay. Yeah.

Deborah Simpson: That's not the mic. It's right here in the middle.

Farideh Faraji: _____ [00:11:29].

Deborah Simpson: Right there on the base where you're speaking into. Okay.

Farideh Faraji: It's my first time. I want to know if that \$310.00 is per month or per year.

James Jones: It's per month.

Farideh Faraji: Per month. So...

Deborah Simpson: Okay. Before we go forward, could I have you come up? If you can state who you want to ask the question to. I'm assuming it's the City Attorney. He's here.

James Jones: Yes.

Farideh Faraji: They pay \$310.00 per month to City employees for the retired City employees?

James Jones: The cap is now raised for somebody who is enrolling just themselves, and it's now \$354.69. So that's the total contribution, and it's made up of two parts, the amount that they actually give to PERS, which presently is \$128.00

monthly. And each retiree would then get a reimbursement check on a monthly basis to make up the difference.

Farideh Faraji: So you show all these documents to us, all 27 exhibits, where does the Union come up with \$128.00 a month or \$133.00?

James Jones: The 133, I think, that the Union is referring to, and I don't want to speak for Mr. Tuttle, but I'm pretty sure he know where he gets it. The way the code, the government code, is setup is the minimum employer contribution creeps up over time. So the next time that it creeps up, it'll creep up to \$133.00. So that's what that number is.

Farideh Faraji: Okay. So they take from employee's check every two weeks or something? I'm a little confused with...

James Jones: Well, you have these people who are retired, and they're getting their benefits.

Farideh Faraji: The retirement, yes.

James Jones: They're getting their benefits. So the City will actually deliver a payment to PERS on behalf of the employee, and presently it's \$128.00. And then they will actually provide a check to the retiree. It will be the difference between the 354 and the 128 so they get the rest of what they're entitled to for their monthly health benefits.

Farideh Faraji: But what's the problem?

James Jones: There isn't one. The Union says there is one. Our position is that there isn't one. I don't want to be flippant. But our position is that we're paying exactly what we're supposed to pay. That's the City's position.

Farideh Faraji: Okay. It's good you come up with numbers because it's my first time here. And when they sent me these documents today, I looked. I said I'm a civil engineer. I'm not...and English is my second language so I am not qualified for this board here. I don't know the law. And right away I said I'm going to tell Arne. I worked in park commission for ten years, but as an engineer they needed a technical person. I said I'll be worthless on this board and I want to quit before even I start. But I'm glad you came with numbers because numbers I love working with. So I'm thinking about if I'm going to quit or not.

Attorney Cole: Well, I hope we kept you.

Farideh Faraji: It's okay.

[Cross talking]

Farideh Faraji: The numbers I can understand better than the law because I haven't studied that. So I don't have any...because I still need more document or approval from the Union where they...what is the problem. I still don't understand that.

Deborah Simpson: Okay. So could we...

James Jones: I will...I'll sit.

Deborah Simpson: Thank you very much. And we'll have the Union come up to answer her question.

David Tuttle: Thank you very much. And I will be less flip but we think it's this problem. We think that the employees are not getting what they were promised. I've used the \$133.00 because that's what it's going to be in 2018. So the...and he is absolutely correctly. I think right now it's \$128.00. So the \$128.00 is the amount that the City is supposed to pay each month. That is according to the California Government Code. It's right there in the section.

I understand that you may or may not understand the law in the detail that I do and that my opposing counsel do. But the language could not be clearer. It's right there. It says the employer pays part. The employee pays part. And our employees and the retirees, they pay the majority of it. The benefit that they're supposed to get then is the \$310.00 that is supposed to come back to them in reimbursement. And for us, the problem is that they're not getting \$310.00 or \$350.00, that they're getting \$350.00 minus whatever the employer's contribution is.

Essentially what the employer is doing is they are shifting the burden of their obligation under the statute from themselves to the retirees. And that's what we don't think is fair. We think that if the City didn't want to give them this benefit that they should've negotiated better, that they should've said we can't afford that. We're sorry. We'd like to increase the caps but we can't. That's, I think, the height of hypocrisy, ten years afterwards to come back and say oh, we didn't really mean it that way. We mean it this other way.

We are saying consistently that the employees and the retirees deserve the benefit of what they were promised. They were promised that they would receive \$310.00 or \$355.00. That's what they were promised but they're not getting it. They're getting less than that. And that's what we don't think is fair. And that's what we think the problem is and that's why we're here.

Farideh Faraji: But they are saying they give it.

David Tuttle: No, they don't get \$350.00. What they get is...I'm a lawyer. I'm terrible at math. I'm going to shorten my numbers up. So if the cap was \$300.00 and the employer contribution was \$100.00, right, the employees are getting a check

for \$200.00 and then they're paying \$100.00 to PERS, right. But the state statute says that the City is supposed to pay that. That's what the employer contribution...they keep saying this MEC, but that's what it means, it means the employer contribution, what the employer pays, what the City pays. So rather than get the benefit of the retiree benefit, they're only getting a two-thirds of it. That's the problem. Is that more helpful?

Farideh Faraji: I probably need to talk to the board members if they can understand better.

David Tuttle: Sure. I'm here all day. I've got nothing else to do.

Deborah Simpson: Thank you. We have some more questions. Anyone before he sits down have...

A. Ussam-Lemmons: I _____ [00:18:49].

Deborah Simpson: Okay.

David Tuttle: Great. Let's hear them.

A. Ussam-Lemmons: Hi. Thanks for being here. And thank you for explaining that in a way that we can understand because this is a bit...

David Tuttle: Complicated.

A. Ussam-Lemmons: Yeah, exactly. So I just wanted...so when this error occurred, this so called you weren't being paid that we're discussing, when this occurred, did the Union address the City? I think it was presented here that it was brought up.

David Tuttle: Sure. So the procedure parts goes like this, the retirees are relatively active members, but you can imagine if you're a retiree, right, and you're going to get this benefit and someone just mails you a check every month and they say this is your reimbursement. I think it's listed as Exhibit 4 as a copy of a check that our retirees get. There's no itemization on it. So you don't know how much the cap is supposed to be, how much the PERS part is supposed to be. You just know that you've paid your employee contribution to pay your health insurance every month and then you get a check in the mail.

It came to light because one of the members of our negotiating team recently retired, and they knew about this benefit. And they knew how it was supposed to work. And so the first month that they got their check and it was short, they said why is this short. And they went to the City. And the City said this is the way we've always done it. This is how we're going to do it going forward. And that's when they brought that to our attention.

We brought it...we had meetings with the City to try and resolve this informally. And when we couldn't resolve it informally, we filed a grievance

because that's our only recourse under our contract, is to be able to then file grievances in an attempt to make the City obey the contract.

A. Ussam-Lemmons: Okay. Thank you for clarifying that. Now I understand. It was a little bit confusing.

David Tuttle: Sure. Yeah, it is a little complicated.

Farideh Faraji: This started since 2004, this cap?

David Tuttle: Well, I wasn't here in 2004 so I can't speak to that.

[Cross talking]

David Tuttle: But I believe that it was. I believe that this medical after retiree plan starts at least 20 years ago, and then the amounts...what I do know, the amounts that the employers were supposed to pay to PERS has steadily gone up. And if you look in the California Code that I provided to you, you can see a table. It starts in 2004, at like \$16.00 and it goes up and up and up and up, and it keeps going up because as we all know, healthcare keeps going up. It's more expensive every year, and so CalPERS has to go up every year. And so the amount that the City has to pay goes up every year.

Farideh Faraji: I'm just wondering nobody retired before this and just now somebody retired?

David Tuttle: I think it's more along the lines of it's not that they just now retired because we've had retirees the whole time. I think that this is the first time...

Farideh Faraji: Somebody complained.

David Tuttle: ...that if you look at it, you notice. And I'm not casting blame on the City for this. I'm not assigning some sort of ulterior motive to them, but what I am saying is if you look at the check, it's just a check for \$225.00 or \$226.00. There's no way to know how that's supposed to be broken down. If they had itemized it, I think it would've come sooner. If they had said oh, the cap was \$310.00. We paid \$126.00 or \$128.00 to CalPERS out of this reimbursement, that's where you get this number. Before that, most retirees, if they're getting medical, they just know I need to pay \$779.00. They don't know how the back side of it works sometimes.

Farideh Faraji: So you say every month they have to pay \$310.00, if that's the amount?

David Tuttle: Yes.

Farideh Faraji: But City says we pay so much and then whatever is left, we send them check later on, the remaining?

David Tuttle: I'm going to let the City make its own argument. But what I say is this, there is a portion that CalPERS requires every month for health insurance. And there's a portion that is the employees' portion, which is two-thirds of it or more. And then there's a part that the employer pays, which is the employer contribution portion. And then the medical after retiree reimburses the employees up to \$310.00. For example, you could imagine that if the employer contribution was \$500.00, then they wouldn't then try to claw back \$200.00 more out of the employee, right. They would reimburse it only up to \$300.00. They'd probably reimburse less and negotiated less, would be my guess. But that's the difference. We think that there's an employee part, an employer part, and then there's a reimbursement part from the City to the employee. That's the negotiated benefit and that's what they're not doing.

Farideh Faraji: I'm still thinking.

[Cross talking]

Deborah Simpson: Any other questions?

A. Adeyemi: Yes.

A. Ussam-Lemmons: No.

Deborah Simpson: Okay.

A. Adeyemi: According to what the City has shown, as they've been paying, but you guys don't like the way they have been paying. Is that the main thing here?

David Tuttle: I'm going to try and clarify your question. If I don't clarify it correctly, please let me know.

A. Adeyemi: Okay.

David Tuttle: What I think you're asking me is if the City...and the dispute between the City and the Union is the amount that is being paid.

A. Adeyemi: Right.

David Tuttle: Right. I agree with you. I think that the City should be paying the employees \$310.00 or \$354.00, and they're not. They're taking the employer contribution out of that employee reimbursement. That is, I think, in essence the dispute between the parties.

A. Adeyemi: Okay. So you want the City to be paying that and also paying more?

David Tuttle: I want the City to pay its employer contribution, and I want the City to pay my members the full amount that they're obligated to under the plan.

A. Adeyemi: Yeah, but from what the lawyer has said, they have been doing that.

David Tuttle: Yeah, it would be very expensive. There is no getting around that part of it.

A. Adeyemi: Yeah, because...

David Tuttle: And I don't want to cut you off, but I think that the answer to your follow-up question is this, if the City wants to negotiate with us about that, then they can come negotiate with us about it. We don't have any desire to put the City out of business or into the red. But we do desire that the City should, in fact, live up to its contractual obligations. If I sign a car loan I can't afford, it's kind of on me, don't you think? The City had an obligation to make sure that it knew what it could afford when it entered into these contracts. And if it can't afford it now, come back and negotiate with us, but don't just unilaterally take actions.

A. Adeyemi: Okay. From what you said, this is on you also because the City negotiated with them and they signed a contract.

David Tuttle: That's true.

A. Adeyemi: Okay.

David Tuttle: I don't want to cut you off because I think you have a follow-up question.

A. Adeyemi: Go ahead.

David Tuttle: The City definitely negotiated with us and we signed a contract with them. But our understanding of the contract and their understanding of the contract, I think, has turned out to be very different. We believe the contract says what it means, that the employer has a contribution that it's supposed to pay. The employee has a contribution it's supposed to pay, and then they're supposed to be a reimbursement amount. That's what the contract language says.

A. Adeyemi: All right.

David Tuttle: So if that's what the contract language says, what we're saying to them is live up to the contract. That's all we want them to do.

A. Adeyemi: Okay.

David Tuttle: Thank you.

Deborah Simpson: Any other questions?

Andrew Schleder: Just one.

David Tuttle: Sure.

Andrew Schleder: So for like 20 years, no one has said anything? I mean, you just got here, I guess, but did you ever ask the people before you why they didn't say anything or...

David Tuttle: I think because it was such a small amount. I think that if you look at the employer contributions that start in 2004, and they ramp up, it starts at like \$16.00. And I think most people, when they're just going about their daily life, especially retirees, you're like oh, I used to get \$310.00 and now I get 286, that's weird. But it's not enough to really kind of come forward with it. But then as they move up, and most people...it's the boiling frog thing. You drop a frog in boiling water, it's going to jump out. But you leave it in there and turn it up and let it boil to cook itself, right. It erodes over time. And then people just don't really pay attention.

Kevin Scudero: Sorry. Is it okay if I answer the question, too?

Deborah Simpson: Excuse me, before you get started.

Kevin Scudero: Sorry. Sorry.

Unidentified Male: Yep.

Deborah Simpson: Any other questions?

Unidentified Male: No, that's probably my only one.

Farideh Faraji: I have another question.

Kevin Scudero: Well, I just wanted to expand on his question. I thought I can maybe answer it a little better than employee...

[Cross talking]

Deborah Simpson: Okay. I need you to come up to the mic.

Kevin Scudero: Sorry.

Deborah Simpson: And identify yourself.

Kevin Scudero: Yeah, Kevin Scudero.

Deborah Simpson: And address only the questions that are being asked.

Kevin Scudero: Yeah. Sorry. I just...because he had the question going back to one of your...sorry to interrupt you, Dave. So as someone who's worked here and has talked to the retirees and someone who understands, who's been on negotiating units, I can tell you a few reasons why it's probably never come up. One, our members are probably not that drilled down into the details of our MOU. As someone who's been on negotiating teams, I know that. The cap amounts aren't even in our MOU. They're not available publicly. You have to actually go into the HR office to actually see those so it's not something...like our MOU, you can just go review on the internet. Those are you have to actually make an effort to go down to HR, take a look at it. Also, when people go from their retiree age to Medicare, that also changes the amounts, too. So there's always some fluctuation in there, and that's why I think it probably hasn't come up yet.

Now we've had a retiree who's actually retired who was in the weeds with us in all these negotiations, had an expectation, that's why this came up. And just because something wasn't noticed for 20 years still doesn't make it okay, I guess is the right way to say it, just because it was a past practice. I think if you read our contract language, it is pretty clear and I don't see how you see it any other way. It says they shall pay it on behalf of retirees and employees. Now, as an employee, I can tell you they do pay it on behalf of employees, and they do not go back and take it out of our allotments. So the fact that they're treating retirees differently does not make any sense.

Unidentified Female: Thank you.

Deborah Simpson: Okay. Thank you.

Farideh Faraji: Can I ask one more thing?

Deborah Simpson: Okay.

David Tuttle: Sure.

Farideh Faraji: If the City's supposed to pay \$310.00 and \$128.00, why didn't they just write in the contract we pay \$438.00 instead of...they didn't say that. And you always say \$310.00. I didn't see anywhere 128. When they say employee pays this much and employer pays this much, so each person has to pay their share. But if the employer, the City...if they have to pay the whole thing, why don't they just come up and say City pays here and employee doesn't pay anything, zero. It doesn't say you have to pay.

David Tuttle: Sure. I think the kind of answer to your question is the idea that the MOU is a contract between the Union and the City in regard to the terms and conditions of the working agreement for the employees. The \$128.00 that the City is supposed to pay every month is an outside obligation. It would be like if the

City wrote into its agreement and we'll pay all the federal income taxes and we'll pay all the social security taxes and we'll pay all of your FICA tax and all that stuff. Those are just obligations that the City has to pay because it's an employer. This is just one more of those obligations. The employer is obligated to pay it because it's an employer.

Farideh Faraji: So do you have a contract with the City?

David Tuttle: I have a Memorandum of Understanding with the City, not me personally but the Union does.

Farideh Faraji: No, I mean the Union. Yeah, that's...

[Cross talking]

David Tuttle: Union does, absolutely. That's the Exhibit 1 that you...that's the contract between us.

Farideh Faraji: So there's something between Union and the City of Antioch that it says they pay 310 and \$128.00 a month?

David Tuttle: Well, it doesn't say that but it says that it'll pay the medical after retirement plan, which has a cap on the reimbursement that it's going to give to the City.

Farideh Faraji: And the cap was \$310.00?

David Tuttle: Right. That's the amount of money that the City is going to reimburse each of the retiree plan. Outside of that reimbursement, there exists an obligation for the City to pay \$128.00 every month.

Farideh Faraji: But they all say they don't know about that.

David Tuttle: Well, I think that's really the fundamental dispute between us. We think that they should have to pay and they don't think that we should have to pay, and I think if you really drill down to it, that's the real issue.

Deborah Simpson: Okay. Thank you.

David Tuttle: Thank you.

Farideh Faraji: Okay. Thank you.

A. Adeyemi: Excuse me.

Deborah Simpson: Oh, one more.

[Cross talking]

Deborah Simpson: We have one...

Kevin Scudero: Can I answer?

A. Adeyemi: Excuse me.

Deborah Simpson: Mr. Tuttle?

[Cross talking]

Kevin Scudero: Can I add to that response?

Deborah Simpson: Excuse me. Mr. Tuttle, one more question here.

David Tuttle: Certainly.

A. Adeyemi: When Mr...I'm sorry, Kevin came up, he says that most of the retirees do not know about the MOU because they were not there when ____ [00:33:46]. We have a saying on the board that also if I'm speeding on the freeway and I'm like oh, I didn't know that this place was supposed to be a 65. I was going 70. It's my job to know. So the example you give that they didn't know, why not? If my money is with somebody, I would like to know. So I'm not trying to side with anybody, but why wouldn't a retiree whose pension and money depends on something not know what the MOU says? And this has been going on since 2004, so we are talking about 13 years.

David Tuttle: Well, I'm not going to be able to answer for all the retirees. I don't know what each individual situation is. But I would take it a step further in this, and I agree with your analogy that you should know what the speed limit is. At the same time, I think that the only way that you know what the speed limit is is if somebody posts a sign. Right? So I think that the City has an obligation to provide this kind of information to the employees. And that's why I think that if you look at the itemized check, or non-itemized check, you can think of that as your speeding sign. If I don't know what the speed limit is, how can you ask me to obey it? You just send me a check every month. I know that I'm entitled to reimbursement amount. You don't itemize it. You send me a check. Well, I assume that that's the right amount. That's the best answer I think I can give you.

Deborah Simpson: Okay. Thank you.

David Tuttle: Thank you.

Deborah Simpson: Oh, did you...are there any other questions from the board?

A. Ussam-Lemmons: No.

Deborah Simpson: Okay. We've been going at this for quite a while. I'm going to...if we would like to take maybe a ten minute break before we come back.

Attorney Cole: Wait. As a matter of procedure, that's fine. Let me ask so that parties can understand, do you want closing arguments, summations?

Deborah Simpson: Yes.

Attorney Cole: Okay. So that way they can prepare for their statements.

Deborah Simpson: Yes, that gives them opportunity.

Attorney Cole: And then what time limit do you want to give them?

Deborah Simpson: Ten minutes is probably...is ten minutes sufficient for...

A. Adeyemi: Five minutes.

A. Ussam-Lemmons: Yes.

Deborah Simpson: Okay. Let's do the ten minutes and then we will...

Attorney Cole: So when we return, that's what we'll have.

Deborah Simpson: You'll return. Okay. So we're going to go out for a break.

[General room conversation from [00:36:22] to [00:38:36]]

Farideh Faraji: Other meetings that they have usually, how long have you been in this?

Andrew Schleder: Oh, I've been in it for like a decade. This is by far the longest. Usually it's a lot different.

Farideh Faraji: It's different.

Andrew Schleder: Yeah.

Farideh Faraji: You think I can handle this or I should quit?

Andrew Schleder: Oh, no, no, that...it's 100 percent you. I mean, it's...if you like it and it's fun, it's challenging, learning is good. If it's...

[Cross talking]

Andrew Schleder: No, I like the numbers so...I taught college math so no, I like the numbered part, too. That's very easy. Just like you, it's...

Farideh Faraji: I can understand the numbers. I can't understand _____ [00:39:15]. The last meeting was seven minutes.

Andrew Schleder: Yeah, a lot of times, they're just like ten minutes. And a few times we hear cases, but they're a lot different. They're usually 20 minutes. They usually start at 3:00 and we're done at 3:30 almost always.

Farideh Faraji: Do you have to know a lot of law for these?

Andrew Schleder: No, not at all.

Farideh Faraji: No. _____ [00:39:54].

Andrew Schleder: No, they're almost always open and shut cases.

[Cross talking]

Farideh Faraji: It's easier than this.

Andrew Schleder: Yeah. She could describe it for you but for the most part it's not. It's really simple. It's like a dog bite or something or someone parks their RV in front of the house or leaves their garbage cans out. I mean, it's just...then we get...

[Cross talking]

Andrew Schleder: ...by far the most.

Farideh Faraji: Yeah, I see. Okay. It's not too complicated.

Andrew Schleder: Right. This is by far...would you say this is the most complicated you ever...this is the most time consuming, would you agree, since we've been here?

Deborah Simpson: _____ [00:40:37].

Farideh Faraji: This was...

Deborah Simpson: Another personnel.

Farideh Faraji: I was going to quit today. But if you think I can handle it, I'll stay.

Andrew Schleder: Did I miss the first...I did some...we did a police brutality one and a...maybe I missed that one.

Farideh Faraji: It's not easy to judge.

Andrew Schleder: What's that?

Farideh Faraji: It's not easy to judge.

Deborah Simpson: _____ [00:41:11] about the case.

Farideh Faraji: Okay.

[General room conversation from [00:41:14] to [00:51:36]]

Deborah Simpson: Okay. We're going to call the meeting back to order. The time is 5:46. Okay. And we're back in session.

Unidentified Male: And for the record, Madam Chair, there are five board members present. You have a quorum.

Deborah Simpson: Okay. Thank you. I'll ask the board, do you have any other questions for anyone? Any questions?

Farideh Faraji: No.

Deborah Simpson: No more questions. Okay. Then we're going to start with the Union, yes, if you'd come up and give your closing remarks. And you have ten minutes to do so.

David Tuttle: Feels like I was just here. I appreciate this opportunity. The Union has a what I would characterize as good faith dispute with the City in regard to the amount of money that is supposed to be paid to the retirees. And we understand that it's complicated, and we understand that it is potentially expensive for the City. But it is a negotiated benefit that is listed right there in our MOU. The MOU says very clearly that the City is going to pay per the terms of the medical after retiree, and that benefit, as the City itself demonstrated, existed long before the City was required to pay an employer contribution under the state statute. The requirement to pay under the state statute didn't come into being until 2004. But the medical after retiree and the cap and the reimbursement amount that they were supposed to get existed well before then.

And so the idea that somehow that cap amount and that the reimbursement amount was to be allocated to the City's employer contribution I think doesn't make a whole lot of sense. What is happening is that the City is zeroing out their liability based on the fact that the employees should receive this kind of reimbursement. I think that the state statute language is very clear, that there is an employer contribution. There's an employee contribution, and then there's the amount that is negotiated between the parties that the retirees are supposed to receive. The state statute is clear about who is supposed to pay and when they're supposed to pay.

And I think the fact of the matter is this, that if the employees had received an itemized check reimbursement that they would've been able to realize what was going on much sooner and been able to bring this sooner. We would appreciate as we go forward an opportunity for you to find for the Union and to support us in this regard. Thank you very much.

Deborah Simpson: Thank you. We'll hear from the City.

James Jones: Thank you. I know it's getting late. I'll try to be brief. The Union has fundamentally misunderstood how the PERS program works. If an employer wants to enter into the PERS program to provide benefits to a retiree, medical benefits, what the statute says is that the employer must contribute at least the minimum on behalf of the employee. Presently that's \$128.00. The employer is allowed to provide more if it wants. The City does exactly that. It provides the minimum employer contribution of \$128.00, but it's generous. It provides more than the minimum.

If you look at the Memorandum of Understanding and the medical after retirement plan, with regard to retirees the more that the employee gets, that the retiree gets, has a cap. So although you have a lot of information in front of you, it's not as complicated an issue as the Union is claiming. The employer makes the minimum contribution and on top of that gives the retirees more up to a cap.

The cap is presently \$354.00 for a single retiree enrolling in a plan by himself. So what the City does is to reach that \$354.00 cap, it pays \$128.00 to PERS, and that \$128.00 is used by the retiree to purchase insurance. It's an employee benefit. The total benefit can't exceed the 354. What does the City do? It provides the more by providing a check to the retiree.

It's the way it's been done for 20 years, and no one has ever said differently. Every single MOU, every single MAR has said it is to be handled that way. No one has ever said differently over 20 years. To suggest that the retirees are asleep at the switch, that all the retirees over the past 20 years just didn't really pay attention, I think is ludicrous. In this day in age, everyone counts every penny when it comes to actually calculating what they have available in their retirement benefits to purchase medical plans. So I don't think we can sensibly accept the argument that the retirees up until now simply didn't know their rights.

The retirees always had access to the Memorandum of Understanding and the MAR. And the MAR is Exhibit 7 in your binders. And the key words in the MAR are simply this, the City will pay as medical after retirement benefits an amount not to exceed...not to exceed the cap. If you conclude that the Union's argument is correct, you are then giving the retirees an amount that exceeds the cap. You're giving them the cap plus \$128.00 extra. But the

contract says the amount cannot exceed the cap. So the Union's argument is contradictory to the contract and to the MAR. It's actually a simple equation. What you give to PERS plus what you give to the retiree must equal the cap. And it's always been done that way, and it's continuing to be done that way. The City's meeting all its obligations. Thank you.

Deborah Simpson: Okay. Thank you very much. So we are going to...the board will...

[City_of_Antioch_2 ends. City_of_Antioch_3 begins.]

Deborah Simpson: ...and we don't have any other witnesses or...okay. We're going to discuss.

Andrew Schleder: I have no _____ [00:00:11].

Deborah Simpson: Yeah, anyone that has any discussions want to discuss or...

A. Ussam-Lemmons: _____ [00:00:19].

Deborah Simpson: Let's make sure we all have our mics on for any discussions that we're going to have.

A. Ussam-Lemmons: So the retirees are the ones that are contributing to PERS, right? The retirees are the one that's actually contributing to PERS, if I understand it correctly, right? The 128 that's being given to PERS, it's from the employee?

Unidentified Male: Speak into your mic _____ [00:00:44].

A. Ussam-Lemmons: Oh, I'm sorry. Yeah. There.

Deborah Simpson: Who are you asking?

A. Ussam-Lemmons: I'm asking everyone here, the board. Was that clear or...I'm a little confused with that.

A. Adeyemi: No, I think the City's giving that.

A. Ussam-Lemmons: So the City's giving to PERS. Okay. All right.

A. Adeyemi: The way I see it is the City...

Unidentified Male: Madam Chair, can you _____ [00:01:17] recognize him? And speak into the mic.

[Cross talking]

Deborah Simpson: Oh, okay. We're going to hear from Mr. Adeyemi.

A. Adeyemi: So from what has been said, the City has been paying and they are also giving a check to the retirees. The problem is that they probably didn't write the description of everything on the check, which okay, the City made a mistake in that. Also, if I am a retiree, I want to know how much I have and how much I'm going...let me know what kind of insurance I can buy for myself and my family. So far, the Union think that nobody has known this the last 20 years. So what do they want to see happen? Oh, now everything's going to have to be redone. Should we go and say okay, both have issue, go back and negotiate. But as of right now, it is what it is.

A. Ussam-Lemmons: Yeah, I just feel like if there was an error to something, a small amount...sorry.

A. Adeyemi: You need to recognize her.

Deborah Simpson: Oh. Okay. Are you...

A. Adeyemi: Yeah, I'm done.

Deborah Simpson: Okay.

A. Adeyemi: Thank you.

Deborah Simpson: Now we'll have from Ms...

A. Ussam-Lemmons: Ussam-Lemmons.

Deborah Simpson: Ms. Lemmons?

A. Ussam-Lemmons: Yeah.

Deborah Simpson: Okay.

A. Ussam-Lemmons: I just feel like if there's an error, we have this MOU that's been in place for so long, and the Union didn't notice this shift of ten, 16 something dollars, it's understandable. And given that the retirees are getting a blank check with no itemization, I just feel like...I have an 87 year old grandmother. If my grandmother was a retiree and she got a check and it was short \$16.00, I highly doubt that she's going to be like oh, my goodness, Granddaughter you go to the City Hall or somewhere and shift through all those books and find what the cap is. It just doesn't make any sense to me logically.

I just feel like there was an error on both parts, just like what you suggested earlier. However, given that there is an error, it should be corrected. I just feel like that. It's almost like if I'm at the bank and I'm constantly being charged \$5.00 and I didn't notice because I'm such a millionaire. I have all this money in my bank. And all of a sudden one day I'm like what is this \$5.00

that's coming up on my statement? So I would want the bank to be like okay, we're sorry that we charged you but we're not going to do that anymore because we weren't supposed to charge you because you weren't below the balance or whatever, if that analogy's making sense.

But that's just my state of mind right now just looking at everything. I feel like the City did a tremendous effort on giving us so much information that, quite frankly, I just feel like it's irrelevant. I just feel like if this practice has been going on and the City interpreted it as okay, this is what we're going to do. That's great. But if the error's being brought up to you and you have this other side that's saying hey, that's not how it was. That wasn't how it needs to be, then I think the City should consider that and should say how can we make it better. Because bottom line is, it's not any one of us here particularly as the retirees were older that had worked for the City of Antioch that have done their part. So that's where I'm at right now.

Deborah Simpson: Okay. I just want everyone...oh, did you have something to say?

Andrew Schleder: There's...

[Cross talking]

Deborah Simpson: Recognize...okay.

Andrew Schleder: Oh, I'm sorry. If there was an error...I mean, one side says...

Deborah Simpson: Mr. Schleder. Make sure your mic is on.

Andrew Schleder: One side said there was an error. The other side said there wasn't an error. So I don't want to say there was an error or wasn't. That's up for debate, and that's what we'll debate. And again, no one said anything for all these years. Again, in my mind, I think a lot of times when someone's going to retire...and with the City I think they're about 55 when they retire. It's not like they're 87. And when you retire, usually you know exactly what you're going to get. I know when I left one company a couple years ago, they go Andy, here's how much you're going to get every month. And I know exactly. It just seems weird that a decade later all these people and no one said anything. But again, you're right. There's two sides. Is it an error? Isn't it an error, that's what this is about.

A. Ussam-Lemmons: I just think retirement age, even say 40 years old or 36, like I'm 36. I want to retire right now, but I can't say that I'm not overtly joyed to the fact that I'm no longer doing 9:00 to 5:00. I could just be enjoying myself and like okay I'm here to just enjoy retirement. It could be just an error from the retirees that it wasn't purposely done, I'm sure. But I just think it's a tough call.

Deborah Simpson: Okay. I just want to clarify what the grievance is about, and the grievance is an appeal that the Operating Engineers Local Union filed for us to review. And they are saying that...I'm just trying to simplify the words, that the City has violated the MOU, the Memorandum of Understanding, as it relates to Section 12.1B. So I just want you guys to stay focused on that section and whether or not you feel that the City violated that or that they did not violate that contract.

A. Ussam-Lemmons: Okay.

[Cross talking]

Deborah Simpson: So as far as you're talking about errors, I'm not sure where that fits in.

A. Ussam-Lemmons: I suppose error is the wrong word for it. It's more like a misunderstanding in communication or interpreting the MOU. If it wasn't necessarily an error, we're still talking about a difference in dollars. So it would be just because there were not a specific dollar amount, as _____ [00:08:45] for that.

Deborah Simpson: All right. My only input is that they have a Memorandum of Understanding between the City and the Union. It was negotiated. Both parties sat down at some point and agreed to this contract or this Memorandum of Understanding. And they agreed to it. They agreed to the wording that's in that contract. And so for me, it's clear that the City is showing and has given us a whole binder full of changes that have taken place during the years when the initial contract wording was put into place before they put it into the contract. There was wording before and then they also showed us the state statute that basically talks about what's required.

And so for me, it's clear from year to year to year they've been negotiating these contracts, maybe not every year, maybe every five years, every four or five years it looks like. Every four or five years they've been negotiating this contract. If I'm negotiating the contract and I'm on the side and we're talking money, you have one side's talking money saying we don't have it. You didn't change the contract to reflect anything to cover that on the other side and you agreed to it, then that's what it is. That's just coming from me. So do we have any other questions or any other input?

A. Adeyemi: No.

Deborah Simpson: Okay. Are we ready to vote?

A. Ussam-Lemmons: Yes.

Deborah Simpson: Do I get a motion, first?

Andrew Schleder: I move we deny the grievance, that Section 12.1 of the Memorandum of Understanding between the City of Antioch and Local Union 3.

Deborah Simpson: Do I have a second?

A. Adeyemi: I second.

Deborah Simpson: Okay. I have a motion on the floor to deny the grievance in regard to Section 12.1B, and it's been properly second. Does everyone understand up here on the board what that motion is?

Farideh Faraji: That means you're going to go with City or the Union?

Deborah Simpson: We're denying the grievance. The grievance was filed by the Union.

Farideh Faraji: So we are denying.

Deborah Simpson: Let me make sure. The Operating Engineers Local Union 3, they filed a grievance. It was denied by the City. And now they've appealed it to us. So that's what we're looking at, their grievance and whether or not we're going to accept it. I have a motion that we're going to deny the grievance.

Farideh Faraji: Okay. Of course.

Deborah Simpson: And it's been second. Anyone else not understand that?

[No audible response]

Deborah Simpson: Are we ready to vote?

Farideh Faraji: Yes.

Deborah Simpson: Any other questions?

[No audible response]

Deborah Simpson: Okay. Let's vote.

Unidentified Male: Madam Chairman, there are four affirmative votes and board member Ussam-Lemmons voting in the negative, and the motion is to deny the appeal Operating Engineers Local 3 regarding the City Manager's denial of the grievance, the Section 12.1 _____ [00:12:51] of the Memorandum of Understanding between the City of Antioch and Operating Engineers Local 3 has been violated.

Deborah Simpson: Okay. Thank you. Getting back on the agenda, we have...any public comments?

Unidentified Male: I have received none.

Deborah Simpson: Any written or oral communications?

Unidentified Male: None have been received.

Deborah Simpson: Okay. We're now adjourned. Thank you everyone for your participation.

Unidentified Male: Thank you.

Unidentified Male: Thank you.

Andrew Schleder: So what'd you think? When you said...wait. I'm not saying you're right or wrong. To me it was easy but I don't want _____ [00:13:30]. I thought it was a no-brainer. But what about you? Was it _____ [00:13:35].

Farideh Faraji: This scared me.

Andrew Schleder: Okay.

[General room conversation [00:13:38] to the end of the audio at [00:14:47]]

ATTACHMENT

“E”

**BOARD OF ADMINISTRATIVE APPEALS
ADMINISTRATIVE REVIEW PANEL**

**Special Meeting
4:00 P.M.**

**September 27, 2017
Council Chambers**

Chairperson Simpson called the meeting to order at 4:00 P.M. on Thursday, September 27, 2017 in the Council Chambers.

ROLL CALL:

Present: Board Members Adeyemi, Ussam-Lemmons, Schleder, Faraji and Chairperson Simpson

Staff Present: Interim City Attorney, Derek Cole
Administrative Services Director, Nickie Mastay
Finance Director, Dawn Merchant
City Clerk, Arne Simonsen
Minutes Clerk, Kitty Eiden

PLEDGE OF ALLEGIANCE

Chairperson Simpson led the board, staff and public in the Pledge of Allegiance.

1. CONSENT CALENDAR

A. APPROVAL OF ADMINISTRATIVE APPEALS MEETING MINUTES FOR SEPTEMBER 7, 2017

On motion by Board Member Schleder, seconded by Board Member Adeyemi, the Board of Administrative Appeals unanimously continued the Minutes for September 7, 2017 to October 5, 2017.

2. REGULAR AGENDA

A. GRIEVANCE HEARING: CONSIDER APPEAL OF OPERATING ENGINEERS LOCAL UNION NO. 3 REGARDING THE CITY MANAGERS DENIAL OF THE GRIEVANCE THAT SECTION 12.1(B) OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ANTIOCH AND OPERATING ENGINEERS LOCAL UNION NO. 3 HAS BEEN VIOLATED.

Interim City Attorney Cole explained the manner in which the proceedings would be conducted.

OATH

City Clerk Simonsen administered the Oath for all persons intending to testify at the Grievance Hearing.

Interim City Attorney announced that both parties through the City Clerk agreed to a question and answer format similar to that of a courtroom proceeding. He recommended the Board deviate from the typical policies and procedures to allow for that process. Additionally, he noted the City's presentation would involve binders of exhibits and that had not been provided to the Union prior to the meeting.

David Tuttle, representing Operating Engineer Local No. 3, stated that it was his understanding all written materials needed to be submitted 72 hours prior to the hearing, which they had done. He noted if the City adopted the rule, it needed to apply to everyone.

City Clerk Simonsen clarified that he had informed Mr. Tuttle that if there were materials he wanted the Board to review prior to the hearing, they needed to be submitted 72 hours in advance so that they could be included in the packet. He noted he had made the same request of Administrative Services Director Mastay.

Interim City Attorney Cole reported it was not a legal requirement for materials to be submitted to the Board and exchanged with the other side. He recommended allowing the presentation to go forward and taking up the issue once the presentation was heard.

In response to Mr. Tuttle, Interim City Attorney Cole stated if both parties believed introduction would be helpful, he would suggest that they take five minutes to do so and then proceed into questioning.

INTRODUCTIONS

Mr. Tuttle, Operating Engineers Local Union No.3, thanked the Board for hearing the grievance. He explained that their Union represented employees of the City of Antioch and a copy of their Memorandum of Understanding (MOU) was provided to the Board. He stated the MOU required the City provide a Medical-After-Retirement Reimbursement Plan (MAR Plan) so employees had the opportunity to maintain health insurance. He noted the plan was governed under California Government Code 22890 which stipulated that the contracting agency and each employee shall contribute a portion of the cost of providing the benefit. He further noted that he believed the City was confused regarding their obligation. He explained the City and the employee each paid a portion of the CalPERS retiree medical plan and then the MAR Plan reimbursed the employee for that cost. For example in 2018, a single employee enrolled in Kaiser would pay \$779.86; the employer contribution would be \$133.00, meaning that the employee would pay \$346.86 and then under the MAR Plan the City would reimburse the employee \$310.00 so the total out of pocket cost was \$336.00. However, the City was taking the employer contribution out of the reimbursement amounts and they believed employees should have the full amount they were entitled. He reported that they had asked the City to adopt a new process going forward; however, they were told that they wanted to continue with past practice. He stated he believed the City felt that they were entitled to withhold the money; however, the employer should not be able to take employee contributions to satisfy their obligation.

James Jones, Attorney on behalf of City of Antioch stated the existing MOU and MAR Plan were the documents for the Board to consider when determining if the City was paying correctly. He explained the MAR Plan determined the level of benefits a retiree received and the MOU and MAR Plan specifically stated the amount was capped. He stated the Union was arguing that the City should pay the capped amount plus and an additional sum of \$128.00 each month; however, the City believed employees were entitled to the capped amount. He explained the \$128.00 was the city's contribution to CalPERS to assist the employee in buying medical benefits. He noted the cap in the MAR Plan was higher so the City issued a check to employees to make up the difference. He further noted employees were entitled under the MOU and MAR Plan the \$128.00 contribution to CalPERS, plus an additional amount that got them up to the cap. He stated that had been the City's practice for years and the City had always paid their obligations to the letter of the contract. He noted that they would be submitting a binder and it was his understanding that the Brown Act did not require it be submitted 72 hours in advance. He noted he had provided copies to the Union. He explained that the binder provided a history of the MAR Plan benefits that retirees had received over several MOUs and the Board would see that the City's practice had always been and the contacts had always said that employees received the contribution to CalPERS plus the extra amount that gets them to the cap.

City Clerk Simonsen recommended the Board allow Mr. Tuttle the opportunity to examine each witness for 10 minutes.

Interim City Attorney Cole recommended that witnesses sit in the staff chair with a microphone so all comments could be captured on the video.

WITNESSES

Kevin Scudero, City Employee Operating Engineers Local Union #3

In response to Mr. Tuttle, Kevin Scudero introduced himself as a City employee who had been a member of the bargaining unit since 2004. He stated he was familiar with the MAR Plan through his involvement as one of the members of the negotiating team. He noted previous testimony regarding the cap amount was confusing since they were established in 1993 before they were members of CalPERS. He further noted to believe the minimum employer contribution (MEC) would be part of the cap would not make sense because their MOU specifically stated that the City should pay the MEC on behalf of the employee/retirees and it did not state that it should be taken out of the retiree allotment for medical-after-retirement. He clarified that MEC was the minimum employer contribution the City was required to pay CalPERS on behalf of employee's medical. He stated that he believed MEC was a State code and part of the MOU as a negotiated benefit for employees/retirees. He read from the staff report's exhibit #6 – California Government Code 22890 which stated "The contracting agency and each employee or annuitant shall contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan approved or maintained by the board in which the employee or annuitant may be enrolled." He commented that he believed that meant the employer and the employee each had a required contribution which prior to 2004 was \$16.00 and it had increased every year since then. He noted he was somewhat familiar with the MAR

Plan and understood that they had fixed caps and the employees were grandfathered in with a tiered system. He further noted it was his understanding that it was also the amount the City paid to the employees. In referencing the staff report's attachment "C" exhibit 1, page 6; he stated that the document showed the premium amount; the participants share as well as the employer share.

Mr. Tuttle thanked Kevin Scudero, stated that he had no further questions for him and that he was his only witness.

Mr. Jones dispersed binders to the Board Members, Interim City Attorney Cole and City Clerk Simonsen.

Nickie Mastay, Administrative Services Director, City of Antioch

In response to Mr. Jones, Administrative Services Director Mastay indicated that she had a binder with the exhibits and she was involved in gathering the documents.

Referencing exhibit #1 – Grievance, Response to Grievance, Appeal of Grievance

Administrative Services Director Mastay confirmed that the exhibit identified the nature of the grievance which was that the Operating Engineers Local Union No. 3 had recently found that the City was paying the \$128.00 MEC, but also deducting it out of the retirees check. She affirmed that the MEC was the minimum employer contribution that the City was obligated to make for each employee and retiree.

Referencing exhibit #2 - MOU – Antioch City Employees' Assn Representational Unit IV (Excerpts) (w/attached 1993 MAR Plan, Units I, III and IV) 1994-1997

Administrative Services Director Mastay confirmed that exhibit #2 was the MOU that existed just prior to the City entering the CalPERS program for its medical benefits. Referring to Article 12 section 12.1, she verified that just prior to the City entered CalPERS, employees had the option of Blue Cross or Kaiser Foundation Health. Referring to Article 12 section 12.7, she affirmed that contract stated the City would provide benefits according to a MAR plan which was attached to the contract as exhibit C. In referencing Exhibit "C" page 3, section B2 she confirmed that prior to going into CalPERS, there was a system where the retirees' benefits were capped so that they were not as great as the employee's benefits.

Mr. Jones indicated the caps were \$310.00 per single enrollee.

Referencing exhibit #3 – California Gov. Code, Section 22890, 22892

Administrative Services Director Mastay confirmed it was her understanding that the California Government Code described what contributions need to be made to CalPERS when the City enrolled employees. In referencing section 22892 (a), she verified that the government code required the City to adopt by resolution an amount fixed and filed with CalPERS that became

the statement of the employer's obligation. She agreed that when it began in 2004, the amount contributed had a minimum of \$16.00.

Referencing exhibit #4 – Screenshots – Resolutions #98-186-192, Resolution 98/189

Administrative Services Director Mastay confirmed when the City adopted the first resolution the City resolved it would pay to CalPERS the minimum employer contribution of \$16.00. She affirmed this exhibit was the resolution on file with CalPERS establishing the City of Antioch's obligation to CalPERS. She verified that the employee was entitled to \$310.00 a portion of which was the \$16.00 given to CalPERS.

Referencing exhibit #5 - MOU – Antioch City Employees' Assn. Representational Unit IV (Excerpts) (w/attached 1993 MAR Plan, Units I, III and IV) 1997-2001

Administrative Services Director Mastay confirmed that the 97-01 MOU was the first that existed when the City was part of CalPERS for medical benefits. She verified that section 12.7 describes the medical-after-retirement plan and indicated the benefits the retiree could get under the contract were set out in exhibit "C". She affirmed that Exhibit "C" B.2 said that even though the City was in CalPERS and was making a contribution of \$16.00 directly to CalPERS, the total benefit was an amount not to exceed \$310.00.

Referencing exhibit #6 – MOU – Antioch City Employees' Assn Representational Unit IV (Excerpts) 2001-2004

Administrative Services Director Mastay confirmed that section 12.1 stated the City would pay \$16.00 MEC to CalPERS and Section C discussed the medical-after-retirement benefits which indicated the City would provide the medical-after-retirement benefit in accordance with the plan on file with the Personnel Department.

Referencing exhibit #7 – MAR Plan – Units I, III and IV

Administrative Services Director Mastay confirmed the MAR plan was established to provide for City contributions toward medical insurance premiums for retired employees. She affirmed that the City's obligation was to provide an amount not to exceed the cap amounts so for a single, it was \$310.00 and single plus spouse, it was \$620.

Referencing exhibit #8 - MOU – Antioch City Employees' Assn Representational Unit IV (Excerpts) 2004-2005

Administrative Services Director Mastay confirmed the MEC increased to \$48.00 per month.

Following discussion, the Board agreed to adhere to the 10 minute per witness limitation.

Austris Rungis, City of Antioch

Referencing exhibit #8 - MOU – Antioch City Employees’ Assn Representational Unit IV (Excerpts) 2004-2005

Mr. Rungis confirmed exhibit 8 was the MOU that existed just prior to the MOU he had negotiated on behalf of the City of Antioch with the bargaining unit in 2005. He affirmed that as part of the negotiations, he had become familiar with exhibit 8 as it gave him the foundation to negotiate a new contract. He affirmed that 12.1 B. described the City’s minimum employer contribution to CalPERS. He verified Article 13 B. described the benefits as those in the MAR Plan which was on file with the Personnel Department (exhibit 7). He agreed that the MOU that existed before the one he negotiated was set up so that the City would pay the minimum employer contribution which was an amount not to exceed \$310.00 for a single or \$620 for an employee with a spouse. He confirmed that it was his understanding that the way they arrived at \$310.00 was that the City would contribute the minimum employer contribution directly to CalPERS and then it would provide a reimbursement check to the retiree for the difference to get that person up to \$310.00 or a person with a spouse up to \$620.00. He indicated he then negotiated a new memorandum of understanding exhibit 15 – MOU – Operating Engineers Local Union No. 3 – Representational Unit IV Excerpts 2005 – 2009.

Referencing exhibits #9 - Staff Report – Resolution Implementing Temporary Increase in MAR Plan CAPS (w/attached Dec 2002 MAR Plan, Units I, III and IV), exhibit #10 – Resolution 2005/05 & Minutes Implementing Temporary Increase in MAR Plan CAPS, exhibit #11 – Letter from Personnel Director to Retirees Re: MAR Plans, exhibit #12 – Staff Report – Resolution Allowing Temporary Increase in MAR Program CAPS to Lapse (with attached resolution), exhibit #13 – Staff Report – Update on Meeting w/Employee Groups Re: MAR Plans; and, exhibit #14 – Staff Report – Status of Discussion Related to MAR Plans (w/attached Actuarial Valuation of Post-Retirement Medical Benefits – 04.03.05)

Mr. Rungis confirmed that he was familiar with exhibits #9-14 related to the Union seeking to increase the cap and the City agreeing to a temporary increase subject to negotiations of the new labor contract (exhibit 15). He affirmed that at no time did anyone take the position that the City had the obligation to pay the cap plus the minimum employer’s contribution. He stated the practice was as described in the MOU (exhibit 15) and in the MAR Plan and administrative documents given to the union during the negotiations. He verified that the practice was that the City would contribute the existing minimum employer contribution to CalPERS and then make up the difference by giving a check to the retiree. He confirmed during the time he was doing negotiations, actuarial reports were generated, and there were significant unfunded liabilities of over \$10M-\$20M dollars existing at the time. He confirmed that the City could not have afforded to give an increase in the caps and pay for the minimum employer contribution each month. He affirmed that no one negotiated for that, the Union wanted the temporary caps made permanent which they received a quid pro quo. He stated there was no written proposal by the Union in 2005 to make it cap plus the MEC.

Dawn Merchant, Director of Finance, City of Antioch

Referencing exhibit #16 – Staff Report – Other Post-Employment Benefits (w/attached Draft Retiree Healthcare Plan, 06.30.17 Actuarial Valuation Executive Summary – Nov 2007)

Finance Director Merchant confirmed that she wrote the memorandum in November 2007 and #3 of the summary stated that the Internal Service Funds will last for a period of about 5 years, after which, additional funding from the City's General Fund will be required. She affirmed that retiree benefits were being provided from the Internal Service Funds and as of November 14, 2007 the City had a fund that might carry out 5-years. She verified that she was familiar with the actuarially report and there were significant unfunded liabilities. She confirmed that from her experience, the City could not have afforded to pay the retirees the minimum employer contribution plus the cap as it would have significantly increased the amount of the unfunded liability.

Referencing exhibit #17 – Retiree Healthcare Plan – 06.30.07 Actuarial Valuation (Excerpts)

Finance Director Merchant confirmed there was an unfunded liability of over \$24 million.

Referencing exhibit #18 – MOU – Operating Engineers Local Union No. 3 Representational Unit IV (Excerpts) 2009-2014

Finance Director Merchant confirmed the document indicated that the benefits would be those on file with the Personnel Department which was the MAR with the caps applied.

Referencing exhibit #19 – Retiree Healthcare Plan – 01.01.09 Actuarial Valuation Results (Excerpts)

Finance Director Merchant confirmed that there was an unfunded liability in the range of \$20 million.

Referencing exhibits #20 – Actuarial Valuation of Other Post-Employment Benefit Programs (01.01.11) (Excerpts), exhibit #21 - Actuarial Valuation of Other Post-Employment Benefit Programs (07.01.11) (Excerpts); and, exhibit #22 - Actuarial Valuation of Other Post-Employment Benefit Programs (07.01.13) (Excerpts)

Finance Director Merchant confirmed there were still millions of dollars in unfunded liabilities.

Referencing exhibit #23 – MOU – Operating Engineers Local Union No. 3 Representational Unit IV (Excerpts) 2014-2016

Finance Director Merchant confirmed the benefits provided under that contract were those on file with the Human Resources Department (Article 13) last page of exhibit 23. She affirmed the MAR on file had the caps in place.

Referencing exhibit #24 – Actuarial Valuation of Other Post-Employment Benefit Programs (07.01.15) (Excerpts)

Finance Director Merchant confirmed there was an unfunded liability of over \$10 million for the retirement plan.

Referencing exhibit #25 – MOU – Operating Engineers Local Union No. 3 Representing Unit IV (Excerpts) 2016-2021

Finance Director Merchant confirmed this exhibit was the MOU that existed today and section 12.1 said the City would pay the minimum employer contribution and it did not say it would pay the MEC plus the cap amount. She affirmed the MAR Plan benefits (Article 13) stated the benefits afforded were those set out in the MAR Plan on file with the Human Resources Department (exhibit 7) with cap amounts.

Referencing exhibit #27 – Reimbursement Practices

Finance Director Merchant confirmed an increase occurred raising the cap from \$310.00 to \$354.69 and to determine how much was reimbursed to an employee \$80.80 was the minimum employer contribution so the City gave that amount to CalPERS and a reimbursement of \$273.89 to the employee. She affirmed the combination of those two things equaled the cap that they were entitled to and it had always been calculated that way. She stated to her knowledge, no one had ever asked to change that calculation and the first time she had heard anyone say the employee should receive the capped amount plus the MEC was this grievance. She verified that history, the MOU, and the MAR Plan had always said the opposite.

BOARD COMMENTS

In response to Board Member Faraji, Mr. Jones clarified the total contribution of \$354.69 was made up of \$128.00 they gave to CalPERS and each retiree received a monthly reimbursement check to make up the difference. He reiterated retired employees received their benefits and the City delivered a \$128.00 payment to CalPERS on behalf of the employee and then they provided a check to the retiree for the difference between \$354.00 and \$128.00 for their monthly health benefits. He stated it was the City's position that they were paying exactly what they were suppose to pay.

In response to Board Member Faraji, Mr. Tuttle stated they believed employees had not received what they were promised. He stated the amount given to CalPERS in 2018 would be \$133.00; however, he agreed the current amount was \$128.00, which was what the City was suppose to pay each month according to the California Government Code. He stated the employee paid the majority of it and the benefit they were suppose to receive was a reimbursement of \$310.00; however, they were only receiving \$350.00 minus the employers contribution. He noted the employer was shifting the burden of their obligation under the statute from themselves to the retirees, which they believed was not fair. He further noted that if the City did not want to give the retirees the benefit, they should have negotiated better. He clarified that the employees and retirees deserved what they were promised; however, they were only receiving 2/3 of the benefit.

In response to Board Member Ussam-Lemmons, Mr. Tuttle explained retirees received a reimbursement check that was not itemized so they were not aware of how much the cap or CalPERS portion was suppose to be. He noted this item came to light because a member of

the negotiating team who was aware of the benefit recently retired questioned why his check was short. He further noted they questioned the City who responded that was the way it had always been done and they would continue doing so going forward. He stated it was then that they brought it to the attention of the Union and City to resolve; however, when those efforts failed, they filed the grievance.

In response to Board Member Faraji, Mr. Tuttle reported the amount the employer was suppose to pay to CalPERS had steadily increased. He reiterated that the check was not itemized and if it had been, he believed the issue would have come forward sooner. He stated there was a portion CalPERS required every month for health insurance and the employees portion was 2/3 of it or more, then there was an employer contribution portion and then the medical-after-retirement reimburses employees up to \$310.00. He stated they believed there was an employee part, employer part, and then the reimbursement part from the City to the employee which was the negotiated benefit the City was not paying.

In response to Board Member Adeyemi, Mr. Tuttle stated the dispute between the City and the Union was the amount that was being paid and the City should be paying the employees \$310.00 or \$354.00; however, they were taking the employer contribution out of the employee reimbursement. He stated he wanted the City to pay the employer contribution and pay members the full amount that they were obligated to under the plan. He noted it would be very expensive and they would be willing to negotiate. He explained the City negotiated and they signed the contract; however, their understanding of the contract differed. He explained that they believed the contract said that the employer has a contribution, the employee has a contribution and then there was suppose to be a reimbursement amount. He stated if that was what the contract said, they want the City to live up to the contract.

In response to Board Member Schleder, Mr. Tuttle stated he believed this issue had not come forward previously because it was such a small amount. He noted when the amounts changed throughout the years; he believed the retirees did not pay attention.

Kevin Scudero added that he had talked to the retirees and he believed the members were not aware of some of the details of the MOU. He noted the cap amounts were not in the MOU or available publicly and had to be obtained from Human Resources. Additionally, when former employees go from retiree age to medi-care, the amount changed so there was always fluctuation. He reported there was now a retiree who was part of the negotiations and had an expectation and that was why this came up now. He stated that just because it was not noticed for 20 years, it did not make it acceptable. He noted the contract language was clear that the City shall pay it on behalf of retirees and employees. He further noted they pay it on behalf of employees and they do not take it out of the allotments; therefore, they were treating retirees differently.

Board Member Faraji questioned if there was an agreement between the City and the Union that stipulated that the City was required to pay \$310.00 and \$128.00 a month.

Mr. Tuttle responded that the agreement indicated that the City would pay the MAR Plan which had a cap on the reimbursement of \$310.00. He noted that was the amount of money the City

was going to reimburse each of the retiree funds and outside that reimbursement, there existed an obligation for the City to pay \$128.00 every month. He stated the issue was that the Union believed the City should pay it and the City believed they should not.

Board Member Adeyemi questioned why retirees would not know the details of the MOU that had been in place since 2004.

Mr. Tuttle stated he believed the City had an obligation to provide the information and itemized checks to the employees so they did not assume they were reimbursed the correct amount.

Chairperson Simpson declared a recess at 5:30 P.M. The meeting reconvened at 5:46 P.M. with all Board Members present.

CLOSING REMARKS

Mr. Tuttle stated he appreciated this opportunity and the Union had a good faith dispute with the City with regards to the amount of money that was supposed to be paid to retirees. He noted that they understood it to be complicated and potentially expensive; however it was a negotiated benefit listed in the MOU. He reiterated the MOU stated the City was going to pay per the terms of the MAR Plan and that benefit existed before the City was required to pay an employer contribution under the State statute which did not exist until 2004; however, the medical-after-retirement, cap and reimbursement amount existed well before that. He stated the idea that the cap and reimbursement amount was to be allocated to the City's employer contribution was infeasible. He noted the City was zeroing out their liability based on the fact the employees should receive this kind of reimbursement. He stated he thinks the State statute language was clear and there was an employer contribution, employee contribution, and there was the amount that was negotiated between the parties the retirees were suppose to receive. He noted it was also clear on who and when they were supposed to pay. He reiterated that if employees had received an itemized reimbursement check, they would have been able to realize what was occurring sooner. He stated they would appreciate the Board finding for the Union and supporting them in this regard.

Mr. Jones stated the Union fundamentally misunderstood how the CalPERS program worked. He noted if an employer wanted to enter into the CalPERS program to provide medical benefits to a retiree, the statute says the employer must contribute at least the minimum on behalf of employee, which was currently \$128.00. He noted the employer had provided the minimum contribution of \$128.00 and more up to a cap. He further noted the cap was \$354.00 for a single retiree enrolling in a plan and to reach the cap, the City paid \$128.00 to CalPERS which was used by the retiree to purchase insurance. He stated the total benefit could not exceed \$354.00; therefore, the City provided a check to the retiree. He noted it had been done this way for 20 years, no one had ever suggested that it should have been handled differently and every MOU and MAR Plan had indicated that it was to be handled in such a manner. He stated to suggest all the retirees over the past 20 years had not noticed was unreasonable as everyone was aware of the amount of money available in their retirement benefits to purchase medical plans. He stated employees had access to the MOU and the MAR Plan and key words in the MAR Plan were, "the city will pay as medical after retirement benefits an amount not to

exceed the cap". He stated the Union's argument was contradictory to the MOU and the MAR Plan because that amount would exceed the cap. He stated what the City gave to CalPERS and to the retiree must equal the cap which was the way it had always been done and the City met all of their obligations.

BOARD DISCUSSION / MOTION

In response to Board Member Ussam-Lemmons, Board Member Adeyemi explained the City was contributing \$128.00 to CalPERS.

Board Member Adeyemi stated the City had been paying and also giving a check to the retirees. He noted the problem was that checks were not itemized. He noted retirees should be aware of their benefits so they could determine what type of insurance they could purchase; however, the Union had indicated that no one noticed the discrepancy for 20 years so it needed to be changed. He further noted the parties could negotiate; however, the current benefits were what had been provided.

Board Member Ussam-Lemmons stated if there was an error with an MOU, it was understandable that the Union had not noticed the shift of \$16.00. She noted retirees received a check that was not itemized and she doubted that they would question if the city's contribution was accurate. She stated there was an error on behalf of both parties that should be corrected.

Board Member Schleder explained that whether there was an error was up for debate. He noted typical retirees were 55 years old and aware of their retirement benefits. He further noted it seemed unusual that in 10 years no one had brought the item forward.

Board Member Ussam-Lemmons responded that it could have been an error from the retirees.

Chairperson Simpson clarified that the grievance was an appeal that the Operating Engineers Local Union filed and their argument was that the City had violated the MOU as it related to section 12.1B. She urged Board Members to focus on that section and whether or not the City violated the contract.

Board Member Ussam-Lemmons clarified that there was a misunderstanding in interpreting the MOU because there were not specific dollar amounts provided.

Chairperson Simpson stated the MOU was negotiated between the City and Union and both parties agreed to the wording in the contract. She noted the City showed the changes that had taken place during the years and the State statute talked about what was required. She stated the contract was negotiated every 4-5 years and it had not been changed to reflect an increase in the City's contribution.

On motion by Board Member Schleder, seconded by Board Member Adeyemi, the Board of Administrative Appeals denied the appeal of Operating Engineers Local Union No. 3 regarding the City Manager's denial of the grievance that Section 12.1(B) of the Memorandum of

Understanding between the City of Antioch and Operating Engineers Local Union No. 3 has been violated. The motion carried the following vote:

Ayes: Adeyemi, Schleder, Faraji, Simpson

Noes: Ussam-Lemmons

PUBLIC COMMENTS – None

WRITTEN/ORAL COMMUNICATIONS – None

ADJOURNMENT

Chairperson Simpson adjourned the Administrative Board of Appeals meeting at 6:08 P.M. to the next regularly scheduled meeting on October 5, 2017.

Respectfully Submitted,

Kitty Eiden
Minutes Clerk

ATTACHMENT

“F”

**STAFF REPORT TO THE BOARD OF ADMINISTRATIVE APPEALS FOR
CONSIDERATION AT THE SPECIAL MEETING ON SEPTEMBER 27, 2017**

PREPARED BY: Arne Simonsen, CMC, Secretary to the Board *AS*

DATE: September 21, 2017

SUBJECT: Grievance Hearing

RECOMMENDATION

Consider appeal of Operating Engineers Local Union No. 3 regarding the City Managers denial of the grievance that Section 12.1 (8) of the Memorandum of Understanding between the City of Antioch and Operating Engineers Local Union No. 3 has been violated.

BACKGROUND INFORMATION

On July 24, 2017 Operating Engineers Local Union No. 3 filed an appeal of grievance in regards to Section 12.1 (8) as it pertains to the Memorandum of Understanding between the City of Antioch and Operating Engineers Local Union No. 3.

ATTACHMENTS

- A. Grievance Letter
- B. Memorandum of Understanding between the City of Antioch and Operating Engineers Local Union No. 3
- C. E-mail Letter from Operating Engineers Local Union No. 3 dated September 21, 2017 including Exhibits 1 – 6



OPERATING ENGINEERS LOCAL UNION No. 3

1916 NORTH BROADWAY, STOCKTON, CA 95205 • (209) 943-2332 • FAX (209) 948-2319
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

July 24, 2017

Ron Bernal
City Manager
200 "H" Street
Antioch, Ca. 94509

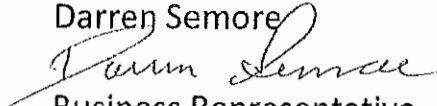
RE: Appeal of Grievance, in regards to section 12.1 (B) as it pertains to Unit IV MOU to the "Board of Appeals."

Mr. Bernal,

On Behalf of Unit IV, Operating Engineers Local Union #3 are Appealing your decision on Unit IV's grievance regarding Section 12.1 (B) of their current MOU to the "Board of Appeals."

If you have any questions or need clarification on anything please feel free to contact me. Thank you

Darren Semore


Business Representative

Operating Engineers Local Union #3

Cell (209) 628-7197

Mastay, Nickie

From: Mastay, Nickie
Sent: Wednesday, August 02, 2017 10:47 AM
To: 'Semore, Darren'; Hoffmeister, Phil; Scudero, Kevin
Cc: Bernal, Ron
Subject: Board of Appeals

Good morning,

Please let me know your availability for a Board of Appeals Special Meeting on either September 21st at 4pm or September 27th at 4pm.

Thanks

Nickie Mastay
Administrative Services Director
City of Antioch
Ph. 925.779.7021
Fx. 925.779.7002

Simonsen, Arne

From: Simonsen, Arne
Sent: Tuesday, September 12, 2017 1:18 PM
To: 'dsemore@oe3.org'
Cc: Garcia, Christina; Mastay, Nickie
Subject: Appeal of Grievance

Tracking:	Recipient	Delivery
	'dsemore@oe3.org'	
	Garcia, Christina	Delivered: 9/12/2017 1:18 PM
	Mastay, Nickie	Delivered: 9/12/2017 1:18 PM

Mr. Semore,

Your Appeal of Grievance on behalf of Unit IV, Operating Engineers Local Union #3 dated July 24, 2017, will be heard before the Antioch Board of Administrative Appeals on **Wednesday, September 27th at 4:00 p.m.** in the Antioch City Council Chambers.

I request if you have any documentation in support of your appeal that can be provided to the Board in advance so that it can be included in the board member agenda packets, it would be greatly appreciated.

Please email it to cityclerk@ci.antioch.ca.us or mail it to our address below to be received no later than September 28th to ensure that we comply with the Brown Act 72-hour notification requirement.

Respectfully,
 Arne

Arne Simonsen, CMC

City Clerk/Secretary to the Board of Administrative Appeals
 City of Antioch
 P.O. Box 5007
 Antioch, CA 94531-5007
 (925) 779-7008

The City keeps a copy of all E-mails sent and received for a minimum of 90 days. All retained E-mails will be treated as a Public Record per the California Public Records Act, and may be subject to disclosure pursuant to the terms and subject to the exemptions of that Act.

Simonsen, Arne

From: Microsoft Exchange
To: 'dsemore@oe3.org'
Sent: Tuesday, September 12, 2017 1:18 PM
Subject: Relayed: Appeal of Grievance

Delivery to these recipients or distribution lists is complete, but delivery notification was not sent by the destination:

['dsemore@oe3.org'](mailto:dsemore@oe3.org)

Subject: Appeal of Grievance

Sent by Microsoft Exchange Server 2007

Simonsen, Arne

From: Semore, Darren [dsemore@oe3.org]
To: Simonsen, Arne
Sent: Tuesday, September 12, 2017 1:33 PM
Subject: Read: Appeal of Grievance

Your message was read on Tuesday, September 12, 2017 1:32:40 PM (GMT-08:00) Pacific Time (US & Canada).

RESOLUTION NO. 2017/03

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE
CITY OF ANTIOCH AND OPERATING ENGINEERS LOCAL UNION NO. 3 (OE3)
FOR THE PERIOD OF OCTOBER 1, 2016 – SEPTEMBER 30, 2021, AND
ACKNOWLEDGING THE CITY MANAGER AND OE3 REPRESENTATIVES
EXECUTION OF THE MOU

WHEREAS, the City of Antioch and the Operating Engineers Local Union No. 3 (OE3) had a Memorandum of Understanding covering the period of October 1, 2014 – September 30, 2016; and

WHEREAS, in accordance with Government Code Section 3505, the City's Negotiating Team met and conferred in good faith with representatives of OE3 to negotiate a successor agreement; and

WHEREAS, representatives of the City and OE3 reached a Total Tentative Agreement for a successor Memorandum of Understanding for the period of October 1, 2016 through September 30, 2021, which was ratified by the membership of the Unit, and adopted by the City Council via Resolution No. 2016/137.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Antioch as follows:

Section 1. That the Memorandum of Understanding (MOU) Between the City of Antioch and Operating Engineers Local Union No. 3 (OE3) for the period of October 1, 2016 – September 30, 2021, as provided in the attached Exhibit 1 and herein incorporated by reference, is approved; and

Section 2. Acknowledge the City Manager and OE3 Representatives Execution of the MOU.

* * * * *


I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 10th day of January, 2017, by the following vote:

AYES: Council Members Wilson, Tiscareno, and Ogorchock

NOES: None

ABSTAIN: Council Member Thorpe and Mayor Wright

ABSENT: None


ARNE SIMONSEN
CITY CLERK OF THE CITY OF ANTIOCH

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF ANTIOCH

AND

**OPERATING ENGINEERS LOCAL UNION NO. 3
REPEPRESENTATIONAL UNIT IV**

OCTOBER 1, 2016 – SEPTEMBER 30, 2021



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MEMORANDUM OF UNDERSTANDING

between

CITY OF ANTIOCH

and

OPERATING ENGINEER LOCAL NO. 3
REPRESENTATIONAL UNIT NO. IV

This Memorandum of Understanding is entered into pursuant to the provisions of Section 3500 et seq. of the Government Code of the State of California.

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees in said representational unit, and have freely exchanged information, opinions and proposals and have reached agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding shall be presented to the City Council of the City of Antioch as the joint recommendation of the undersigned parties for salary and employee benefit adjustments. Except as provided herein, this Memorandum of Understanding shall cover the period commencing October 1, 2016, and ending September 30, 2021.

Negotiations shall commence no later than thirty (30) days and no sooner than one hundred and twenty (120) days prior to the expiration of this MOU. Either party may commence negotiations within this time period after written notification to the other party. Nothing herein contained shall prevent the parties from mutually agreeing to meet and confer on any subject.

ARTICLE 1

RECOGNITION

1.1 Union Recognition

The Operating Engineer Local Union No. 3, (Representational Unit IV), hereinafter referred to as the "Union", is the recognized employee organization for the classifications represented by this Unit.

1.2 City Recognition

The Employee Relations Officer of the City of Antioch or any person or organization duly authorized by the Employee Relations Officer, is the representative of the City of Antioch, hereinafter referred to as the "City" in employer-employee relations.

ARTICLE 2

UNION SECURITY

2.1 Notice of Recognized Union.

Each City department or agency shall post within the employee work or rest area a written notice which sets forth the classifications included within the representation units referred to hereof and which includes any classification existing in the department or agency, and the name and address of the recognized employee organization for each such unit. The department or agency shall also give a written notice to persons newly employed in representation unit classifications which notice shall contain the name and address of the employee organization recognized for such unit; the fact that the Union is the exclusive bargaining representative for the employee's unit and classification; and provide a hard copy or written notice of the location of an electronic copy of the current Memorandum of Understanding to be supplied by the City. The Union shall receive from the City on a flow basis, but at least once biweekly, the names and addresses of all new employees hired within such units. The Union agrees that it has a duty to provide fair and non-discriminatory representation to all employees in all classes of the units for which this Section is applicable provided the employee pays Union dues, a service fee, or a charitable contribution.

2.2 Agency Shop.

Except as provided otherwise in this Section, employees in the representation unit referred to hereof, shall, as a condition of continuing employment, become and remain members of the Union or shall pay to the Union a service fee in lieu thereof. Such service fee shall be 98 percent of Union dues and initiation fees (hereinafter collectively termed "service fee") of the union representing the employee's classification and representation unit.

2.3 Implementation.

Any employee hired by the City subject to this Memorandum of Understanding shall be provided with a notice advising that the City has entered into an agency shop agreement with OE3 and that all employees subject to the Memorandum of Understanding must either join the Union, pay a service fee to the Union, or execute a written declaration claiming a religious exemption from this requirement. Such notice shall include a form for the employee's signature authorizing payroll deduction of Union dues or a service fee. Employees shall have five working days following the initial date of employment to fully execute the authorization form of his/her choice and return said form to HR/Payroll. If the form is not completed properly and returned within five working days, the City Finance Department shall commence and continue a payroll deduction of service fees from the regular biweekly pay warrants of such employee. The effective date of Union dues, service fee deductions or charitable contribution for such employee shall be the beginning of the first pay period of employment except that initiation fees shall be deducted in two installments in successive pay periods, beginning with the first pay period.

The employee's earnings must be sufficient after other legal and required deductions are made to cover the amount of the dues or service fee check off authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status during only part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this circumstance, all other legal and required deductions (including health care deductions) have priority over Union dues and service fees.

2.4 Religious Exemption.

Any employee of the City subject to this Memorandum of Understanding who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting a public employee organization and which is recognized by the National Labor Relations Board, shall, upon presentation of verification of active membership in such religion, body, or sect be permitted to make a charitable contribution equal to the service fee in lieu of Union membership or service fee payment.

Declarations of or applications for religious exemption and any supporting documentation shall be forwarded to the Union within 15 days of receipt by the City. The Union shall have 15 days after receipt of a request for religious exemption to challenge any exemption granted by the City. If challenged, the deduction to the charity of the employee's choice shall commence but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be by regular payroll deduction only. For purposes of this Section, charitable deduction means a contribution to the: Battered Women's Alternative, or Child Abuse Prevention Council, and Family and Children's Trust Fund.

2.5 Financial Reports.

The Union shall submit a copy of the financial report required pursuant to the Labor Management Disclosure Act of 1959 to the Director of Human Resources once annually. Copies of such reports shall be available to employees subject to the agency shop requirements of this Section at the offices of the Union.

Failure to file such a report within 100 days of the close of the Union's fiscal year shall result in the termination of all agency fee deductions without jeopardy to any employee, until said report is filed.

2.6 Payroll Deductions and Payover.

The City shall deduct Union dues or service fees and premiums for approved insurance programs from employee's pay in conformity with State, County and City regulations. The City shall promptly pay over to the designated payee all sums so deducted. The City shall also periodically provide a list of all persons making charitable deductions pursuant to a religious exemption granted herein.

2.7 Hold Harmless.

The Union shall indemnify and hold the City, its officers and employees, harmless from any and all claims, demands, suits, or any other action arising from the agency shop provisions herein. In no event shall the city be required to pay from its own funds, Union dues, service fee or charitable contributions, which the employee was obligated to pay, but failed to pay, regardless of the reasons.

2.8 Suspension of Agency Fees.

For the duration of any strike, sanctioned, called or supported by the Union, the City may suspend collection of agency service fee without jeopardy to the employee.

2.9 Waiver of Election for Newly-Represented Employees and New Representation Units.

The accretion of classifications and/or employees to the representation units as set forth in this Memorandum of Understanding shall not require an election herein for the application of this agency shop provision to such classifications and/or employees. The recognition of newly-established bargaining units and the inclusion of same within this Memorandum of Understanding shall also not require an election herein for the application of this agency shop provision to such units.

ARTICLE 3

UNION REPRESENTATIVES

City employees who are official representatives of the Union shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at hearings where matters within the scope of representation or grievance are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of City services as determined by the City. Such employee representatives shall request time off from their respective supervisor and coordinate work schedules. Except by mutual agreement, the number of employees excused for such purposes shall not exceed three (3).

ARTICLE 4

ACCESS TO WORK LOCATIONS

Reasonable access to employee work locations shall be granted officers of the Union and their officially designated representatives for the purpose of processing grievances or contacting members of the Union concerning business within the scope of representation. Such officers or representatives shall not enter any work location without the consent of the City Manager. Access shall be restricted so as not to interfere with the normal operations of the department or with established safety or security requirements.

Solicitation of membership and activities concerned with the internal management of the Union, such as collecting dues, holding membership meetings, campaigning for office, conducting elections and distributing Union literature, shall not be conducted during working hours.

ARTICLE 5

USE OF CITY FACILITIES

City employees or the Union or their representatives may, with the prior approval of the City Manager, be granted the use of City facilities during non-working hours for meetings of City employees provided space is available. All such requests shall be in writing and shall state the purpose or purposes of the meetings. The Union shall be allowed to conduct four (4) general membership meetings per calendar year. Any Union member who does not work at the site where the meeting is held shall be given 30 minutes travel time to attend.

The use of City equipment other than items normally used in the conduct of business meetings, such as desks, chairs, and blackboards is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

ARTICLE 6

BULLETIN BOARDS

The Union may use portions of City bulletin boards under the following conditions:

1. All material must be dated and must identify the Union that published them.
2. Unless special arrangements are made, materials posted will be removed thirty-one (31) days after the publication date.
3. The City reserves the right to determine where bulletin boards shall be placed and what portion of them are to be allocated to Union materials.
4. If the Union does not abide by these rules, it will forfeit its right to have material posted on City bulletin boards.

ARTICLE 7

ADVANCE NOTICE

Except in cases of emergency, reasonable advance written notice shall be given the Union of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council and shall be given the opportunity to meet with such body prior to adoption. In cases of emergency when the City Council determines that an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meeting with the Union, the City shall provide such notice and opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation.

ARTICLE 8

CITY RIGHTS

It is the right of the City to make decisions of a managerial or administrative character including: decisions on the type, extent and standards of services to be performed, decisions on the methods, means and personnel by which the City operations and services are to be conducted, and those necessary to exercise control over City government operations in the most efficient and economical manner practicable and in the best interest of all City residents. Managerial functions and rights to which the City has not expressly modified or restricted by a specific provision of this Memorandum of Understanding shall remain with the City.

ARTICLE 9

NO DISCRIMINATION

There shall be no discrimination based on race, creed, color, national origin, religion, ancestry, sex, sexual orientation, age, disability, marital status, Union activities, or any other status protected by State and Federal law against any employee or applicant for employment by the Union, the City, or anyone employed by the City. This policy applies to all terms and conditions of employment.

ARTICLE 10

HOURS OF WORK, OVERTIME, CALL BACK, ACTING PAY

10.1 Hours of Work

The straight-time work week shall consist of five (5) consecutive eight (8) hour shifts, totaling forty (40) hours, followed by two (2) consecutive days off.

Upon agreement between the employee and the Department Head based on the requirement of the Department's operation, an employee may have the option of flexing the forty (40) hours in one of the following ways:

- A. Begin work between 7:00 a.m. and 9:00 a.m. and end between 4:00 p.m. and 6:00 p.m.
- B. Work 4 10-hour days and have one (1) additional day off.
- C. Work 4 9-hour days and one 4-hour day, and have one-half (.5) of one day as additional time off.

The foregoing flex-time alternatives are examples of flex-time models and shall not preclude the Department Head from agreeing to other forms of flex-time arrangements.

Employees shall receive either a one-half (.5) or a one (1) hour unpaid meal break each workday. Schedules may not eliminate or place the lunch break at the beginning or ending of the employee's scheduled work day.

Adjusted work schedule request and approvals shall be in writing. If a department's operations necessitate a modification in the approved "flex" schedule, the employee will modify his/her schedule to cover normal hours of operation.

10.2 Overtime Authorization

All overtime must be authorized by the Department Head or his/her designated representative in advance of being worked.

10.3 Definition of Overtime

Any authorized time worked in excess of the employee's work day or work week (a normal work day is considered eight (8) to ten (10) hours depending on employee's work schedule and a work week is considered forty (40) hours) shall be compensated at the rate of one and one-half (1-1/2) times the employee's regular straight-time rate of pay. Overtime shall be paid or accrued as compensatory time off at the employee's option.

10.4 Compensatory Time

Employees shall be allowed to accumulate up to eighty (80) hours of compensatory time off.

10.5 Call Back

If an employee is called back to work after leaving the workplace at quitting time, the employee shall, upon receiving the call to return to work (provided the employee lives within nine number zip codes that are 20 miles of City Hall) receive a minimum of two (2) hours work, or if two (2) hours work is not furnished, a minimum of two (2) hours pay or time and one-half (1-1/2) whichever is greater. The minimum call back on a recognized holiday shall be three (3) hours. This provision does not apply to instances in which the employee is called to report before the regular starting time and is worked from the time the employee reports to the regular starting time.

Information Systems employees assigned by their Department Head to respond to emergency repairs by telephone or computer modem after leaving the workplace, from 12:00 midnight to one (1) hour before the beginning of his/her regular work schedule, shall receive a minimum of two (2) hours of pay, or time and a half for actual hours worked, whichever is greater.

An employee who after leaving the work place is contacted by telephone, pager or email to answer a work question will receive Contact Pay of 20 minutes pay at time and one-half for each such Contact by the City.

10.6 Acting Pay

An employee who is assigned in writing by the employee's supervisor and approved by the Department Head to assume the responsibilities and to perform substantially all of the day-to-day duties of a higher paying classification during the temporary or permanent absence of an employee shall, upon certification from the Department Head that the employee is qualified, and after the employee has previously worked in the higher classification for a cumulative total of forty (40) hours for the purpose of training, be paid acting pay. Acting pay shall be the first step of the higher classification which is above the salary step of the employee assigned to the acting position, but in no event less than five percent (5%). This provision shall apply only when the absence of the employee in the higher classification is for forty (40) or more continuous hours.

An employee who is serving his/her initial probationary period with the City shall not be eligible to fill an acting position or receive acting pay.

The City Manager may grant an exertion to the requirement of forty (40) continuous hours, on a case-by-case basis if exceptional circumstances warrant it.

10.7 Special Assignment Pay

The City Manager may authorize an additional either two and one-half percent (2 ½%) or five percent (5%) of base salary as Special Assignment Pay to any employee designated to be on special assignment.

10.8 Standby

Animal Control Officers shall be paid standby pay during those times of year the department requires them to be on standby.

For each full week (seven (7) calendar days) that an Animal Control Officer is on standby, said employee shall receive \$150.00. Effective September 1, 2015 the rate shall be increased to \$225 for each full week (7 calendar days) an employee is on standby. Standby shall begin with the end of the regular shift on Monday and will end with the beginning of the regular shift the next Monday morning. All Animal Control Officers shall be expected to serve regular rotations of standby and will respond in a reasonable period of time. When called out, Article 10.4 applies. If a holiday should fall during the period of standby, the employee shall receive an additional \$35.00. Effective September 1, 2015 the employee shall receive an additional \$100 for each holiday.

The Marina Attendant, Computer Technician, and Network Administrator shall be paid standby pay of \$150.00 for each full week (seven (7) calendar days) that he/she is required to be on standby.. Effective September 1, 2015 standby pay shall be increased to \$225 for each full week (seven (7) calendar days) that he/she is required to be on standby. If a holiday should fall during the period of standby, the employee shall receive an additional \$35.00. Effective September 1, 2015 the employee shall receive an additional \$100 for each holiday.

Standby can be prorated if an employee is not required to be on standby for a full week.

10.9 Bilingual Pay

The City shall pay \$100.00 per month to an employee who has taken and passes the bilingual examination administered by the HR Department, effective on the first day of the pay period closest to the date of approval. Eligibility for receiving bilingual pay shall be determined by the City Manager and the Department Head.

ARTICLE 11

COMPENSATION

11.1 Salaries

- Effective the first full pay period after October 1, 2016, an across the board increase of 2.5% shall be implemented for all classifications in the bargaining unit.
- Effective the first full pay period after October 1, 2017, an across the board increase of 3.00% shall be implemented for all classifications in the bargaining unit.
- Effective the first full pay period after October 1, 2018, an across the board increase of 2.75% shall be implemented for all classifications in the bargaining unit.
- Effective the first full pay period after October 1, 2019, an across the board increase of 2.00% shall be implemented for all classifications in the bargaining unit.
- Effective the first full pay period after October 1, 2020, an across the board increase of 3.00% shall be implemented for all classifications in the bargaining unit.

11.2 Starting Rate

Except as herein otherwise provided, entrance salary for a new employee entering City service shall be the minimum salary for the class to which appointed. When circumstances warrant, the City Manager may approve an entrance salary which is more than the minimum salary. The City Manager's decision shall be final.

11.3 Step Increases

No increase in salary shall be automatic merely upon completion of a specified period of service. All increases shall be based on merit as established by record of the employee's performance and shall require recommendation of the Department Head and approval by the City Manager.

If the City Manager at any time determines that it is in the City's interest, he may assign an employee to a higher rate within the salary range fixed for the classification. The City Manager shall regulate the accelerated advancement through the salary range steps.

Subject to the provisions of this Article, an employee may receive increases in salary according to the following plan:

Step B upon completion of thirteen (13) biweekly pay periods (6 months) of service in Step A and City Manager's approval.

Step C upon completion of twenty-six (26) biweekly pay periods (12 months) of service in Step B and City Manager's approval.

Step D upon completion of twenty-six (26) biweekly pay periods (12 months) of service in Step C and City Manager's approval.

Step E upon completion of twenty-six (26) biweekly pay periods (12 months) of service in Step D and City Manager's approval.

11.4 Conversion Rate

Any monthly, per diem, or hourly rate of pay may be converted into any equivalent rate of pay or to any other time basis when, in the judgment of the City Manager, such conversion is advisable. In determining equivalent amounts on different time basis, the Director of Finance, subject to the approval of the City Manager, shall provide tables or regulations for the calculation of payment for service of less than full time. Conversion of a monthly salary rate to an hourly rate equivalent shall be made by dividing such monthly rate by 173.33 hours which is considered to be the average number of work hours per month.

Where part-time service is on an irregular basis, the pay for such service shall be calculated according to procedures established by the Director of Finance, subject to the approval of the City Manager.

11.5 Regular and Probationary Part-Time Employees

Part-time appointments may be made when there is part-time work to be performed on a regular and continuous basis and upon certification to the Human Resources Director, by the Department Head to which the appointment is to be made, that the employee is scheduled to work continuously during a twelve (12) month period. Medical insurance premium for the employee shall be paid in full and all other benefits, including those for dependents, shall be prorated by dividing the regularly scheduled hours each week by forty (40) hours. The factor shall be the percentage of the City's contributions.

1,040 hours of service shall equal six (6) months and 2,080 hours of service shall equal one (1) year of service.

11.6 Pay Differential

The City shall pay the following pay differentials:

- A. Five percent (5%) for Code Enforcement Officer Certification [CACEO certified]
- B. Five percent (5%) for Senior Building Inspector
- C. Five percent (5%) for Civil Engineer
- D. Five percent (5%) for Building Inspectors I and II

11.7 The Union and the City agree to implement a two times a month deduction for employee benefit contributions in January of the year following mutual agreement of all labor organizations to a two times a month benefit deduction.

ARTICLE 12

HEALTH AND WELFARE

12.1 Medical Insurance

- A. The City contracts with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. The City shall pay the PERS required Minimum Employer Contribution (MEC) per month on behalf of each active and retired employee who participates in the City's health insurance plans.
- C. Except as provided herein, employees shall purchase medical insurance through the PERS Medical Program. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the PERS Medical Program. Employees who opt out of the PERS Medical Program shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. The City shall contribute the monthly premium amount necessary to purchase a \$25,000 group life insurance policy for each employee effective on the first day of the month following the date of hire. Represented employees shall be required to enroll in the \$25,000 life insurance policy.

A. Supplemental life insurance shall be available. Enrollment in the supplemental life insurance program is optional, with the premium paid by the employee.

12.4 State Disability Insurance

A. Employees in this Unit shall be enrolled in State Disability Insurance (SDI).

12.5 Long-Term Disability Insurance

A. The City shall make a Long-Term Disability Insurance Plan available for all represented employees at the employee's expense, outside of the cafeteria plan.

B. Enrollment in the Long-Term Disability Insurance Plan is mandatory.

12.6 Vision Care Insurance

A. The City shall make available to represented employees and the dependents of represented employees Options I, II and III of the City of Antioch Vision Plan.

B. Enrollment in the Vision Plan is optional.

12.7 Employee Assistance Program

A. The City shall contribute the monthly premium amount on behalf of each represented employee toward the cost of the City's current Employee Assistance Program (EAP).

B. Enrollment in the EAP is mandatory.

12.8 Gym/Health Club Reimbursement Program

A. The City shall make available a Gym/Health Club Reimbursement Program that provides a partial reimbursement to represented employees who provide the City with written verification of regular membership in a health club or commercial gym.

B. Employees, who provide written proof of membership pursuant to paragraph A. above, may receive up to \$27.00 per month not to exceed 100% of the cost of such membership, on an after-tax basis.

12.9 Flexible Benefits (Cafeteria) Plan

A. Effective January 1, 2015, the City shall make the following contributions to the Flexible Benefits Plan on behalf of represented employees:

1. For each represented employee who is eligible for employee only medical coverage, the City shall contribute \$ 595.72 per month.

2. For each represented employee who is eligible for two (2) party medical coverage, the City shall contribute \$ 1,053.90 per month.
3. For each represented employee who is eligible for family medical coverage, the City shall contribute \$ 1366.79 per month.

At least thirty (30) days prior to the beginning of the annual open enrollment period, the City shall determine the flexible benefits/cafeteria plan contributions for the following calendar year as follows:

- a. The City shall add the dollar values increase in premiums for the Kaiser health plan (single, 2-party, family) and the most costly dental plan.
 - b. The City then shall divide the sum of these changes by 2, to determine a 50%/50% split of the increase in premiums.
 - c. The City's contribution toward the flexible spending/cafeteria plan shall be modified by 50% of the premium increase. This 50%/50% sharing of premium increases shall be capped at a maximum annual increase of \$1,000 out of pocket per employee (a \$2,000 combined total premium increase). In the event that the annual premium increase exceeds \$2,000, the City shall pick up 100% of the premium in excess of \$2,000.
- B. Effective January 1, 2019, the City shall make the following contributions to the Flexible Benefits Plan on behalf of the employees. These contributions include the Minimum Employer Contribution (MEC) required by CalPERS:
1. For each employee who is eligible for employee only medical coverage, the City shall contribute ninety five percent (95%) of the Kaiser single rate and per month.
 2. For each employee who is eligible for two (2) party medical coverage, the City shall contribute ninety five percent (95%) of the Kaiser two (2) party rate per month.
 3. For each employee who is eligible for family medical coverage, the City shall contribute ninety five (95%) of the Kaiser family rate per month.
 4. In addition to the City Contributions above, the City shall make an additional contribution to the flexible benefit plan on behalf of the employee equal to 100% of the premium for the most densely populated City-wide dental plan at that level (single, two-party, family).
 - a. The most densely populated dental plan shall be determined at least thirty (30) days prior to the beginning of the annual open enrollment period, the City shall determine which of the City offered dental plans has the highest percentage of employees enrolled on a City-wide basis for each coverage level offered by the City.

- C. Each employee shall file an election in writing during the month of Open Enrollment each year as to how the monies in his or her Flexible Benefits Account are to be expended during the ensuing plan year. Thereafter, except as provided in the Flexible Benefits Program Plan Document, no changes to the designations so made shall be allowed until the enrollment period of the following plan year.
1. During the designated Open Enrollment Period each year, each represented employee must satisfy the mandatory and conditional enrollment obligations specified in this Article. In addition, each employee may enroll in the various optional programs offered under the Flexible Benefits Plan.
 2. If the costs of an employee's selections exceed the City's monthly contributions, the employee shall designate a portion of his/her wages to be deposited into the Flexible Benefits Plan to cover the cost of such selections.
 3. If the costs of an employee's selections under the Flexible Benefits Plan are less than the City's monthly contribution on that employee's behalf, the unused money will be split, with one-half (1/2) of the unused money going to the employee as wages each month and one-half (1/2) of the money reverting to the City. Or, the employee may elect to have one-hundred percent (100%) of the unused money deposited into his/her deferred compensation account, not to exceed the maximum allowable employee contribution.

Effective January 1, 2019, if the costs of an employee's selections under the Flexible Benefit Plan are less than the City's monthly contribution on that employee's behalf, the unused money will be split, with one-half (1/2) of the unused money going to the employee as wages each month and one-half (1/2) of the money reverting to the City. The employee may contribute the wages received under this section to the employee's deferred compensation account subject to the plan limits.

4. Each employee shall be responsible to provide immediate written notification to the City regarding any change to the number of his or her dependents that affects the amount of the City's monthly contributions on the employee's behalf. Changes to the City's contribution rate shall take effect at the start of the first pay period in the month preceding the month in which the eligible dependent is either added or deleted under the plan. In the event an employee does not timely report a change of dependent status that affects the amount of the City's monthly contribution,

the employee shall reimburse the City for any overpayment paid by the City via payroll deduction.

5. The City will not treat the employee share of premium payments within the Flexible Benefits Program as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicate that such contributions are taxable income subject to withholding. The City shall treat any cash payments to the employee as compensation subject to applicable local, State and Federal tax regulations and shall withhold and report such taxes as required by law. Each employee shall be solely and personally responsible for any Federal, State or local tax liability of the employee that may arise out of the implementation of this section.

- D. Employees hired by the City after December 31, 2018, cash back in lieu of benefits shall be limited to \$250 per month.

12.10 Alternative Health & Welfare Benefits

- A. The City and the Union may, by mutual agreement, re-open discussions at anytime during the term of this Agreement to discuss alternative health and welfare benefit programs and/or service providers.
- B. Except where changes are imposed upon the City and the Union by outside authority, modifications in benefits would occur only as the result of mutual agreement between the parties.

ARTICLE 13

RETIREMENT

Retirement

A. Public Employees' Retirement System (PERS)

All regular status employees hired prior to January 1, 2013, and PEPR legacy/classic members, shall be provided coverage in the Public Employees' Retirement System (PERS) with the benefit formula of 2.7% @ 55 and Single Highest Year Final Compensation Period. Employees shall pay eight percent (8%) of the PERS Employer. The City shall pay the remainder of the PERS Employer Contribution and all eight percent (8%) of the Employee Contribution (EPMC). The City shall report the EPMC to PERS as reportable compensation for retirement calculation purposes.

Regular status employees hired on or after January 1, 2013, who will be new members of CalPERS, and who were not in a reciprocal system, will be required to be enrolled in the State-wide formula 2% @ 62. These employees shall have the Three Year Average Final Compensation Period. In accordance with PEPR provisions, these employees shall pay a PERS Employee Contribution Rate of 50% of the Normal Cost, as determined annually by CalPERS.

B. Medical-After-Retirement (MAR)

For employees hired prior to September 1, 2007, the City shall provide a Medical-After-Retirement benefit in accordance with the MAR Plan on file in the Human Resources Department. The City shall contribute a set percentage of salary per month, as determined and, as may be changed from time to time, by an actuarial review.

For employees hired on or after September 1, 2007, the City will contribute One point five percent (1.5%) of the employee's base monthly salary toward the Medical-After-Retirement Account (MARA). In the event all impacted employee vote to make a contribution of Two point Five percent of the employee's base monthly salary toward the Medical After Retirement Account, the City will match such contribution, making the City's total contribution toward all impacted employees two point five percent (2.5%).

ARTICLE 14

HOLIDAYS

14.1 The City shall observe the following holidays during the term covered by the Memorandum of Understanding:

<u>Holiday</u>	<u>Date</u>
New Year's Day	January 1st
Martin Luther King, Jr. Birthday	Third Monday, January
Lincoln's Birthday	February 12th
Washington's Birthday	Third Monday, February
Memorial Day	Last Monday, May
Independence Day	July 4th
Labor Day	First Monday, September
Veteran's Day	November 11th
Thanksgiving	Fourth Thursday, November
Day after Thanksgiving	Day after Thanksgiving
Christmas Eve	December 24th
Christmas	December 25th

14.2 Floating Holiday

The City shall provide two (2) floating holidays, and employees with less than six (6) months' service but at least two (2) months' service in a calendar year shall receive only one (1) floating holiday. The specific date to take said day(s) shall be mutually determined between the employee and his/her Department Head--normally five (5) working days in advance but in no instance less than twenty-four (24) hours in advance of the proposed date. Floating holidays must be taken in the calendar year and must be taken off as whole days (8) hours.

For calendar year 2016 only, the City shall provide one (1) additional floating holiday for a total of three (3).

14.3 Holiday Pay

Should an employee be called to work on a designated holiday or scheduled floating holiday, the employee shall receive holiday pay at time and one-half (1-1/2) for each portion of an hour worked.

14.4 Alternative Holiday

When a holiday falls on a Saturday, the preceding work day shall be observed. When a holiday falls on Sunday, the following work day shall be observed.

If a holiday falls on an employee's regularly scheduled day off, the employee shall receive an alternate day off during the same pay period.

ARTICLE 15

VACATION

15.1 Vacation Scheduling and Qualifying

Only employees who on the most recent anniversary date of their employment shall have been in the service of the City for a period of six (6) months or more shall be entitled to a vacation. Vacation shall be taken off at the rate of one-half (1/2) hour increments.

The times during the calendar year at which an employee shall take vacation shall be determined by the Department Head or the designated representative with due regard to the wishes of the employee and particular regard to the need of the City.

15.2 Vacation Benefits

All employees shall earn an annual vacation leave as follows:

3.385 hours per bi-monthly pay period from the date of initial hire through the fourth year of service (11 days per year).

4.615 hours per pay period from the start of the fifth year through the ninth year of service (15 days per year).

5.539 hours per pay period from the start of the tenth year through the fourteenth year of service (18 days per year).

6.154 hours per pay period from the start of the fifteenth year through the nineteenth year of service (20 days per year).

7.692 hours per pay period from the start of the twentieth year of service (25 days per year).

Vacation will be accrued on the current hourly schedule and used on an hour for hour basis.

15.3 Vacation Accumulation

Employees may earn vacation credit up to a maximum of the amount accumulated for 21 months service. At that point, the employee earns no further vacation credit until the employee uses some of the accumulated credit. If such accumulation of vacation credit involves two different rates of accumulation, such as would occur on the 5th, 10th, 15th, and 20th years of service, the higher rate will be used for computation of the 21-month figure.

15.4 Vacation Pay at Termination

Upon termination of employment, a regular or probationary employee shall be paid cash value of their accrued vacation leave at the time of termination, as well as a pro-rated accrual amount for their final pay period.

15.5 Holiday During Vacation Leave

In the event one or more observed holidays fall within an annual vacation leave, such holiday shall not be charged as vacation leave.

ARTICLE 16

SICK LEAVE

16.1 Benefits

- A. Sick leave is a privilege granted to regular and probationary employees to allow the continuation of pay and fringe benefits in case of personal illness or emergency care for seriously ill family members. Sick leave is not an earned right to be taken as earned vacation. Sick leave is accumulated at the rate of 3.692 hours per bi-weekly pay period (twelve (12) days per year) with unlimited accumulation.
- B. Charge for sick leave used shall be on the basis of a minimum of one-quarter (1/4) hour and in one-quarter (1/4) hour increments thereafter provided, however, that sick leave shall be charged for only those hours when the employee was absent from work. Sick leave may not be used before it is earned.
- C. If sick leave is used for other than the legitimate purposes described in paragraph F. below, such use shall constitute an abuse of the sick leave benefit for which an employee may be the subject of disciplinary action up to and including termination.
- D. In order to receive compensation when absent on sick leave, the employee shall notify his/her immediate supervisor as close as possible to the time set for beginning the work duties.
- E. An employee who has been absent from work due to an illness for three (3) or more consecutive workdays may be required to submit a medical verification of treatment/ability to return to work upon his/her return to duty, if notified of such requirement prior to his/her return. Where leave abuse or excess is suspected, employee may be required to furnish reasonable acceptable evidence, including a doctor's certificate or other agreed upon form of verification following any absence from work, when the employee has been given prior written notice of excessive use of sick leave or the City can show cause to dispute the validity of the sick leave claim.
- F. Sick leave may be used only in the following situations:
 - 1. When actual illness, injury or disability of the employee prevents the employee from performing his/her regular duties.
 - 2. When the employee must provide care for his/her spouse, domestic partner, Parent, child or dependent, as defined by state "Kin Care Law", a maximum of six (6) days per calendar year may be used. An employee may use additional days provided they maintain at least one hundred twenty (120) hours of accumulated sick leave after said use..

3. Sick leave may be used for medical and dental appointments when other arrangements cannot be made.
4. Sick leave will be accrued on the current hourly schedule and used on an hour for hour basis.

16.2 Sick Leave Upon Termination

An employee who terminates with at least ten (10) years of consecutive service shall receive payment for forty percent (40%) of his/her unused sick leave up to a maximum of 320 hours.

16.3 Family and Medical Care Leave

Family and Medical Care Leave shall be as mandated by State and Federal Law and as provided by the City of Antioch Family Care and Medical Leave Policy on file in the Human Resources Department. The contents shall be modified from time to time in order to reflect administrative changes.

16.4 Conversion of Sick Leave

At the end of each calendar year, if a member has used less than five (5) days of sick leave, he/she may convert up to twelve (12) days of current unused sick leave to vacation or cash on a 3-1 ratio providing such conversion does not reduce sick leave balance to less than four hundred (400) hours. Sick leave not converted shall continue to accumulate to the member's account.

ARTICLE 17

LEAVES OF ABSENCE

17.1 Leave Without Pay

The City Manager may grant regular employees a leave of absence without pay for reasons other than illness or injury. No leave shall be granted except upon written request of the employee. Such requests shall be submitted to the City Manager. Such leaves shall normally be granted to permit the employee to engage in activities that will increase the value to the City upon return, or because of personal hardship. Employees may not be granted an unpaid leave of absence until all accrued vacation is taken, except that the City Manager may grant a leave of absence before all vacation is used if he/she determines that there is a bonafide emergency or hardship and the leave of absence is for no more than thirty (30) calendar days. Failure on the part of an employee on leave to report promptly at its expiration shall result in dismissal of the employee. Vacation and sick leave credits shall not accrue to an employee on unpaid leave of absence. The decision of the City Manager on granting or refusing to grant a leave of absence or extension thereof shall be final and conclusive and shall not be subject to the grievance procedure of this Memorandum of Understanding.

17.2 Jury Duty

An employee summoned to jury duty shall inform his supervisor and, if required to serve, may be absent from duty with full pay only for those hours required to serve and travel time.

Any compensation received by an employee for such service performed on a regularly scheduled work day shall be remitted to the City. Any mileage payments received by such employee shall be retained by the employee.

17.3 Military Leaves of Absence

Military leave shall be granted in accordance with State and Federal law. Within limits of military regulation, the City shall have an opportunity to determine when such leave shall be taken.

17.4 Industrial Disability Leave

Employees who suffer any disability arising out of and in the course of their employment, as defined by the Workers' Compensation Laws of the State of California, shall be entitled to disability leave while so disabled for the period of such disability to a maximum of one (1) year or retirement, whichever occurs first.

Compensation benefits shall be determined and paid in accordance with the Workers' Compensation Laws of the State of California except that the City will pay full salary during the first thirty (30) calendar days of such disability. After the first thirty (30) calendar days of such disability, the employee may use any accumulated sick leave in conjunction with Workers' Compensation benefits to extend full salary. Employee may also choose to use accumulated vacation or compensatory time for such purposes. After the first thirty (30) calendar day waiting period, the employee is eligible for long-term disability benefits, in conjunction with Workers' Compensation

benefits. Long-term disability shall be paid in accordance with the provisions of the long-term disability insurance plan unless the employee is using sick leave, vacation or compensatory time. In no event shall the employee receive disability benefits in conjunction with sick leave, vacation, comp time, floating holidays or any other leave that will exceed his/her monthly gross salary.

Medical, dental and life insurance premiums shall be paid by the City for up to one (1) year during an industrial injury leave.

Non-Industrial Disability Leave

In the event of a non-industrial illness or injury, the employee may use State Disability Insurance. Long-term disability is available after a thirty (30) calendar day waiting period and after all sick leave is used except that the employee may reserve up to forty (40) hours of sick leave balance for future use. An employee may use vacation, compensatory time or floating holidays during such period of disability. In no event shall the employee receive disability benefits in conjunction with sick leave, vacation, comp time, floating holidays or any other leave that will exceed his/her gross monthly salary.

Medical, dental, vision and life insurance shall be paid by the City during the first six (6) months of non-industrial disability leave.

17.5 Bereavement Leave

Time off with pay to attend funerals of immediate family members (spouse, registered domestic partner, children, step children, registered domestic partner's children, father, step father, mother, step mother, brothers, sisters, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparents, spouse's grandparents, Grandchildren, registered domestic partner's grandparents and grandchildren) shall be allowed. The actual amount of time off shall depend on the individual circumstances, but normally shall not exceed three (3) work days. In unusual circumstances or when services will be held more than 500 miles from Antioch, up to five (5) days of Bereavement Leave may be approved by the City Manager. Bereavement Leave in excess of three (3) days shall be charged to the employee's sick leave. Decisions of the City Manager shall be final and will not be grievable. The Department Head involved must be notified in advance.

ARTICLE 18

PROBATIONARY PERIOD

All original and promotional appointments shall be subject to a probationary period. The probationary period shall be regarded as a part of the testing process and shall be utilized for closely observing the employee's work for securing the most effective evaluation of a new employee's work and for rejecting any probationary employee whose performance does not meet the required standards of work.

The initial probationary period for employees is twelve (12) months for new hires and six (6) months for promotions. The probationary period may be extended for a period of three (3) months on a case-by-case basis. Employees promoted while still on initial probation will serve a six (6) month promotional probationary period plus anytime still remaining on his/her initial probationary period.

During the probationary period, an employee may be rejected at any time by the City Manager without cause and without the right of appeal.

Any employee rejected during the probationary period following a promotional or transfer appointment shall be reinstated to the position from which promoted, unless discharged.

ARTICLE 19

LAYOFF AND REEMPLOYMENT

19.1 Grounds for Layoff

Any employee(s) having post-probationary status in position(s) in the City may be laid off when the position is no longer necessary, or for reasons of economy, lack of work or lack of funds.

19.2 Determination of Seniority Date

As determined by official City payroll records, all continuous periods of services in the employ of the City shall be counted toward the establishment of an employee's City Service Date, including post-probationary, probationary, provisional, temporary (full-time and intermittent), as well as leaves of absence for obligatory military service while an employee with the City. Less than full-time service will be consolidated in equivalencies of full-time service for the purpose of establishing the City Seniority Service Date.

Leave of Absence. In computing both City and Classification Seniority, all time spent on paid leave of absence shall be included and all time spent on unpaid leave of absence of more than 30 consecutive calendar days shall be excluded, starting with the 31st day.

Appropriate Classification. Probationary or post-probationary status employees temporarily acting out of classification or holding a provisional appointment in another classification will be considered to be in the classification in which they hold post-probationary or probationary status.

Ties. If two (2) or more employees have identical Service Dates, the tie shall be broken based on a drawing by lot.

19.3 Order of Layoff

The order of layoff in the City shall be by classification based on inverse seniority as defined in 19.2, the employee in that classification with the least seniority being laid off first. In rehiring, the last employee laid off shall be the first employee hired (by classification) until the list of former employees is exhausted. All emergency and temporary employees working in the same classifications as those identified for layoff must be laid off prior to the layoff of probationary or post-probationary status employees.

19.4 Demotion

Before an employee with post-probationary or probationary status may be laid off from employment with the City, consideration must be given to the employee's right to voluntarily demote to a lower level classification from which the employee was

originally promoted or any subsequently created intermediate level classification, within the class series, for which the employee possesses the basic minimum qualifications. An employee may also transfer laterally to a vacant position or voluntarily demote to a lower classification in another series from which he/she was not promoted with the City Manager's approval providing that the employee meets the minimum qualifications for that position.

In the process of demoting, the City Seniority Date shall be utilized. Employees with the least amount of Seniority shall demote first. Employees may only displace another employee with less seniority.

The demoting employee has a right to be retained in the highest pay step of the new/demoted classification, which is equal to or less than the employee's present pay step. An employee involved in a layoff does not have a right of mandatory placement to positions with a higher pay step, i.e., promotion.

A post-probationary employee may be demoted upon the employee's request; as a result of reduction in force; for inability to perform the duties of the position; for disciplinary reasons or for another just and sufficient cause. However, no employee shall be allowed to demote (either voluntary, by layoff, or as a result of a disciplinary action) into classes represented by Union, if said employee has not held post-probationary status in a position in the representational unit within the previous twelve (12) month period preceding the proposed demotion.

19.5 Re-employment List

The names of all probationary and post-probationary employees released or demoted from positions in the City as a result of layoff must be placed on Reemployment Lists for those classifications from which the employee was removed, as well as all other classifications to which they have demotion rights. The Reemployment List for employees who were laid off shall remain in effect for two (2) years from the date of the layoff. Said list shall remain in effect indefinitely for employees who were demoted.

Vacancies in any classification for which there is an active Reemployment List must use the Reemployment List to fill their positions and the City shall not recruit, qualify or test applicants for positions in the City's employ until reemployment lists for the particular classification have expired or exhausted.

It is the City's intent to notify all employees on reemployment lists by certified mail to fill vacancies for post-probationary positions. In the case of filling temporary vacancies, the City will attempt to provide written notification of the vacancies whenever possible. Only when time is of the essence and temporary positions need to be filled immediately will the City contact employees on reemployment lists by telephone instead of by written notification.

19.6 Removal from List

If a former employee fails to accept a bona fide written offer of reemployment Certified Mail Return Receipt to last known address on record within five (5) calendar days after receipt of the offer, the employee's name will be removed permanently from the Reemployment List from which the offer was made. Failure to accept an offer of reemployment to the class with the highest pay step for which the employee is eligible for reemployment will result in automatic removal from all Reemployment Lists. However, the employee may decline (or accept) reemployment to a lower classification without jeopardizing the employee's standing on the Reemployment List for the classification from which the employee was originally laid off.

19.7 Reappointment

Upon reappointment to the classification from which the employee was originally laid off or demoted, the employee has the right to be placed at the pay step which the employee held at the time of layoff or demotion.

Upon reappointment to the classification from which the employee was originally laid off or demoted, a medical examination may be required to determine compliance with physical/mental requirements of the position to which the employee is being reappointed. Such examination(s) shall be performed by a City-designated physician and shall be at City expense.

Any former employee subsequently denied reemployment with the City shall retain the right of appeal through the grievance procedure.

19.8 Notice of Layoff Union Notification

When it appears to the City Manager that the City Council may take action which will result in the layoff of employees in a representation unit represented by the Union, the City Manager or his/her designee shall notify the union of the possibility of such layoffs and shall meet and confer with it regarding the implementation of the action. Such meeting should address possible alternative to layoff such as reduction pay - time off without pay.

The City shall provide thirty (30) calendar days notice of layoff to affected employees.

19.9 Benefits

An employee who is laid off shall not accrue or be eligible for any benefits including but not limited to vacation, sick leave, holidays, medical, dental, life insurance, retirement contributions and uniforms. Any employee reemployed after a layoff shall have reinstated all sick leave accruals that the employee did not receive compensation for at the time of layoff.

19.10 Any post-probationary or probationary status employee, who is laid off or demoted as a result of layoff, who believes that the layoff procedure has been improperly administered as it pertains to the employee's case, may appeal the action under the Grievance Procedure. In addition, employees may review all records, including Seniority Lists, Reemployment Lists, which pertain to their classification and their rights under the provisions of the layoff policy.

ARTICLE 20

DISCIPLINE

20.1 Right of Discharge

The City shall have the right to discharge, suspend, and demote any employee for cause.

20.2 Appeals

If an employee feels he/she has been unjustly discharged, suspended or demoted, employee shall have the right to appeal his/her case through the appropriate procedure (Article 22). Such appeal must be filed with the City Manager by the Union in writing within three (3) calendar days from the date of discharge, unless so filed the right to appeal is lost.

Any discharged, suspended or demoted employee shall be furnished the reason for the actions in writing.

ARTICLE 21

PERSONNEL RULES

An employee or his or her representative, on presentation of written authorization from the employee, shall have access to the employee's personnel file on request. The City shall furnish the employee copies of all performance evaluation reports and letters of reprimand or warning prior to placement of such documents into the employee's personnel file. The employee may be required to acknowledge the receipt of any document entered into the employee's personnel file without prejudice to subsequent arguments concerning the contents of such documents.

ARTICLE 22

GRIEVANCE PROCEDURE

A grievance is any dispute concerning the misinterpretation or misapplication of the Employee Relations' Ordinance, existing memoranda of understanding, or of rules or regulations governing personnel practices or working conditions, or of the practical consequences of a City rights decision on wages, hours, and other terms and conditions of employment. A grievance may be filed by the employee, the Union, or Union on behalf of an employee.

22.1 Initial Discussions

Any employee who believes that he or she has a grievance may discuss his or her complaint with the immediate supervisor in the department in which he or she works in the presence of his or her steward if desired. If the issue is not resolved, or if the employee elects to submit his or her grievance directly to an official of OE3, the grievance may be referred to the Department Head. If the issue is not resolved, the procedures hereafter specified may be invoked.

22.2 Referral to City Manager

Any employee or any official of OE3 may notify the City Manager in writing that a grievance exists, and in such notification, state the particulars of the grievance and, if possible, the nature of the determination which is desired. No grievance may be processed under Sub-Article 22.3 below which has not first been filed and investigated in pursuance of this Sub-Article 22.2. A grievance which remains unresolved thirty (30) calendar days after it has been submitted in writing to the City Manager may be referred to the Board of Administrative Appeals.

22.3 Board of Administrative Appeals

In the event the grievance has not been resolved by the procedures set forth above or the employee believes he/she has been unjustly discharged, suspended, demoted or had his/her base pay reduced, the employee may file an appeal with the City's Board of Administrative Appeals.

22.4 Board of Administrative Appeals Procedure

The employee may be represented by the Union or legal counsel and the City may be represented by whomever the City Manager designates. The City and the Union shall individually bear the expenses incurred in presenting their respective cases. The Board shall conduct the hearing at a mutually convenient time and place. In cases involving discipline only, representatives of the City shall make the initial offer of proof. The Board shall have the right to call and swear witnesses at the request of either party and all witnesses shall be subject to cross-examination.

A written transcript shall be made of the hearing at the request of either party. Any cost incurred in conducting a hearing, such as the cost of a transcript or meeting place, shall be shared equally by the City and the Union. After both parties have presented their case, the Board may allow oral argument and may accept written briefs. Upon the receipt of all evidence submitted by both sides, the Board shall study the evidence and render a written decision.

The decision of the Board shall be conclusive and final ten (10) calendar days following its written notice of decision.

Within ten (10) days of the Board's decision, any member of the City Council or the City Manager may transfer the Board's decision on grievances to the City Council for consideration and a final determination. The decision to have the City Council review such decision shall reside only in members of the City Council and the City Manager. Any decision made by the Board which is not transferred by a City Council member or City Manager within such ten (10) day period shall be deemed final and conclusive.

Either the City or the employee and/or Union may seek judicial review of a decision of the Board pursuant to section 1094.5 of the Code of Civil Procedures of the State only if the petition for the writ of mandate is filed not later than the ninetieth (90th) day following the date on which the challenged decision becomes final.

22.5 Pay Claims

All complaints involving or concerning payment of compensation shall be filed in writing and no adjustments shall be retroactive for more than thirty (30) days from the date of filing.

ARTICLE 23

OUTSIDE EMPLOYMENT

No full-time employee shall engage in employment that constitutes a conflict of interest for the employee or the City. No employee shall engage in outside employment during his/her regular working hours. No uniform, emblem, badge or other employee identification shall be worn by any person while in the employment of someone other than the City. All requests by the employee for permission to engage in outside employment shall be made on a form provided by the City. No employee shall accept or continue employment from other than the City of Antioch without the approval of the City Manager. Such permission shall not be necessary if the outside employment is less than four (4) hours per City work day and no possible conflict of interest with his/her City employment is discernible.

ARTICLE 24

SAFETY SHOES/UNIFORMS/MEALS AND
MISCELLANEOUS CONDITIONS OF WORK

24.1 Safety Shoes

Effective July 1, 2015 the City shall contribute \$250 per fiscal year toward safety shoes for employees in the following classifications and any classification where such equipment is deemed necessary by the Department Head.

Jr./Asst./Assoc. Civil engineer	Asst. Assoc/Sr Dev Svc/Engineering Technician
Public works Inspector	Sr. Public Works Inspector
Building Inspector I/II	Sr. Building Inspector
Animal Control Officer	GIS Technician
Code Enforcement Officer	Jr./Asst/Associate Planner
Marina Lead/Prop Manager	

24.2 Uniform Allowance

Animal Control Officers shall be provided with three (3) sets of uniforms, a foul weather jacket, and a uniform belt at the time of hire. Items of the uniform, including patches shall be replaced as deemed necessary by the Department Head or Supervisor.

Public Works Inspectors, Senior Public Works Inspectors, Development Services/Engineering Technicians, Senior Building Inspector and Building Inspectors I/II shall be provided with City jackets. Jackets shall be replaced as deemed necessary by the Department Head or Supervisor.

24.3 Lunch Period Overtime

In the event that an employee is required to work through the lunch period, they shall be paid overtime for such period and be given reasonable time to eat lunch. This is intended for unusual and not continuous circumstances.

24.4 Meal Payments

When an employee is required to report to work (not telecommuting):

- A. Two (2) or more hours before, and at least two (2) hours after 7:00am;
- B. Four (4) hours before, and at least two (2) hours after end of his/her scheduled work day;
- C. Four (4) hours between 7:30 p.m. and 7:00 a.m. and for each four (4) hours worked during the period;

The employee shall receive a meal allowance of eleven dollars and fifty cents (\$11.50), if the City has not already provided a meal.

24.5 Educational Incentive Plan

For classes approved by the Human Resources Director, the cost of books and tuition shall be reimbursed by the City, subject to the guidelines specified in Administrative Memorandum based on a first-come, first-served basis.

24.6 Health and Safety

A. No employee shall be expected to work in the presence of any valid safety or health hazard. Should any employee believe that such conditions exist, the employee should so notify his/her immediate supervisor to determine the degree of the existing hazard.

B. Two (2) representatives selected by Management and two (2) employee representatives selected from the Union shall constitute a Joint Union/Management Safety Committee. Appointed representatives from Management and employee representatives from the Union shall meet on a regularly scheduled basis to be mutually agreed upon. The purpose of these meetings is to recommend safety regulations, guidelines, training programs and necessary corrective action concerning conditions associated with the work environment. Representatives of the Joint Union/Management Safety Committee shall investigate and inspect, on a periodic basis, employee safety and health complaints which have not been corrected by the responsible supervisor. The findings of this investigative team shall be presented to the Joint Union/Management Safety Committee for appropriate action.

Any failure on the part of the City to take corrective action on joint recommendations shall be subject to the grievance procedure.

C. The City shall continue the present practice of providing safety glasses.

24.7 Contract Work

The City shall notify the Union if it proposes contracting or subcontracting work customarily performed by members of the Union bargaining unit a minimum of sixty (60) days prior to any proposed action to take place, the Union shall be given an opportunity to discuss the effect of the proposed action upon its members and upon request, to propose an effective and economical alternative way in which such services could continue to be provided by the City's own employees. In the event that the City decides to contract or subcontract work, the City will: (1) make reasonable efforts to transfer affected employees to positions for which they meet minimum qualifications, and (2) pursue in a reasonable manner obtaining employment for affected employees with the proposed contractor or subcontractor. However, the City does not guarantee employment in the event work is no longer performed by City employees. The foregoing shall not apply in the event the required employees or equipment is not available.

24.8 Notice of Classification Modification

The Union shall be notified when the City anticipates or needs to modify, add or delete job classifications which modification, addition or deletion might impact wages, benefits or working conditions currently covered by the City's existing agreement

and/or the makeup of the bargaining unit. All issues requiring meet and confer processes with the Union shall be undertaken accordingly.

24.9 Temporary Assignments

The City shall not hire employees in a temporary capacity for more than 2080 continuous hours.

24.10 Safety Glasses

The City shall provide one pair of safety glasses per year for the following:

Animal Control Officer
Code Enforcement Officer
Public Works Inspector
Sr. Building Inspector

Building Inspector
Jr./Asst./Assoc. Civil Engineer
Sr. Public Works Inspector

ARTICLE 25

SEPARABILITY OF PROVISIONS

- 25.1 Should any article, clause or provision of this Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such article, clause or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Memorandum of Understanding.

Upon such invalidation, the parties agree to meet and confer concerning substitute provisions rendered or declared illegal.


- 25.2 The provisions of this Memorandum of Understanding are subject to the Fair Labor Standards Act as it is applied to public jurisdictions.

ARTICLE 26

PAST PRACTICES AND EXISTING MEMORANDA OF UNDERSTANDING

- 26.1 Continuance of working conditions and practices not specifically authorized by ordinance or resolution of the City Council is not guaranteed by this Memorandum of Understanding.
- 26.2 This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.
- 26.3 The undersigned City and Union representatives agree that they have reached an understanding relative to the above provisions which have application to the employees of Representational Unit No. IV and that the parties hereto jointly recommend that the City Council adopt an appropriate resolution ratifying those provisions of this Memorandum of Understanding.

CITY OF ANTIOCH:

By: 

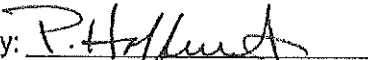
STEVE DURAN
City Manager

Dated: 01/05/2017

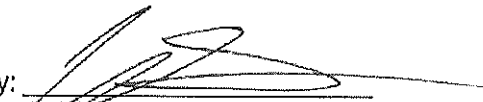
PUBLIC EMPLOYEES UNION LOCAL 3

By: 

DARREN SEMORE
Chief Negotiator

By: 

PHIL HOFFMEISTER
Steward

By: 

KEVIN SCUDERO
Member

Dated: 1-5-2017

RESOLUTION NO. 2017/03

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE
CITY OF ANTIOCH AND OPERATING ENGINEERS LOCAL UNION NO. 3 (OE3)
FOR THE PERIOD OF OCTOBER 1, 2016 – SEPTEMBER 30, 2021, AND
ACKNOWLEDGING THE CITY MANAGER AND OE3 REPRESENTATIVES
EXECUTION OF THE MOU**

WHEREAS, the City of Antioch and the Operating Engineers Local Union No. 3 (OE3) had a Memorandum of Understanding covering the period of October 1, 2014 – September 30, 2016; and

WHEREAS, in accordance with Government Code Section 3505, the City's Negotiating Team met and conferred in good faith with representatives of OE3 to negotiate a successor agreement; and

WHEREAS, representatives of the City and OE3 reached a Total Tentative Agreement for a successor Memorandum of Understanding for the period of October 1, 2016 through September 30, 2021, which was ratified by the membership of the Unit, and adopted by the City Council via Resolution No. 2016/137.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Antioch as follows:

Section 1. That the Memorandum of Understanding (MOU) Between the City of Antioch and Operating Engineers Local Union No. 3 (OE3) for the period of October 1, 2016 – September 30, 2021, as provided in the attached Exhibit 1 and herein incorporated by reference, is approved; and

Section 2. Acknowledge the City Manager and OE3 Representatives Execution of the MOU.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 10th day of January, 2017, by the following vote:

AYES: Council Members Wilson, Tiscareno, and Ogorchock

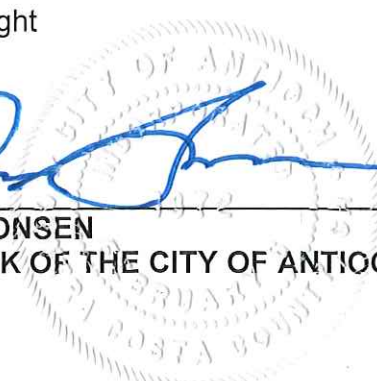
NOES: None

ABSTAIN: Council Member Thorpe and Mayor Wright

ABSENT: None



ARNE SIMONSEN
CITY CLERK OF THE CITY OF ANTIOCH





OPERATING ENGINEERS LOCAL UNION No. 3

1620 SOUTH LOOP ROAD, ALAMEDA, CA 94502-7089 • (510) 748-7400 • FAX (510) 748-7436

Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

Sent via email to: cityclerk@ci.antioch.ca.us

Arne Simonsen, CMC
City Clerk/Secretary to the Board of Administrative Appeals
City of Antioch
P.O. Box 5007
Antioch, CA 94531-5007

RE: Grievance #17581-20170804-104221 - Operating Engineers Local Union No. 3 v. the City of Antioch – Payments for Retired Members.

Ms. Simonsen,

Please find the attached documents that the Operating Engineers Local Union No. 3 will utilize to support their grievance and which the Board of Appeals may find useful to review before the hearing.

1. A copy of the City of Antioch Medical After Retirement Reimbursement Plan document.
2. A copy of Resolution 2005/05 – Implementing a temporary increase in the Medical After Retirement Plan Cap.
3. A copy of a Letter from CalPERS dated April 12, 2017 and entitled Health Benefits Circular Letter
4. A copy of an email from Ms. Dawn Merchant dated March 20, 2017 – entitled Re: Medical after Retirement
5. A copy of Harold Jirousky's Medical After Retirement Reimbursement (MARR) check stub from the City of Antioch for the month of March 2017.
6. A copy of the California Government Code Sections 22890 – 22905.

If you need additional copies please feel free to contact our office and we will provide them.

Sincerely,

David L. Tuttle, RIHC
Associate House Counsel

DLT:itj

Exhibit 1

CITY OF ANTIOCH
MEDICAL-AFTER-RETIREMENT REIMBURSEMENT PLAN
UNITS I, III, AND IV

The Medical-After-Retirement Reimbursement Plan ("Plan") is established to provide for City contributions toward medical insurance premiums for retired employees as outlined below. Eligibility for and enrollment in City-sponsored medical plans are governed by the City's insurance provider. Subject to the provisions and limitations of this Plan, retirees may be enrolled in and be reimbursed for the premium expenses of alternative medical insurance plans.

I. ELIGIBILITY

- A. This Plan is available to regular City employees in Units I (Public Employees' Union, Local 1), III, (Treatment Plant Employees' Association), and IV (Antioch City Employees' Association) who: (1) are employed by the City on or after October 1, 1986; (2) are a minimum of fifty (50) years of age; (3) have ten (10) years of full-time regular (post-probationary) and probationary service or an equivalent amount of part-time probationary or regular service (i.e. half time for twenty (20) years) with the City at the time of retirement; and (4) retire from the City under a PERS retirement and begin to draw PERS retirement benefits immediately upon separation from the City.
- B. An employee who must retire due to an industrial injury and who meets criteria (1), (3), and (4) above is eligible for the benefits provided by this Plan at any age and may continue to receive benefits for as long as he/she is receiving PERS disability retirement benefits.
- C.1 Dependents of eligible participants will be allowed to enroll in group medical insurance programs subject to the regulations of those programs and at the expense of the retiree. A spouse of a deceased retiree may continue group medical coverage at his/her own cost, subject to the rules of the medical insurance provider. Any benefit provided pursuant to this Plan would cease upon remarriage.
- C.2 Subject to the limitations of the insurance provider, the spouse of an eligible retiree who retired on or after October 15, 2002 may be enrolled in the same City-sponsored medical plan or the same alternative medical plan as the retiree. City contributions toward spousal medical premiums shall be provided in accordance with this Plan Document. The spouse of a deceased retiree who retired on or after October 15, 2002 shall be eligible for continued contributions under this Plan except that such eligibility shall cease upon remarriage.

Dependents, other than the spouse, of a retiree who retired on or after October 15, 2002 may be enrolled in City-sponsored medical insurance, subject to the regulations of the insurance carrier and at the expense of the retiree.

The actual payment of benefits pursuant to Section C.2 shall begin on the first of the month following adoption of this Plan Document by the City Council.

- C.3 Spouses and other Dependents who were receiving benefits pursuant to C.1 and C.2 above and who lose dependent status shall have conversion rights or such continuation rights as exist under Federal law and subject to the rules of the group medical plans. At such time as the person loses dependent status, he/she should contact the City within sixty (60) days of the date coverage ends to make arrangements for conversion or continuation.

II. ENROLLMENT PERIOD

- A. If an employee who is eligible to receive medical insurance premium payments pursuant to Section I of this Plan wishes to participate in City-Sponsored group medical coverage following his/her retirement, the employee must satisfy all of the enrollment requirements of the insurance carrier on the final day of his/her employment and must continue to meet such enrollment requirements while in retirement. Other than verifying employment and/or retirement information, the City shall have no responsibility to resolve eligibility disputes with group medical insurance providers.

If a retiree who is eligible to participate in City-sponsored medical insurance does not enroll in this Plan immediately upon retirement, he/she may enroll in this Plan at a later date if he/she can show proof of continuous medical coverage from his/her date of retirement.

Nothing in this section is intended to prevent retired eligible members from obtaining health insurance from providers other than those provided through the City group programs. In the event that such member chooses another insurance carrier, the City's payment shall be as set forth in Section III.B.2.

- B. If a retiree chooses to enroll in alternative health insurance, such enrollment must be made within thirty (30) days of the date the retirement becomes effective. A retiree who does not enroll in alternative health insurance within thirty (30) days of his/her retirement may enroll in this Plan at a later time if he/she can show proof of continuous medical coverage from the date of his/her retirement.
- C. Should a retiree, spouse or qualified dependent who is enrolled in this Plan allow a lapse of coverage to occur, that person(s) will be dropped from this Plan. Such retiree, spouse or qualified dependent may re-enroll in this Plan if the retiree, spouse and/or qualified dependent can show proof of continued medical coverage during the period he/she was not enrolled in this Plan. Actual enrollment in City-sponsored medical insurance shall be subject to the limitations of the insurance provider (i.e.: open enrollment periods).
- D. Retirees who are enrolled in this Plan may add or delete dependents from medical coverage, subject to the limitations of the medical insurance provider.

III. COVERAGE

- A. Except as otherwise provided in this Plan, the medical insurance programs available to retirees shall be the same insurance programs currently offered to active employees and City-sponsored Medicare supplement plans except that: the City reserves the right to change medical insurance providers if it changes providers for current employees. If any of the medical providers are changed, the City will make provisions to cover retirees.

If the City adds additional medical insurance providers for current employees, those programs shall become eligible under this Plan for those employees working on or after the effective date of the change in providers. If provisions can be made to offer such programs to current retirees, the City will conduct a one-time open enrollment for such program(s).

B.1 For eligible employees who filed their retirement application prior to July 1, 1993, the City shall pay an amount for medical-after-retirement benefits not to exceed the premium for single-party coverage with the City-Sponsored Medical Insurance Provider (individual insurance carrier in the case of multiple provider programs) that had the highest enrollment of active City employees during the previous enrollment period.

B.2 Further, for eligible employees who file their retirement applications on or after July 1, 1993, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage as determined in Section III B.1, until that coverage reaches the cap listed below. The caps are twice what the City paid effective June 30, 1993. If the caps are re-negotiated at a later date, the new caps shall apply to anyone who retires after July 1, 1993.

	<u>Single</u>	<u>Single with Medicare</u>
CAP	\$ 310	\$ 192

B.3 For eligible employees who retire on or after October 15, 2002, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage until that coverage reaches the cap listed below. If the caps are re-negotiated at a later date, the new caps shall apply to anyone who retires after October 15, 2002.

	<u>Single</u>	<u>Plus Spouse</u>	<u>Single w/Medicare</u>	<u>Spouse w/Medicare</u>
CAP	\$310	\$620	\$192	\$384

B.4 The caps may be renegotiated based on actuarial studies of fund solvency. Any increase in the caps shall apply to anyone who retires on or after July 1, 1993 or October 15, 2002 as appropriate.

B.5 The maximum payment to retirees who obtain health insurance from providers other than City-Sponsored Providers shall be set at the same rate as for retirees who are enrolled in a City-Sponsored program. Except that, in no event shall such benefit exceed the actual cost of such coverage or the caps as set forth above.

C. Upon reaching age 65 any retiree who is enrolled in a City-sponsored medical program shall comply with the Medicare supplement requirements of the program provider, if any.

IV. CONTRIBUTION LEVEL

- A. The City shall contribute to this Plan an amount equal to a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review. Such contribution shall be included in the salary resolutions for each probationary and regular employee in Units I, III and IV.

For probationary or regular part-time employees, the City shall contribute said amount based on the appropriate proration of salary from the salary resolution.

- B. The fund shall be established and administered by the City's Finance Department. Contributions shall be made monthly to the fund. To insure highest possible interest rates, deposits may be combined with other City funds. However, separate records will be kept and interest will be credited to the account annually.
- C. Funds in this account belong to the Medical-After-Retirement Plan and are for the uses set forth in this document.
- D. The City's contribution rate to this Plan shall be considered as part of salary for all compensation comparisons with other agencies.

V. PAYMENT

- A. Premiums for City-sponsored medical plans shall be deducted from the retiree's PERS' check. Retiree may be responsible for authorizing these deductions at the time of retirement. Deductions can be made to cover dependents. The City will automatically reimburse retirees for the appropriate amount.

- B. Retirees who are enrolled in an alternative medical plan shall submit a request for reimbursement to the City. Requests for reimbursement may be made monthly but in no event less than once per year. Retirees who are enrolled in alternative medical coverage shall provide proof of payment with their reimbursement requests.

- C. Retirees who are responsible for the payment of medical premiums for their spouses' or other dependents shall pay any difference between the amount paid by the City and the total amount of the premium.

- VI. This Plan is subject to any and all applicable State and Federal regulations. Changes to the Plan necessary to comply with these regulations shall be made by the City.

Furthermore, this Plan also may be subject to certain requirements imposed by the City-Sponsored medical insurance providers.

VII. ADVISORY COMMITTEE

- A. The Advisory Committee shall consist of (1) one representative from each unit covered by this Plan; (2) one management representative appointed by the City Manager; and (3) one retiree nominated by the other members of the Committee and appointed by the City Manager. If there is no retiree available and interested in serving on the Committee, this appointment shall be vacant. A quorum shall consist of at least two employee representatives and the management representative.

- B. The purpose of the committee shall be to periodically review Plan finances, including actuarial and other financial reports, and to evaluate the application and administration of the various provisions of this Plan Document. The Advisory Committee shall have no decision-making authority regarding the operation or funding of this Plan. The Advisory Committee may make recommendations to the City Manager regarding same.
- C. The Advisory Committee may meet upon request of any Committee member and shall meet at least once each calendar year.

Colin / Paul R. Smith
 Unit I, Public Employees' Union, Local 1

12-17-02
12-17-02
 Date

Duan Anderson
 Unit III, Treatment Plant
 Employees' Association

12-10-02
 Date

Alvarez E. Thomas
 Unit IV, Antioch City Employees'
 Association

12/11/02
 Date

Linda G. Pappas Diaz
 City Manager

12/17/02
 Date

Business Partner Name : City of Antioch

CalPERS ID : 7701602999

Receivable ID : 10000014927225

Original Billed Amount : \$376,023.09

Coverage Month : APRIL

Total Billing Adjustments : \$0.00

Total Payments Made : \$0.00

Total Amount Due : \$376,023.09

Due Date : 04/10/2017

Status	Premium Amount	Participant Share	Employer Share
Retired	\$600.96	\$472.96	\$128.00
Retired	\$600.96	\$472.96	\$128.00
Retired	\$1,024.85	\$896.85	\$128.00
Retired	\$1,906.81	\$1,778.81	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$1,906.81	\$1,778.81	\$128.00
Retired	\$389.76	\$261.76	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$648.42	\$520.42	\$128.00
Retired	\$1,351.22	\$1,223.22	\$128.00
Retired	\$733.99	\$605.99	\$128.00
Retired	\$648.42	\$520.42	\$128.00
Retired	\$389.76	\$261.76	\$128.00
Retired	\$779.52	\$651.52	\$128.00
Retired	\$1,351.22	\$1,223.22	\$128.00
Retired	\$733.99	\$605.99	\$128.00
Retired	\$1,795.46	\$1,667.46	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$1,876.00	\$1,748.00	\$128.00
Retired	\$1,112.63	\$984.63	\$128.00
Retired	\$600.96	\$472.96	\$128.00
Retired	\$1,467.00	\$1,339.00	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$675.61	\$547.61	\$128.00
Retired	\$1,351.22	\$1,223.22	\$128.00
Retired	\$1,080.99	\$952.99	\$128.00
Retired Totals	\$159,009.07	\$136,985.07	\$23,024.00

Miscellaneous (I,III,IV)

Caps for Employees retiring before 7/01/93

	Single
Highest Enrolled Plan	733.39
Direct Pay to PERS	(128.00)
Maximum Reimbursement	605.39

Cap not to exceed Single-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 7/01/93 but before 10/15/02

	Single	Single w/Medicare
	310.00	192.00
Cap Increase	44.69	44.69
	354.69	236.69
Direct Pay to PERS	(128.00)	(128.00)
Maximum Reimbursement	226.69	108.69

Caps for Employees retiring after 10/15/02

	Single	2-Party	Single w/Medicare	2-Party w/Medicare
	310.00	620.00	192.00	384.00
Temporary Cap Increase	44.69	89.38	44.69	89.38
	354.69	709.38	236.69	473.38
Direct Pay to PERS	(128.00)	(128.00)	(128.00)	(128.00)
Maximum Reimbursement	226.69	581.38	108.69	345.38

Exhibit 2

RESOLUTION NO. 2005/05

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
IMPLEMENTING A TEMPORARY INCREASE IN THE MEDICAL AFTER RETIREMENT
PLAN CAP'S**

WHEREAS the City Medical After Retirement (MAR) plans cap the amount the City will reimburse retirees for medical expenses and;

WHEREAS the current caps were set in 1993 and the premiums of the City sponsored health plans have exceeded the current caps and;

WHEREAS the city is in the process of conducting an actuarial study of the MAR funds including a review of the assumptions established when the last actuarial was completed in 2001 and completion of the actuarial study will take two to three months;

NOW THEREFORE, be it resolved that:

SECTION I: The City will increase the single, two party and family caps by \$44.69, \$89.38 and \$193.90 respectively on a temporary basis until the actuarial study is complete and;

SECTION II: After the calculations are reviewed the City will determine if any adjustments to the cap will be made on an ongoing basis.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council on the City of Antioch at a regular meeting thereof held on the 11th day of January, 2005 by the following vote:

AYES: Council Member Davis, Conley and Mayor Freitas

NOES: Council Member Kalinowski and Simonsen

ABSENT: None


CITY CLERK OF THE CITY OF ANTIOCH

Exhibit 3



Health Benefits Circular Letter

California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
(888) CalPERS (or 888-225-7377)
TTY: (877) 249-7442
www.calpers.ca.gov

April 12, 2017

Circular Letter No: 600-017-17
Distribution: Special

To: Contracting Agency Health Benefit Officers and Assistant Health Benefit Officers

Subject: Contracting Agency Minimum Employer Contribution Calculation for 2018

The purpose of this Circular Letter is to inform contracting Public Agencies and Schools of the new minimum employer health contribution for 2018.

Background

The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA)¹.

The Minimum Employer Contribution was originally established as a specific dollar value with specified increases from calendar years 2004 through 2008. As of calendar year 2009, the calculated adjustments are based upon the medical care component of the Consumer Price Index-Urban (CPI-U).

California Government Code 22892 of the PEMHCA establishes the contracting agencies' minimum health premium contribution for their participating active membership. In addition, this section provides that "commencing January 1, 2009, the employer contribution shall be adjusted annually by the board to reflect any changes in the medical care component of the CPI-U and shall be rounded to the nearest dollar."

The table below displays the annual amounts of the Minimum Employer Contribution for active members.

Minimum Employer Contribution by Calendar Year	
Year	Index
2014	\$119.00
2015	\$122.00
2016	\$125.00
2017	\$128.00
2018	\$133.00

¹ California Government Code § 20000, et seq.

Calculation of the Minimum Employer Contribution

Using the 3.8 percent increase in the medical care component of the CPI-U, the minimum employer contribution for Calendar Year 2018 is \$133.00. See calculation below.

$(\$128.00 \times 3.8\% = \$4.86 + \$128.00 = \$132.86, \text{ rounded to } \$133.00).$

Inflation Rate Changes

In January 2017, the U.S. Bureau of Labor Statistics determined the annual percentage change in the medical care component of the CPI-U for 2016 was 3.8 percent.

The table below provides an inflation comparison of medical care rates.

Medical Care Inflation		
Year	Index	Percent
2012	414.924	3.7
2013	425.134	2.5
2014	435.292	2.4
2015	446.752	2.6
2016	463.675	3.8

Contribution Change Process

Contracting agencies that have designated the PEMHCA Minimum as their monthly employer health contribution will have their employer billing automatically updated to reflect the new amount effective January 1, 2018.

Contracting agencies do not need to take action unless they wish to make a change to their current contribution method. To do so, employers must submit a change resolution. Change resolutions are effective the first day of the second month following receipt by CalPERS.

Questions

Please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) and request a call back from our Health Contracts Unit to obtain the necessary change resolution template.

Renee Ostrander, Chief
Employer Account Management Division

Exhibit 4

Hoffmeister, Phil

From: Merchant, Dawn
Sent: Monday, March 20, 2017 3:11 PM
To: Hoffmeister, Phil; Castro, Josephine
Cc: 'Semore, Darren'; 'Kevin Scudero'; 'JIROUSKY603@comcast.net'; 'arbullock12@gmail.com'
Subject: RE: Medical after retirement

The \$128 is not a fee, it is the required "minimum employer contribution" for the health coverage benefit that CalPERS direct bills the City for of the health premium of the retiree – this has always been that way. Therefore, if we pay the \$128 to the retiree, the City is overpaying for the premium reimbursement as we would pay both the retiree and CalPERS, thus we deduct it from what the retiree is paid. I hope that makes sense.

Dawn Merchant

Finance Director
City of Antioch
(925) 779-6135

From: Hoffmeister, Phil
Sent: Monday, March 20, 2017 2:27 PM
To: Castro, Josephine; Merchant, Dawn
Cc: 'Semore, Darren'; 'Kevin Scudero'; 'JIROUSKY603@comcast.net'; 'arbullock12@gmail.com'
Subject: RE: Medical after retirement

Jo – Nikki Ausk provided me our most recent version of our medical after retirement agreement (attached). For starters, the reimbursement amount doesn't match. The agreement shows \$310 yet you state it's \$354.69 for single. Are you sure you're looking at Unit IV? And I don't see in our agreement about deducting any CalPERS charges. Can you provide documentation for this?

Phil

From: Castro, Josephine
Sent: Monday, March 20, 2017 9:29 AM
To: Hoffmeister, Phil; Merchant, Dawn
Cc: 'Semore, Darren'; 'Kevin Scudero'; 'JIROUSKY603@comcast.net'; 'arbullock12@gmail.com'
Subject: RE: Medical after retirement

Retirees on Unit IV are receiving a cap amount of \$354.69 for medical after retirement. However, there is a \$128 fee that CalPERS charges the City and in return we deduct this \$128 fee from their monthly cap reimbursement.

Jo Castro
City of Antioch
Finance Department
Phn: (925) 779-6134
Fax: (925)-779-7054

Exhibit 5

CITY OF ANTIOCH
P.O. BOX 5007
ANTIOCH, CA 94531-5007

VENDOR ID	VENDOR NAME	CHECK DATE	CHECK NO.
V07235	JIROUSKY, HAROLD	03/24/17	928825

INVOICE NUMBER	INVOICE DATE	PO NUMBER	DESCRIPTION	GROSS AMOUNT	CR MEMO DISCOUNT	NET AMOUNT
MED2017#1-12	04/01/17		MEDICAL AFTER RETIREME	226.69	0.00	226.69

TOTAL 226.69



CITY OF ANTIOCH
P.O. BOX 5007
ANTIOCH, CA 94531-5007
(925) 779-7055

DATE	CHECK NO.	AMOUNT
03/24/17	928825	\$*****226.69

TO THE
ORDER
OF

JIROUSKY, HAROLD

NON-NEGOTIABLE

Exhibit 6



California

LEGISLATIVE INFORMATION

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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 5. PERSONNEL [18000 - 22980] (Division 5 added by Stats. 1945, Ch. 123.)

PART 5. THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT [22750 - 22948] (Part 5 added by Stats. 2004, Ch. 69, Sec. 22.)

CHAPTER 1. Public Employees' Health Benefits [22750 - 22944.5] (Chapter 1 added by Stats. 2004, Ch. 69, Sec. 22.)

ARTICLE 8. Contracting Agency Contributions [22890 - 22905] (Article 8 added by Stats. 2004, Ch. 69, Sec. 22.)

22890. (a) The contracting agency and each employee or annuitant shall contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan approved or maintained by the board in which the employee or annuitant may be enrolled.

(b) An annuitant is entitled to only one employer contribution. If more than one annuitant is receiving an allowance as the survivor of the same employee or annuitant, there shall be only one employer contribution with respect to all such annuitants.

(c) The contribution of each employee and annuitant shall be the total cost per month of the benefit coverage afforded him or her under the health benefit plan or plans in which he or she is enrolled less the portion thereof to be contributed by the employer. The employer contribution for each employee and annuitant shall commence on the effective date of enrollment.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22892. (a) The employer contribution of a contracting agency shall begin on the effective date of enrollment and shall be the amount fixed from time to time by resolution of the governing body of the agency. The resolution shall be filed with the board and the contribution amount shall be effective on the first day of the second month following the month in which the resolution is received by the system.

(b) (1) The employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the following:

(A) Prior to January 1, 2004, sixteen dollars (\$16) per month.

(B) During calendar year 2004, thirty-two dollars and twenty cents (\$32.20) per month.

(C) During calendar year 2005, forty-eight dollars and forty cents (\$48.40) per month.

(D) During calendar year 2006, sixty-four dollars and sixty cents (\$64.60) per month.

(E) During calendar year 2007, eighty dollars and eighty cents (\$80.80) per month.

(F) During calendar year 2008, ninety-seven dollars (\$97) per month.

(2) Commencing January 1, 2009, the employer contribution shall be adjusted annually by the board to reflect any change in the medical care component of the Consumer Price Index and shall be rounded to the nearest dollar.

(c) A contracting agency may, notwithstanding the equal contribution requirement of subdivision (b), establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years that the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees. This annual adjustment to the minimum monthly employer contribution for an annuitant as authorized by this subdivision shall not exceed one hundred dollars (\$100). This subdivision shall only apply to agencies that first become subject to this part on or after January 1, 1986.

(Amended by Stats. 2006, Ch. 862, Sec. 1. Effective January 1, 2007.)

22893. (a) Notwithstanding Section 22892, the percentage of employer contribution payable for postretirement health benefits for an employee of a contracting agency subject to this section shall, except as provided in subdivision (b), be based on the member's completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
---------------------------	-------------------------------------

10 _____	50 _____
11 _____	55 _____
12 _____	60 _____
13 _____	65 _____
14 _____	70 _____
15 _____	75 _____
16 _____	80 _____
17 _____	85 _____
18 _____	90 _____
19 _____	95 _____
20 or more _____	100 _____

This subdivision shall apply only to employees who retire for service and are first employed after this section becomes applicable to their employer, except as otherwise provided in paragraph (6). The application of this subdivision shall be subject to the following provisions:

(1) The employer contribution with respect to each annuitant shall be adjusted by the employer each year. Those adjustments shall be based upon the principle that the employer contribution for each annuitant may not be less than the amount equal to 100 percent of the weighted average of the health benefit plan premiums for an employee or annuitant enrolled for self-alone, during the benefit year to which the formula is applied, for the four health benefit plans that had the largest state enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer shall contribute an additional 90 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four health benefit plans that had the largest state enrollment, excluding family members, during the previous benefit year. Only the enrollment of, and premiums paid by, state employees

and annuitants enrolled in basic health benefit plans shall be counted for purposes of calculating the employer contribution under this section.

(2) The employer shall have, in the case of employees represented by a bargaining unit, reached an agreement with that bargaining unit to be subject to this section.

(3) The employer shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.

(4) The credited service of an employee for the purpose of determining the percentage of employer contributions applicable under this section shall mean state service as defined in Section 20069, except that at least five years of service shall have been performed entirely with that employer.

(5) The employer shall provide the board any information requested that the board determines is necessary to implement this section.

(6) The employer may, once each year without discrimination, allow all employees who were first employed before this section became applicable to the employer to individually elect to be subject to the provisions of this section, and the employer shall notify the board which employees have made that election.

(b) Notwithstanding subdivision (a), the contribution payable by an employer subject to this section shall be equal to 100 percent of the amount established pursuant to paragraph (1) of subdivision (a) on behalf of any annuitant who either:

(1) Retired for disability.

(2) Retired for service with 20 or more years of service credit entirely with that employer, regardless of the number of days after separation from employment. The contribution payable by an employer under this paragraph shall be paid only if it is greater than, and made in lieu of, a contribution payable to the annuitant by another employer under this part. The board shall establish application procedures and eligibility criteria to implement this paragraph.

(c) This section does not apply to any contracting agency, its employees, or annuitants unless and until the agency files with the board a resolution of its governing body electing to be so subject. The resolution shall be adopted by a majority vote of the governing body and shall be effective at the time provided in board regulations.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22893.1. (a) Notwithstanding any other provision of this part, the percentage of employer contribution payable for postretirement health benefits for an employee of the City of Carson, California, shall be based on the employee's

completed years of credited service, provided that the City of Carson shall not pay an employer contribution for the first five years of that credited service, and shall pay thereafter as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
5	50
6	60
7	70
8	80
9	90
10	100

The application of this subdivision shall be subject to the following:

(1) (A) The employer contribution with respect to each annuitant shall be mutually agreed upon through collective bargaining by the City of Carson and the exclusive representatives of employees of the city. The employer may adjust the amount from time to time through a collectively bargained memorandum of understanding. Changes to the employer contribution shall be ratified by a resolution passed by the city council of the City of Carson and that resolution shall be filed with the board. The employer contribution established by this paragraph shall not be less than the adjusted employer contribution required by subdivision (b) of Section 22892.

(B) In the case of employees not represented by a bargaining unit, the employer contribution with respect to each annuitant shall be determined pursuant to a resolution passed by a majority of the city council of the City of Carson and that resolution shall be filed with the board.

(2) The employer shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.

(3) The credited service of an annuitant for the purpose of determining the percentage of employer contributions applicable under this section shall mean credited service performed with the City of Carson.

(4) The employer shall provide the board any information requested that the board determines is necessary to implement this section.

(b) This section applies only to the City of Carson and only with regard to an employee of the city who is first hired on or after January 1, 2014.

(Added by Stats. 2013, Ch. 244, Sec. 1. Effective January 1, 2014.)

22894. (a) Notwithstanding any other provision of this part, the City of San Diego, the employees' exclusive representative, and unrepresented employees may agree that the employer contribution for postretirement health coverage shall be subject to the following:

(1) Credited years of service that the employee worked with the City of San Diego.

(2) A memorandum of understanding regarding postretirement health coverage mutually agreed upon through collective bargaining. This issue may not be subject to the impasse procedures set forth in Article 9 (commencing with Section 3548) of Chapter 10.7 of Division 4 of Title 1.

(b) This section is not applicable to any employee who retired before the effective date of the memorandum of understanding. In the event that the memorandum of understanding establishes a retroactive effective date, this section applies only prospectively and any employee who retires before the memorandum of understanding is signed may not be affected by it.

(c) No agreement reached pursuant to subdivision (a) shall be valid if it provides an employer contribution for employees with less than 10 years of credited service with the City of San Diego.

(d) The City of San Diego shall provide, in the manner prescribed by the board, a notification of the agreement established pursuant to this section and any additional information necessary to implement this section.

(e) This section shall only apply to employees who are either of the following:

(1) Members of the San Diego Police Officers Association.

(2) Unclassified or unrepresented employees of the City of San Diego.

(Added by Stats. 2010, Ch. 600, Sec. 1. Effective January 1, 2011.)

22895. (a) Notwithstanding any other provision of this part, a school employer, the employees' exclusive representative, and unrepresented employees may agree that the employer contribution for postretirement health coverage shall be subject to the following:

- (1) Credited years of service that the employee worked with the contracting agency.
 - (2) A memorandum of understanding regarding postretirement health coverage mutually agreed upon through collective bargaining. This issue may not be subject to the impasse procedures set forth in Article 9 (commencing with Section 3548) of Chapter 10.7 of Division 4 of Title 1.
- (b) No agreement reached pursuant to subdivision (a) shall be valid if it imposes separate postretirement health coverage vesting requirements on employees in the same category and doing similar job duties.
- (c) This section is not applicable to any employee who retired before the effective date of the memorandum of understanding. In the event that the memorandum of understanding establishes a retroactive effective date, this section applies only prospectively and any employee who retires before the memorandum of understanding is signed may not be affected by it.
- (d) No agreement reached pursuant to subdivision (a) shall be valid if it provides an employer contribution for employees with less than five years of credited service with the school employer.
- (e) The contracting agency shall provide, in the manner prescribed by the board, a notification of the agreement established pursuant to this section and any additional information necessary to implement this section.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22896. (a) Notwithstanding Section 22892, the percentage of employer contribution payable for postretirement health benefits for an employee of the Sacramento Metropolitan Fire District subject to this section shall, except as provided in subdivision (b), be based on the member's completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
5 _____	25 _____
6 _____	30 _____
7 _____	35 _____

8 _____	40 _____
9 _____	45 _____
10 _____	50 _____
11 _____	55 _____
12 _____	60 _____
13 _____	65 _____
14 _____	70 _____
15 _____	75 _____
16 _____	80 _____
17 _____	85 _____
18 _____	90 _____
19 _____	95 _____
20 or more _____	100 _____

The application of this subdivision shall be subject to the following:

(1) (A) In the case of the employees represented by a bargaining unit, the employer contribution with respect to each annuitant shall be determined pursuant to a memorandum of understanding approved through a meet and confer process pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any recognized employee organization. The issue shall not be subject to the impasse procedures set forth in Article 9 (commencing with Section 3548) of Chapter 10.7 of Division 4 of Title 1.

(B) In the case of employees not represented by a bargaining unit, the employer contribution with respect to each annuitant shall be determined pursuant to a resolution adopted by a majority of the Sacramento Metropolitan Fire District Board of Directors and shall be in accordance with Section 7522.40.

(C) The employer contribution established by this paragraph shall not be less than the adjusted employer contribution required by subdivision (b) of Section 22892.

(2) The credited service of an employee for the purpose of determining the percentage of employer contributions applicable under this section shall mean state service as defined in Section 20069, except that at least five years of service shall have been performed entirely with the Sacramento Metropolitan Fire District.

(3) The Sacramento Metropolitan Fire District shall provide, in the manner prescribed by the board, a notification of the agreement and resolution adopted pursuant to paragraph (1) and any additional information necessary to implement this section.

(4) The Sacramento Metropolitan Fire District shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.

(b) Notwithstanding subdivision (a), the contribution payable by the Sacramento Metropolitan Fire District shall be equal to 100 percent of the amount established pursuant to paragraph (1) of subdivision (a) on behalf of any annuitant who either:

(1) Retired for disability.

(2) Retired for service with 20 or more years of service credit entirely with the Sacramento Metropolitan Fire District, regardless of the number of days after separation from employment. The contribution payable by the Sacramento Metropolitan Fire District under this paragraph shall be paid only if it is greater than, and made in lieu of, a contribution payable to the annuitant by another employer under this part. The board shall establish application procedures and eligibility criteria to implement this paragraph.

(c) This section applies only to the Sacramento Metropolitan Fire District, or its successor. This section applies only with regard to the employees of the district hired on or after December 1, 2011.

(Added by Stats. 2013, Ch. 774, Sec. 1. Effective January 1, 2014.)

22897. (a) Notwithstanding any other provision of this part, a contracting agency and the employees' exclusive representative may agree that the employer contribution for postretirement health benefit coverage for an employee subject to this section shall be based on the employee's completed years of service credited with the contracting agency at retirement, with the contracting agency paying no employer contribution for the first 15 years of that credited service and paying 100 percent of the employer contribution for employees with credited service of 15 years or more.

This section applies only to the North Orange County Community College District and the Riverside County Superintendent of Schools, only with regard to the employees of those agencies who are first hired on or after July 1, 1993.

(b) An agreement entered into pursuant to subdivision (a) shall provide that the employer contribution for a part-time employee, with 20 years or more of credited service with the contracting agency, shall be 100 percent of the employer contribution.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22898. (a) Notwithstanding any other provision of this part, the percentage of employer contribution payable for postretirement health benefits for an employee of the Alameda County Transportation Improvement Authority shall, except as provided in subdivision (b), be based on the employee's completed years of credited service, provided that the Alameda County Transportation Improvement Authority shall not pay an employer contribution for the first five years of that credited service, and shall pay thereafter as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
5	50
6	55
7	60
8	65
9	70
10	75
11	80
12	85
13	90
14	95

15 100

The application of this subdivision shall be subject to the following:

- (1) The employer contribution with respect to each annuitant shall be adjusted by the employer each year. Those adjustments shall be based upon the principle that the employer contribution for each annuitant may not be less than the amount equal to 100 percent of the weighted average of the health benefits plan premiums for an employee or annuitant enrolled for self-alone, during the benefit year to which the formula is applied, for the four health benefit plans that had the largest agency enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer shall not pay an additional contribution.
 - (2) The employer shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.
 - (3) The credited service of an annuitant for the purpose of determining the percentage of employer contributions applicable under this section shall mean state service as defined in Section 20069, except that at least five years of credited service shall have been performed with the Alameda County Transportation Improvement Authority.
 - (4) The employer shall provide the board any information requested that the board determines is necessary to implement this section.
- (b) Notwithstanding subdivision (a), the contribution payable by the employer subject to this section shall be equal to 100 percent of the amount established pursuant to paragraph (1) of subdivision (a) on behalf of any annuitant who either:
- (1) Retired for disability.
 - (2) Retired for service with 15 or more years of service credit entirely with that employer, regardless of the number of days after separation from employment. The contribution payable by the employer under this paragraph shall be paid only if it is greater than, and made in lieu of, a contribution payable to the annuitant by another employer under this part. The board shall establish application procedures and eligibility criteria to implement this paragraph.
 - (c) This section applies only to the Alameda County Transportation Improvement Authority, or its successor, and only with regard to the employees of the agency who are first hired on or after October 1, 2004.

(Amended by Stats. 2010, Ch. 328, Sec. 88. Effective January 1, 2011.)

22899. (a) The contributions required of a contracting agency, along with contributions withheld from salaries of its employees, shall be forwarded monthly, no later than the 10th day of the month for which the contribution is due.

The contributions shall be credited to the Public Employees' Contingency Reserve Fund as specified by Section 22910.

(1) Deferrals or contributions paid by a contracting agency shall be paid through an electronic funds transfer method prescribed by the board. This payment requirement is effective upon declaration by the board.

(2) A contracting agency that is unable, for good cause, to comply with paragraph (1), may apply to the board for a waiver that allows the agency to pay in an alternate manner as prescribed by the board, but not by credit card payment.

(3) For the purpose of this subdivision, "electronic funds transfer" has the same meaning as that set forth in Section 20027.5.

(b) A county superintendent of schools shall draw requisitions against the county school service fund and the funds of the respective school districts for the amount equal to the total of the employer contributions and the employee contributions deducted from compensation paid from those funds. The amounts shall be deposited in the county treasury to the credit of the contract retirement fund established pursuant to Section 20617. The county superintendent thereafter shall draw his or her requisitions against the fund in favor of the board which, when allowed by the county auditor, shall constitute warrants against the fund and shall forward the warrants to the board in accordance with this section.

(c) If a contracting agency fails to remit the contributions when due, the agency may be assessed interest at an annual rate of 10 percent and the costs of collection, including reasonable legal fees, when necessary to collect the amounts due. In the case of repeated delinquencies, the contracting agency may be assessed a penalty of 10 percent of the delinquent amount. That penalty may be assessed once during each 30-day period that the amount remains unpaid. Additionally, the contracting agency may be required to deposit one-month's premium as a condition of continued participation in the program.

(Amended by Stats. 2009, Ch. 118, Sec. 5. Effective January 1, 2010.)

22900. (a) Notwithstanding any other provision of this part, the County of Mariposa and the employees' exclusive representative may agree that the employer contribution for health coverage shall be subject to the following:

(1) In the case of employees represented by a bargaining unit, a memorandum of understanding regarding health coverage, mutually agreed upon through collective bargaining, or, in the case of employees not represented by a bargaining unit, a resolution adopted by a majority of the county board of supervisors, providing as follows:

(A) Establishing the amount of its employer contribution for its annuitants or employees at any amount equal to or above that of the adjusted employer contribution required by subdivision (b) of Section 22892.

(B) Providing an employer contribution amount for annuitants that is higher than the employer contribution provided for employees, except that any employer contribution may not be less than the adjusted employer contribution required by subdivision (b) of Section 22892. This subparagraph shall only apply to an employee who retired before the effective date of the memorandum of understanding or resolution adopted pursuant to subdivision (a). If the memorandum of understanding or resolution establishes a retroactive effective date, this subparagraph shall apply only prospectively, and any employee who retires before the memorandum of understanding is signed or the resolution is adopted shall be subject to this subparagraph.

(2) This subdivision shall not affect the obligations or benefits of either the annuitants or the county that exist at the time of the enactment of this section.

(b) The County of Mariposa shall provide, in the manner prescribed by the board, a notification of the agreement established pursuant to this section and any additional information necessary to implement this section.

(Added by Stats. 2012, Ch. 836, Sec. 1. Effective January 1, 2013.)

22901. Each contracting agency shall contribute to the Public Employees' Contingency Reserve Fund, an amount sufficient to bear all of the administrative costs incurred by the board in providing to the employees and annuitants of that agency the health benefits provided by this part. The amount of the contributions required by this section shall be determined by the board and may include an appropriate share of overhead costs of the program. A contracting agency shall, in addition, contribute to the fund for each of its employees and annuitants the same amount as is required of the state under paragraph (2) of subdivision (b) of Section 22885.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

22902. (a) For the purposes of this section, the term "district" shall mean the San Francisco Bay Area Rapid Transit District.

(b) Notwithstanding any other provision of this part, the district may make contributions for postretirement health benefits for its unrepresented employees, including members of the district board of directors to the extent that they are eligible for contributions under existing law, and members of any unit of employees whose terms and conditions of employment are determined through collective bargaining. Those contributions shall be subject to the following:

(1) Credited years of service that the employee worked with the district.

(2) An agreement with all represented employees regarding postretirement health coverage mutually agreed upon through collective bargaining.

(3) Contributions for postretirement health benefits for the district's unrepresented employees, including members of the district board of directors to the extent that they are eligible for contributions under existing law, may only be made in accordance with the eligibility criteria and schedule below.

(c) An agreement reached pursuant to subdivision (b) shall provide that employer contributions for postretirement health benefits for employees shall be made in the following percentages for the applicable credited years of service:

Credited Years of Service	Percentage of Employer Contribution
10	50
11	60
12	70
13	80
14	90
15	100

(d) An agreement reached pursuant to subdivision (b) shall authorize full employer contributions for postretirement health benefits for those employees who retire for disability with five years of credited service with the district.

(e) (1) This section shall only apply to district employees first hired on or after January 1, 2014, and to directors who first serve as a director on or after January 1, 2014.

(2) This section shall apply to employees whose terms and conditions of employment are determined through collective bargaining only if the agreement is expressly incorporated by reference into, or made a part of, a memorandum of understanding.

(f) This section is not applicable to any employee who retires before the effective date of the memorandum of understanding referenced in paragraph (2) of subdivision (e). In the event that the memorandum of understanding establishes a retroactive effective date, this section shall apply only to retirements occurring on or after the effective date of this section.

(g) The district shall provide, in the manner prescribed by the board, a notification of each agreement established pursuant to this section or personnel action incorporating or applying this section, and any additional information necessary to implement this section.

(Added by Stats. 2014, Ch. 216, Sec. 1. Effective January 1, 2015.)

22905. Any person or entity subject to the requirements of this chapter shall comply with the standards set forth in Chapter 7 (commencing with Section 3750) of Part 1 of Division 9 of the Family Code and Section 14124.94 of the Welfare and Institutions Code.

(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)

ATTACHMENT

“G”

1 CITY OF ANTIOCH
2 Third and "H" Streets
3 P.O. Box 5007
4 Antioch, CA 94531-5007
5 925-779-7015

6 GRIEVANCE HEARING

7 PURUSANT TO SECTION 1-5.05 OF ANTIOCH MUNICIPAL CODE

9 In re the Matter of:

10 UNIT IV, OPERATING ENGINEERS LOCAL UNION
11 NO. 3 [APPELLANT]

Appeal of City Manager's decision on Unit IV's
grievance regarding Section 12.1(B) of their current
Memorandum of Understanding (MOU)
DECISION OF BOARD OF ADMINISTRATIVE
APPEALS

15 I. GENERAL FINDINGS:

17 1. The City Council approved the Memorandum of Understanding (MOU) between the City of
18 Antioch and Operating Engineers Local Union No. 3 (OE3) for the period of October 1, 2016 –
19 September 20, 2021, and acknowledging the City Manager and OE3 representatives execution of
the MOU on January 10, 2017.

20 On June 22, 2017 OE3 took the first step in filing a formal grievance with the City Manager per
21 Section 22.2 of the current MOU for Unit IV OE3. The grievance involves section 12.1(B) of the
22 current MOU, where OE3 stating that they recently found that the city is paying the \$128
Minimum Employer Contribution (MEC), but also deducting it out of a retirees check only which
they believed does not match up with the most current Medical after Retirement (MAR).

23 In City Manager Ron Bernal's letter to OE3 of July 20, 2017 he stated that the City has been
24 making the same minimum contribution payment to both employees and retirees; that there is no
violation of Section 12.1(B) of the MOU; and, the grievance was denied.

25 In a letter dated July 24, 2017 from OE3 on behalf of Unit IV appealed the City Manager's
26 decision on Unit IV's grievance regarding Section 12.1(B) of the current MOU to the Board of
27 Administrative Appeals.

- 1 2. A Special meeting of the Board of Administrative Appeals Board regarding the grievance appeal
2 was set for September 27, 2017 at 4:00 p.m. at the Antioch City Council Chambers, and the
3 Appellant was duly notified by the City Clerk.
4

5 II. SPECIFIC FINDINGS:

6 An Administrative Appeals Board Hearing regarding Appellant's grievance appeal of the City
7 Manager's decision was duly held on September 27, 2017, at 4:00 p.m. Evidence, both oral and
8 documentary, was taken and based on the preponderance of said evidence; the following specific
9 findings are made:

- 10 1. The City of Antioch Medical-After-Retirement Plan for Units I, II and IV of OE3 has
11 been in place since the MOU between the City of Antioch and Unit IV of OE3 signed on
12 August 11, 1993, covering the period 1994-1997.
13 2. Subsequent MOUs with Unit IV of OE3 covering the periods 1997-2001, 2001-2004,
14 2005-2005, 2005-2009, 2009-2014, 2014-2016 and 2016-2021 contain the same language
15 with adjustments to the Minimum Employer Contribution (MEC) as required by State
16 Law.
17 3. During "meet & confers" on the current and previous MOUs with Unit IV of OE3, no
18 revisions to the allocation procedures for the MEC and cap were made.
19 4. The current and previous MOUs & MARs were agreed to and signed by the City
20 Manager and the representative of Unit IV of OE3.
21 5. The Board finds that the City is properly paying its Minimum Employer Contribution (MEC)
22 under the Medical-After-Retirement cap for retirees and that the reasons given by Appellant to
23 allocate the full cap amount to a retiree, plus have the City pay the MEC to CalPERS, is not what
24 is reflected in the signed MOUs and MARs going back to 1993.
25

26 III. DECISION:

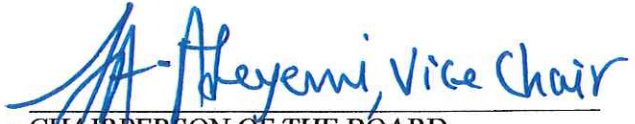
27 Based on a preponderance of evidence, the Board finds that the Appellant failed to prove that the City
28 was not complying with Section 12.1(B) of the Current MOU and the grievance appeal is denied.


IV. NOTICE:

Notice of this decision shall be given to the Appellant, by hand delivering a copy of these Findings
and Decision to Appellant or by mailing a copy by first class U.S. Mail, addressed to Darren Semore,

1 Business Representative, Operating Engineers local Union #3, 1620 South Loop Road, Alameda, CA
2 94502-7089.

3 Dated: September 27, 2017

4
5 
6 for CHAIRPERSON OF THE BOARD

7
8 
9 ARNE SIMONSEN, CMC
10 SECRETARY OF THE BOARD

11
12
13 **Notice of Right To Appeal Decision:** The Union may seek judicial review of a decision of the Board of
14 Administrative Appeals pursuant to section 1094.5 of the Code of Civil Procedures of the State only if the petition
15 for the writ of mandate is filed not later than the ninetieth (90th) day following the date on which the challenged
16 decision becomes final.
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PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA) ss

I am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is Office of the City Clerk for the City of Antioch, 200 "H" Street, P.O. Box 5007, Antioch, California 94531-5007. On October 2, 2017, I served the within Notice, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Antioch, California addressed as follows:

Darren Semore
Operating Engineers Unions Local 3
1916 North Broadway
Stockton, CA 95205

I, Arne Simonsen, certify (or declare), under penalty of perjury, that the foregoing is true and correct. Executed on October 2, 2017, at Antioch, California.



Arne Simonsen, CMC
City Clerk

ATTACHMENT

“H”

CITY OF ANTIOCH

**OPERATING ENGINEERS
LOCAL NO. 3**

**GRIEVANCE
HEARING**

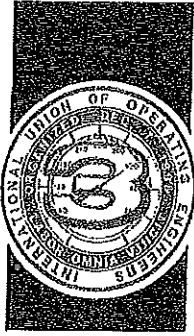
**CITY OF ANTIOCH'S
EXHIBITS**

September 27, 2017

**INDEX OF
CITY OF ANTIOCH'S EXHIBITS
City of Antioch / Operating Engineers Local No. 3
Grievance Hearing – September 27, 2017**

Tab	Description	Date
1	Grievance Response to Grievance Appeal of Grievance	06.22.17 07.20.17 07.24.17
2	MOU – Antioch City Employees' Assn Representational Unit IV (Excerpts) [w/ attached 1993 MAR Plan, Units I, III and IV]	1994-1997
3	California Gov. Code, §§ 22890, 22892	2017
4	Screenshots – Resolutions #98/186-192 Resolution 98/189	12.15.98
5	MOU – Antioch City Employees' Assn Representational Unit IV (Excerpts) [w/ attached 1993 MAR Plan, Units I, III and IV]	1997-2001
6	MOU - Antioch City Employees' Assn Representational Unit IV (Excerpts)	2001-2004
7	MAR Plan – Units I, III and IV	Dec. 2002
8	MOU – Antioch City Employees' Assn Representational Unit IV (Excerpts)	2004-2005
9	Staff Report – Resolution Implementing Temporary Increase in MAR Plan CAPS [w/ attached Dec. 2002 MAR Plan, Units I, III and IV]	01.11.05
10	Resolution 2005/05 & Minutes Implementing Temporary Increase in MAR Plan CAPS	01.11.05
11	Letter from Personnel Director to Retirees Re: MAR Plans	01.26.05
12	Staff Report – Resolution Allowing Temporary Increase in MAR Program CAPS to Lapse [with attached Resolution]	04.26.05
13	Staff Report – Update on Meeting w/ Employee Groups Re: MAR Plans	05.10.05
14	Staff Report – Status of Discussion Related to MAR Plans [w/ attached Actuarial Valuation of Post-Retirement Medical Benefits – 04.03.05]	05.10.05
15	MOU – Operating Engineers Local Union No. 3 Representational Unit IV (Excerpts)	2005-2009
16	Staff Report – Other Post-Employment Benefits [w/ attached Draft Retiree Healthcare Plan, 06.30.07 Actuarial Valuation Executive Summary – Nov. 2007]	11.14.07
17	Retiree Healthcare Plan – 06.30.07 Actuarial Valuation (Excerpts)	May 2008
18	MOU – Operating Engineers Local Union No. 3 Representational Unit IV (Excerpts)	2009-2014
19	Retiree Healthcare Plan – 01.01.09 Actuarial Valuation Results (Excerpts)	11.30.09
20	Actuarial Valuation of Other Post-Employment Benefit Programs (01.01.11) (Excerpts)	Oct. 2011
21	Actuarial Valuation of Other Post-Employment Benefit Programs (07.01.11) (Excerpts)	Aug. 2012
22	Actuarial Valuation of Other Post-Employment Benefit Programs (07.01.13) (Excerpts)	Dec. 2013
23	MOU – Operating Engineers Local Union No. 3 Representational Unit IV (Excerpts)	2014-2016
24	Actuarial Valuation of Other Post-Employment Benefit Programs (07.01.15) (Excerpts)	Feb. 2016
25	MOU – Operating Engineers Local Union No. 3 Representational Unit IV (Excerpts)	2016-2021
26	Retiree Bargained Benefits Valued – E-mail	09.21.17
27	Reimbursement Practices	

Tab 1



OPERATING ENGINEERS LOCAL UNION No. 3

1916 NORTH BROADWAY, STOCKTON, CA 95205 • (209) 943-2332 • FAX (209) 948-2319
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

June 22, 2017

Ron Bernal
City Manager
200 "H" Street
Antioch, Ca. 94509

RE: On Behalf of Unit IV, Operating Engineers Local No. 3 are filling a Grievance in regards to section 12.1(B) of the current MOU.

Mr. Bernal,

As per section 22.2 on the current MOU for Unit IV operating Engineers Local No.3 are talking the first step in filling a formal grievance.

This grievance involves section 12.1 (B) of the current MOU which reads, "The City shall pay the PERS required Minimum Employer Contribution (MEC) per month on behalf of each active and retired employee who participates in the City's health Insurance plans." We have recently found that the city is paying the \$128 MEC, but also deducting it out of the retirees check only.

Once we found out about the error, Phil Hoffmeister sent a letter to Ms. Castro on March 20th, 2017 asking why. He was told by Ms. Castro that the \$128 was a fee that CalPERS charges. On the same date Mr. Hoffmeister responded and advised this does not match up with the most current MAR (Medical after Retirement). Dawn Merchant then responded and stated it was not a fee, that it was in fact the required MEC.



OPERATING ENGINEERS LOCAL UNION No. 3

1916 NORTH BROADWAY, STOCKTON, CA 95205 • (209) 943-2332 • FAX (209) 948-2319
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

On April 14th at 9:30 Myself, Phil Hoffmeister and Kevin Scudero met with Ms. Mastay and Ms. Merchant regarding this issue. In the meeting the only answer they could give us was, we have always done it that way. We were advised they may have some old documents that tell us why they are deducting the \$128 from retirees, but after two months they still had not produced any documents.

After several months of asking and waiting for an answer we met with the city's Labor attorney, Glenn Berkheimer and Ms. Mastay. Myself, Mr. Hoffmeister and Scudero were also in the meeting. Again the Only real answer they gave, is we have always done it this way. We pointed out that in section 12.1(B) of the current MOU states that both active and Retirees will be treated the same as it pertains to the MEC. We advised them that the \$128 was not being deducted from the active members. We asked them why the \$128 was not being deducted from the active members and they had no answer to that question.

Our solution to this issue is simple, we just want the city to follow the current MOU section 12.1(B) and stop deducting the \$128 from the retiree's checks.

If you have any questions or need clarification on anything please feel free to contact me.

Darren Semora

Business Representative

Operating Engineers Local Union #3

Cell (209) 628-7197.



July 20, 2017

Darren Semore
Business Representative
Operating Engineers Local Union # 3
1916 North Broadway
Stockton, CA 95205

Re: June 22, 2017 Grievance

Dear Mr. Semore:

This letter is in response to the grievance, dated June 22, 2017, you submitted on behalf of employees subject to the Memorandum of Understanding ("MOU") between the City and Operating Engineer's Local Union #3, Representational Unit IV ("Union"). Please consider this letter my response to the grievance pursuant to Section 22.2 of the MOU. Based on my review of the grievance, I understand that the Union is concerned that the City has not been correctly calculating retiree health care benefits for former employees. As explained below, please be assured that the City is correctly calculating benefits.

As you know, the City participates in CalPERS administered health insurance programs. As a CalPERS contracting agency, the City is required to provide a minimum employer contribution on behalf of each City employee and each City retiree who participates in City offered benefits. The amount of this minimum employer contribution is set annually by CalPERS and is currently \$128.00 per month.

For retirees who meet certain eligibility criteria, the City provides enhanced retiree medical benefits in the form of a greater contribution towards premiums. The amount paid towards benefits varies based on the individual's retirement date and plan participation. For example, eligible employees who retired before July 1, 1993, are eligible to receive a total retiree health benefit that is equal to the premium cost for single-party coverage in the plan which had the highest enrollment of active City employees in the previous enrollment period. Employees who retired on or after July 1, 1993, are eligible to receive a current maximum benefit of \$354.69 towards insurance coverage (this current maximum benefit becomes \$236.69 once the individual is eligible for Medicare coverage). Employees who retire on or after October 15, 2002, may also receive an additional amount if a spouse is enrolled in a City plan. These amounts include the minimum employer contribution set forth in Section 12.1(B) of the MOU.

Turning to the grievance, I understand that retirees would like the City to stop deducting the minimum employer contribution from the benefits paid on behalf of retirees. All retirees are

receiving the same minimum employer contribution amount as employees. This minimum contribution amount is paid by the City directly to CalPERS. Retirees are then directly paid any remaining reimbursement owed for retiree health care benefits, as determined based on an individual's eligibility, date of retirement and plan participation. Therefore, since the City has been making the same minimum contribution payment to both employees and retirees, there is no violation of Section 12.1(B) of the MOU and the grievance is denied.

I hope the above helps answer any questions you may have had about this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Bernal". The signature is fluid and cursive, with the first name "Ron" and last name "Bernal" clearly distinguishable.

Ron Bernal
City Manager



OPERATING ENGINEERS LOCAL UNION No. 3

1916 NORTH BROADWAY, STOCKTON, CA 95205 • (209) 943-2332 • FAX (209) 948-2319

Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

July 24, 2017

Ron Bernal
City Manager
200 "H" Street
Antioch, Ca. 94509

RE: Appeal of Grievance, in regards to section 12.1 (B) as it pertains to Unit IV MOU to the "Board of Appeals."

Mr. Bernal,

On Behalf of Unit IV, Operating Engineers Local Union #3 are Appealing your decision on Unit IV's grievance regarding Section 12.1 (B) of their current MOU to the "Board of Appeals."

If you have any questions or need clarification on anything please feel free to contact me. Thank you

Darren Semore



Business Representative

Operating Engineers Local Union #3

Cell (209) 628-7197

Tab 2

MEMORANDUM OF UNDERSTANDING

between

CITY OF ANTIOCH

and

**ANTIOCH CITY EMPLOYEES' ASSOCIATION
REPRESENTATIONAL UNIT IV**

AUGUST 1, 1994 - SEPTEMBER 30, 1997

ARTICLE 12

HEALTH, WELFARE AND RETIREMENT

12.1.

Medical

Employees shall have their choice of either the Blue Cross Prudent Buyer Plan, the Kaiser "S" Plan, or the Foundation Health Plan. The City shall contribute an amount equal to the Kaiser family rate. However, no employee shall be required to pay more than Fifty Dollars and No/100ths (\$50.00) per month and fifty percent (50%) of any increase in the monthly cost over Fifty Dollars and No/100ths (\$50.00).

The City shall pay the full cost of medical insurance premiums for regular and probationary part-time employees. The part-time employee shall continue to pay a pro-rated share of any dependent coverage. In no case will the City's portion of the payment exceed the Kaiser family rate.

Option in Lieu of Medical Insurance

Employees shall have the following options:

- a. Enrolling in one of the City-sponsored medical plans.
- b. Receiving a One Hundred Twenty-Five Dollar and No/100ths (\$125.00) per month contribution into employee's deferred compensation account or receiving One Hundred Twenty-Five Dollars and No/100ths (\$125.00) per month in cash after meeting the criteria listed below.

Option (b) may be made only during open enrollment of each year (held during June/July and effective August 1) except that new employees may make the option at time of hire. However, to implement this new benefit, the City shall conduct a special open enrollment period for this option only in early December 1992 with option becoming effective January 1, 1993.

If employee selects option (b), the One Hundred Twenty-Five Dollars and No/100ths (\$125.00) is not compensable income to PERS and will not be included in retirement or any other benefit calculations. If the employee chooses to take it as cash rather than deferred compensation, it is fully taxable and will be included in the W-2 forms. Employee is responsible for paying all taxes. Employee must choose deferred compensation or cash. Employee may not split the amount.

Criteria for Eligibility

Employee must show proof of coverage as the dependent of someone with coverage; sign the waiver of coverage provided by the City; agree to pay for COBRA coverage until the following August 1 should coverage be lost through change of dependent status or employment status of person covering the employee.

To be modified by Kaiser Plan

ARTICLE 12 (cont'd)

Limitations of Re-Enrolling in a City-sponsored Plan

Re-enrollment is subject to the rules of the medical plan. Employee and dependents may be subject to pre-existing exclusions and may be disqualified from joining a particular plan.

Retirement

Option (b) is not available to retirees. Employees who select option (b) will not be eligible for medical-after-retirement coverage unless they re-enroll in one of the City-sponsored plans no later than the last August 1 enrollment period prior to retirement.

IRS

Provisions of this plan are subject to all IRS laws and regulations. Adjustment will be made, if necessary, to comply. Employee may not exceed the maximum allowable deferred compensation contribution.

12.2.

Dental

Effective July 1, 1994, the City shall contribute Forty-Nine Dollars and No/100ths (\$49.00) per month per eligible employee toward the City's Dental Reimbursement Plan. The City shall assume any increase in the contribution rate recommended by the Dental Committee and approved by the City Council during the term of this agreement.

"Exhibit B" describes the Dental Reimbursement Program. The Exhibit also addresses the composition and activities of the Dental Committee. The contents of this Exhibit shall be modified from time to time in order to reflect necessary administrative changes.

12.3.

Life Insurance

The City shall provide a \$25,000 life insurance policy for each employee.

A supplemental life insurance policy shall be available to employees at their own cost.

12.4.

Retirement Plan

The City shall provide coverage in the Public Employees' Retirement System (PERS) for all probationary and regular employees. ~~No later than January 1, 1995, the City shall provide the Public Employees' Retirement System Plan based on the 2% at 55 formula. The City shall pay the employee's contribution in the amount of seven percent (7%).~~

12.5.

State Disability Insurance (SDI)

The City shall pay for SDI for each employee. The plan shall be administered in accordance with State law and the Letter of Understanding between the City and the Association dated December 27, 1990.

ARTICLE 12 (cont'd)

12.6. Long-Term Disability

A long-term disability insurance plan shall be available to employees at their own cost. Under this plan, an employee is eligible to receive two-thirds (2/3) of salary, after a one-hundred eighty (180) day waiting period.

12.7. Medical-After-Retirement Plan

The City shall provide a Medical-after-Retirement benefit in accordance with the Medical-After-Retirement Plan attached as Exhibit "C". The City shall contribute two and fifteen-hundredths percent (2.15%) of salary to the Plan.

12.8. Social Security

In the event that legislation is passed to require either new employees or all local government employees to be covered under the full Social Security program, the City shall meet and confer with employees to explain modifications of the Public Employees' Retirement System contract to provide a coordinated benefit rather than simply adding a new 7.15% benefit which was not part of the collective bargaining process. It is the intent of the City to continue to provide the same level of retirement benefits to the employees but to minimize the impact of the cost of the additional Social Security benefit.

12.9. Deferred Compensation

The City shall contribute Thirty Dollars and No/100ths (\$30.00) per month per employee to the City's Deferred Compensation plan.

Effective October 1, 1991, the City shall also contribute up to an additional Twenty Dollars and No/100ths (\$20.00) per month per employee on a dollar-for-dollar match.

12.10. Vision Care

The City shall reimburse employees up to One Hundred Dollars and No/100ths (\$100.00) every two (2) fiscal years, with the next term beginning July 1, 1995, for the cost of prescription eyewear. ~~Employees serving their initial probationary period shall not be eligible.~~ This provision shall not apply to employees who are eligible for safety glasses.

MEDICAL-AFTER-RETIREMENT PLAN
UNITS I, III, AND IV.

The Medical-After-Retirement Plan ("Plan") is established to provide medical insurance for retired employees as outlined below.

I. ELIGIBILITY

A. This Plan is available to regular City employees in Units I (AFSCME, Local 2575), III (Treatment Plant Employees' Association), and IV (Antioch City Employees' Association) who: (1) are employed by the City on or after October 1, 1986; (2) are a minimum of fifty (50) years of age; (3) have ten (10) years of full-time regular (post-probationary) and probationary service or an equivalent amount of part-time probationary or regular service (i.e. half time for twenty (20) years) with the City at the time of retirement; and (4) retire from the City under a PERS retirement and begin to draw PERS retirement benefits immediately upon separation from the City.

B. An employee who must retire due to an industrial injury and who meets criteria (1), (3), and (4) above is eligible for benefits at any age and may continue to receive benefits for as long as he/she is receiving PERS disability retirement benefits.

C. Dependents of eligible participants will be allowed to be members of the group insurance plans subject to the regulations of those programs and at their own expense. A spouse of a deceased retiree may continue on the group plan at his/her own cost. Such coverage would cease upon remarriage.

Dependents who lose dependent status shall have conversion rights or such continuation rights as exist under Federal law. At such time as the person loses dependent status, he/she should contact the City within sixty (60) days of the date coverage ends to make arrangements for conversion or continuation.

II. ENROLLMENT PERIOD

A. Retiree must take the same medical plan at retirement at retirement that he/she had on the last day of employment except that nothing shall prevent retired eligible members from obtaining health insurance from providers other than those listed herein. In the event that such member chooses another insurance carrier, the City's payment shall be as set forth in Section III.B.2. Retirees or spouses who are 65 and older are subject to provisions of Section III.A.2. There will be no open enrollment

periods for retirees. Selection of plan for retirement must be made no later than the last open enrollment preceding retirement.

- B. Enrollment must be made within thirty (30) days of the date the retirement becomes effective. It is strongly recommended that election be made and notification occur prior to the effective date of retirement to assure no possible lapse of coverage. Prior to retirement the employee should discuss arrangements for coverage during the period immediately following retirement and before PERS has fully processed the retirement.
- C. Should a retiree, spouse or qualified dependent allow a lapse of coverage to occur, that person(s) will be dropped from the plan. Kaiser, Blue Cross, Foundation and City-sponsored Medicare supplement plans MAY allow the person(s) to re-enroll but such re-enrollment is subject to medical approval by the plans' administrators. The person(s) under Kaiser must re-enroll under individual rather than group coverage.
- D. Should a retiree gain a new dependent, Kaiser and Foundation will allow that dependent to be enrolled if the dependent meets the qualifications and election is made within thirty (30) days of becoming a dependent. Blue Cross will allow dependents to be added after an employee retires and before he/she turn sixty-five (65) if enrollment is done within thirty (30) days of becoming a qualified dependent. The Medicare supplement plans will allow a new spouse to be added subject to meeting medical approval.

III. COVERAGE

- A.1 The plans available are Kaiser, Blue Cross, Foundation and City-sponsored Medicare supplement plans except that: The City reserves the right to change these plan if it changes the plans for current employees. If any of the plans are changed, the City will make provisions to cover retirees.

If the City adds additional medical plans for current employees, those plans shall become eligible under this Plan for those employees working on or after the effective date of the plan. If provisions can be made to offer such plan to retirees, the City will conduct a one-time open enrollment for that plan.

- A.2 A retiree and his/her spouse who choose the Blue Cross or the Foundation plan will be carried on that plan until age 65. At age 65 the plans require that the retiree convert to a Medicare supplement plan. These plans ensure enrollment regardless of medical condition. The City may also provide alternative Medicare supplement plans.

A.3 A retiree enrolled in Blue Cross or Foundation who is not eligible for Medicare coverage through previous employment, a spouse or other employment after retirement, should notify the Personnel Department at least one year prior to retirement so alternative arrangements can be made.

B.1 The City shall pay an amount for medical-after-retirement benefits not to exceed the premium for Kaiser single coverage.

B.2 Further, for eligible employees who file their retirement applications on or after July 1, 1993, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage until that coverage reaches the caps listed below. The caps are twice what the City pays effective June 30, 1993. If the caps are re-negotiated at a later date, the new caps will cover anyone who retires after July 1, 1993.

	<u>Single</u>	<u>Single With Medicare</u>
Kaiser	\$ 310	\$192
Foundation	310	192
Blue Cross	310	192

B.3 The caps may be renegotiated based on actuarial studies of fund solvency. Any increase in the caps shall apply to anyone who retires on or after July 1, 1993.

B.4 Payment to retirees who obtain health insurance from providers other than those listed herein shall be set at the Kaiser single rate. In no event shall such benefit exceed the actual cost of such coverage and the cap as set forth above.

C. Upon reaching age 65 any retiree who is enrolled in the Kaiser plan, or new plan as described in Section III.A.1, shall coordinate their Kaiser plan with Medicare. Blue Cross and Foundation members, upon reaching age 65, will convert to a City-sponsored Medicare supplement plan. The Medicare premium shall be paid by the retiree. Medicare coverage provides additional benefits for the retiree and reduced premiums.

Retirees who do not qualify for Medicare on their own work history may qualify through the spouse.

IV. CONTRIBUTION LEVEL

A. Effective July 1, 1993, the City shall contribute two and fifteen-hundredths percent (2.15%) of salary as established in the salary resolutions for each probationary and regular employee in Units I, III and IV.

For probationary or regular part-time employees, the City shall contribute two and fifteen-hundredths percent (2.15%), based on the appropriate proration of salary from the salary resolution.

- B. The fund shall be established and administered by the City's Finance Department. Contributions shall be made monthly to the fund. To insure highest possible interest rates, deposits may be combined with other City funds. However, separate records will be kept and interest will be credited to the account annually.
- C. Funds in this account belong to the Medical-After-Retirement Plan and are for the uses set forth in this document.
- D. The contribution rate (2.15%) shall be considered as part of salary for all compensation comparisons with other agencies.

V. PAYMENT

- A. Premiums for Kaiser and Foundation shall be deducted from the retiree's PERS' check. Retiree is responsible for authorizing these deductions at the time of retirement. Deductions can be made to cover dependents.
- B. Kaiser and Foundation members shall submit a request for reimbursement to the City. Requests for reimbursement may be made monthly but in no event less than once per year.
- C. Between time of retirement and reaching age 65, Blue Cross members shall make direct payment to the City's Finance Department for their spouse's premium and for any difference between the amount the City pays and the actual amount of the premium for the retiree. Payment is due by the 15th day of the month to provide for the following month's coverage. Retiree shall be permitted to pay quarterly or semi-annually in advance.

Failure to make timely payments will result in the cancellation of insurance. Retiree is responsible for paying this premium. The City shall not do any billing.

- D. The City shall pay the premiums directly to the insurance carrier for those retirees who are enrolled in one of the City-sponsored Medicare supplement plans.
- E. Retiree will be responsible for making payments for their spouses medical premiums and any difference between the amount paid by the City and the total amount of the premium. Retirees may pay monthly, quarterly, or semi-annually. The City shall not do any billing.

VI. This Plan is subject to any and all applicable State and Federal regulations. Changes to the Plan necessary to comply with these regulations shall be made by the City.

Furthermore, this Plan is also subject to the requirements of the medical plans (Kaiser, Foundation, Blue Cross and City-sponsored Medicare supplement plans; and any other plans adopted under Section III.A).

VII. ADVISORY COMMITTEE

- A. A committee will be formed consisting of (1) two representatives from each unit covered by this Plan; (2) one management representative appointed by the City Manager; and (3) one retiree nominated by the other members of the Committee and appointed by the City Manager. Until such time as there is a retiree available and interested in serving on the Committee, this appointment shall be vacant.
- B. The purpose of the Committee shall be (1) to adopt the initial Plan document for approval by the City Council; (2) review disagreements regarding coverage; (3) review actuarials, recommend when actuarials are needed and recommend fund expenditures for same; (4) establish benefit levels in the event the actuarials indicate the fund balance is in danger of becoming insolvent.

<u><i>[Signature]</i></u> Unit I, AFSCME, Local 2575	<u>8-11-93</u> Date
<u><i>[Signature]</i></u> Unit I, AFSCME, Local 2575	<u>8/11/93</u> Date
<u><i>[Signature]</i></u> Unit III, Treatment Plant Employees' Association	<u>8/11/93</u> Date
<u><i>[Signature]</i></u> Unit III, Treatment Plant Employees' Association	<u>8-19-93</u> Date
<u><i>[Signature]</i></u> Unit IV, Antioch City Employees' Association	<u>8-11-93</u> Date
<u><i>[Signature]</i></u> Unit IV, Antioch City Employees' Association	<u>8-11-1993</u> Date
<u><i>[Signature]</i></u> City Manager	<u>8/31/93</u> Date

Tab 3

Cal Gov Code § 22890

Deering's California Codes are current with legislation of the 2017 Regular Session through urgency Chapters 1-15, 17-22, 24, 28, 42-113, 139-151, 174-224; and non-urgency Chapters 1-8, 29-104, 106-129, 131-167, 170-175, 177-185, 187, 189-198, 200-201, 204-206, 208-218, 220-223, 226-239, 242-248.

Deering's California Codes Annotated > GOVERNMENT CODE > Title 2 Government of the State of California > Division 5 Personnel > Part 5 The Public Employees' Medical and Hospital Care Act > Chapter 1 Public Employees' Health Benefits > Article 8 Contracting Agency Contributions

§ 22890. Contribution of contracting agency and of employee or annuitant; Only one employer contribution

- (a) The contracting agency and each employee or annuitant shall contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan approved or maintained by the board in which the employee or annuitant may be enrolled.
- (b) An annuitant is entitled to only one employer contribution. If more than one annuitant is receiving an allowance as the survivor of the same employee or annuitant, there shall be only one employer contribution with respect to all such annuitants.
- (c) The contribution of each employee and annuitant shall be the total cost per month of the benefit coverage afforded him or her under the health benefit plan or plans in which he or she is enrolled less the portion thereof to be contributed by the employer. The employer contribution for each employee and annuitant shall commence on the effective date of enrollment.

History

Added *Stats 2004 ch 69 § 22 (SB 626)*, effective June 24, 2004.

Annotations

Notes

Former Sections:

Historical Derivation:

Former Sections:

Former § 22890, similar to present Gov C § 22945, was added Stats 2001 ch 851 § 1.

Historical Derivation:

Former Gov C § 22825, as added Stats 1961 ch 1236 § 1, amended Stats 1963 ch 2114 § 1; Stats 1967 ch 817 § 1, ch 1455 § 5; Stats 1968 ch 1454 § 1, Stats 1969 ch 1376 § 1, Stats 1970 ch 212 § 1, Stats 1972 ch 907 § 1,

Cal Gov Code § 22892

Deering's California Codes are current with legislation of the 2017 Regular Session through urgency Chapters 1-15, 17-22, 24, 28, 42-113, 139-151, 174-224; and non-urgency Chapters 1-8, 29-104, 106-129, 131-167, 170-175, 177-185, 187, 189-198, 200-201, 204-206, 208-218, 220-223, 226-239, 242-248.

Deering's California Codes Annotated > GOVERNMENT CODE > Title 2 Government of the State of California > Division 5 Personnel > Part 5 The Public Employees' Medical and Hospital Care Act > Chapter 1 Public Employees' Health Benefits > Article 8 Contracting Agency Contributions

§ 22892. Resolution fixing amount and beginning date of employer and employee or annuitant contributions; Annual adjustments

- (a) The employer contribution of a contracting agency shall begin on the effective date of enrollment and shall be the amount fixed from time to time by resolution of the governing body of the agency. The resolution shall be filed with the board and the contribution amount shall be effective on the first day of the second month following the month in which the resolution is received by the system.
- (b)
- (1) The employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the following:
- (A) Prior to January 1, 2004, sixteen dollars (\$16) per month.
 - (B) During calendar year 2004, thirty-two dollars and twenty cents (\$32.20) per month.
 - (C) During calendar year 2005, forty-eight dollars and forty cents (\$48.40) per month.
 - (D) During calendar year 2006, sixty-four dollars and sixty cents (\$64.60) per month.
 - (E) During calendar year 2007, eighty dollars and eighty cents (\$80.80) per month.
 - (F) During calendar year 2008, ninety-seven dollars (\$97) per month.
- (2) Commencing January 1, 2009, the employer contribution shall be adjusted annually by the board to reflect any change in the medical care component of the Consumer Price Index and shall be rounded to the nearest dollar.
- (c) A contracting agency may, notwithstanding the equal contribution requirement of subdivision (b), establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years that the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees. This annual adjustment to the minimum monthly employer contribution for an annuitant as authorized by this subdivision shall not exceed one hundred dollars (\$100). This subdivision shall only apply to agencies that first become subject to this part on or after January 1, 1986.

History

Tab 4

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Contribution Preview

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Contract History

Health Contract Information

Contract Number: 33679 **Contract Type:** By Group

Contract Category: PEMHCA CalPERS Health Contract

Contract History

Contract State	Additional Information	Contract Status	Effective Date
Initial	Resolutions #98/186-192 electing to be subject to PEMHCA for Groups 001-007 respectively, eff. 3/1/1999,	Active	03/01/1999

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Contract Note

Additional Information:	Resolutions #98/186-192 electing to be subject to FEMRA for Groups 001-007 respectively, eff. 3/1/1999.
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[Return to Contract History](#)

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10:43 AM 9/22/2017

RESOLUTION NO. 98/189

**RESOLUTION ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES'
MEDICAL AND HOSPITAL CARE ACT ONLY WITH RESPECT TO
MEMBERS OF A SPECIFIC EMPLOYEE ORGANIZATION
AND
FIXING THE EMPLOYER'S CONTRIBUTION AT AN AMOUNT AT OR
GREATER THAN THAT PRESCRIBED BY SECTION 22825 OF
THE GOVERNMENT CODE**

WHEREAS, Government Code Section 22850.3 provides that a contracting agency may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act with respect to a recognized employee organization only; and

WHEREAS, CITY OF ANTIOCH, hereinafter referred to as Public Agency is a local agency contracting with the Public Employees' Retirement System; and

WHEREAS, the Public Agency desires to obtain for the members of **ANTIOCH CITY EMPLOYEES' ASSOCIATION, Unit IV**, who are employees and annuitants of the agency, the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations;

NOW, THEREFORE, BE IT RESOLVED, that the Public Agency elect, and it does hereby elect, to be subject to the provisions of the Act; and

BE IT FURTHER RESOLVED, that the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of Sixteen Dollars (\$16.00) per month plus administrative fees and contingency Reserve Fund assessments; and

BE IT FURTHER RESOLVED, that the executive body appoint and direct, and it does hereby appoint and direct, the Personnel Director to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration; and

BE IT FURTHER RESOLVED, that coverage under the Act be effective on March 1, 1999.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at an adjourned regular meeting thereof, held on the 15th day of December, 1998, by the following vote:

AYES: Council Member Freitas, Soliz, Davis, and Mayor Rocha

NOES: None

ABSENT: Council Member Sudario

Janet L. Chalk

CITY CLERK OF THE CITY OF ANTIOCH

Tab 5

MEMORANDUM OF UNDERSTANDING

between

CITY OF ANTIOCH

and

**ANTIOCH CITY EMPLOYEES' ASSOCIATION
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 1997 - SEPTEMBER 30, 2001

ARTICLE 12

HEALTH, WELFARE AND RETIREMENT

12.1 Medical

The City will adopt the PERS Health Program (Program) for the term of the MOU. The Program will be implemented upon expiration of the term of the current medical plans but no earlier than July 1, 1998. Pending implementation of the Program, the current medical insurance plans will remain in effect. The City shall contribute an amount not less than equal to the Kaiser Family Rate for the PERS Health Plan, when adopted by the City. However, no employee shall be required to pay more than Fifty Dollars and No/100ths (\$50.00) per month and fifty percent (50%) of any increase in the monthly cost over Fifty Dollars and No/100ths, (\$50.00).

The City shall pay the full cost of medical insurance premiums for regular and probationary part-time employees. The part-time employee shall pay a pro-rated share of any dependent coverage. In no case will the City's portion of the payment exceed the Kaiser family rate.

Cafeteria Plan

The MOU shall be opened for the limited purpose of allowing good faith negotiations to occur relative to the adoption and implementation of a Cafeteria Plan (Plan). The City will adopt a Plan pursuant to Section 125 of the Internal Revenue Code (Code). Benefits considered in the Plan shall include all benefits allowed by the Code. Prior to adoption of the Plan, the City will form a committee comprised of up to two (2) members from each bargaining unit along with City representatives. The function of the Committee will be to develop the terms and conditions of the Plan. Any Plan developed by the Committee is subject to the approval of each bargaining unit and the City. The Plan will take effect after adoption of the enabling resolution but not earlier than July 1, 1998.

Option in Lieu of Medical Insurance

Employees shall have the following options:

- a. Enrolling in one of the City-sponsored medical plans.
- b. Receiving a One Hundred Twenty-Five Dollar and No/100ths (\$125.00) per month contribution into employee's deferred compensation account or receiving One Hundred Twenty-Five Dollars and No/100ths (\$125.00) per month in cash after meeting the criteria listed below.

employees may make the option at time of hire.

If employee selects option (b), the One Hundred Twenty-Five Dollars and No/100ths (\$125.00) is not compensable income to PERS and will not be included in retirement or any other benefit calculations. If the employee chooses to take it as cash rather than deferred compensation, it is fully taxable and will be included in the W-2 forms. Employee is responsible for paying all taxes. Employee must choose deferred compensation or cash. Employee may not split the amount.

Criteria for Eligibility

Employee must show proof of coverage as the dependent of someone with coverage; sign the waiver of coverage provided by the City; agree to pay for COBRA coverage until the following open enrollment should coverage be lost through change of dependent status or employment status of person covering the employee.

Limitations of Re-Enrolling in a City-sponsored Plan

Re-enrollment is subject to the rules of the medical plan. Employee and dependents may be subject to pre-existing exclusions and may be disqualified from joining a particular plan.

Retirement

Option (b) is not available to retirees. Employees who select option (b) will not be eligible for medical-after-retirement coverage unless they re-enroll in one of the City-sponsored plans no later than the last August 1 enrollment period prior to retirement.

IRS

Provisions of this plan are subject to all IRS laws and regulations. Adjustment will be made, if necessary, to comply. Employee may not exceed the maximum allowable deferred compensation contribution.

12.2 Dental

Effective July 1, 1997, the City shall contribute Fifty-Five Dollars and No/100ths (\$55.00) per month per eligible employee toward the City's Dental Plan. The City shall assume any increase in the contribution rate recommended by the Dental Committee and approved by the City Council during the term of this agreement.

"Exhibit B" describes the Dental Reimbursement Program. The Exhibit also addresses the composition and activities of the Dental Committee. The contents of this Exhibit shall be modified from time to time in order to reflect necessary administrative changes.

- 12.3 Life Insurance
The City shall provide a \$25,000 life insurance policy for each employee.
A supplemental life insurance policy shall be available to employees at their own cost.
- 12.4 Retirement Plan
The City shall provide coverage in the Public Employees' Retirement System (PERS) for all probationary and regular employees based on the 2% @ 55 Formula. The City shall pay the employee's contribution in the amount of seven percent (7%).
- 12.5 State Disability Insurance (SDI)
The City shall pay for SDI for each employee. The plan shall be administered in accordance with State law and the Letter of Understanding between the City and the Association dated December 27, 1990.
- 12.6 Long-Term Disability
A long-term disability insurance plan shall be available to employees at their own cost. Under this plan, an employee is eligible to receive two-thirds (2/3) of salary, after a one-hundred eighty (180) day waiting period.
- 12.7 Medical-After-Retirement Plan
The City shall provide a Medical-after-Retirement benefit in accordance with the Medical-After-Retirement Plan attached as Exhibit "C". The City shall contribute two and fifteen-hundredths percent (2.15%) of salary to the Plan.
- 12.8 Social Security
In the event that legislation is passed to require either new employees or all local government employees to be covered under the full Social Security program, the City shall meet and confer with employees to explain modifications of the Public Employees' Retirement System contract to provide a coordinated benefit rather than simply adding a new 7.15% benefit which was not part of the collective bargaining process. It is the intent of the City to continue to provide the same level of retirement benefits to the employees but to minimize the impact of the cost of the additional Social Security benefit.
- 12.9 Deferred Compensation
The City shall contribute Fifty Dollars and No/100ths (\$50.00) per month per employee to the City's Deferred Compensation plan.

MEDICAL-AFTER-RETIREMENT PLAN
UNITS I, III, AND IV

The Medical-After-Retirement Plan ("Plan") is established to provide medical insurance for retired employees as outlined below.

I. ELIGIBILITY

- A. This Plan is available to regular City employees in Units I (AFSCME, Local 2575), III, (Treatment Plant Employees' Association), and IV (Antioch City Employees' Association) who: (1) are employed by the City on or after October 1, 1986; (2) are a minimum of fifty (50) years of age; (3) have ten (10) years of full-time regular (post-probationary) and probationary service or an equivalent amount of part-time probationary or regular service (i.e. half time for twenty (20) years) with the City at the time of retirement; and (4) retire from the City under a PERS retirement and begin to draw PERS retirement benefits immediately upon separation from the city.
- B. An employee who must retire due to an industrial injury and who meets criteria (1), (3), and (4) above is eligible for benefits at any age and may continue to receive benefits for as long as he/she is receiving PERS disability retirement benefits.
- C. Dependents of eligible participants will be allowed to be members of the group insurance plans subject to the regulations of those programs and at their own expense. A spouse of a deceased retiree may continue on the group plan at his/her own cost. Such coverage would cease upon remarriage.

Dependents who lose dependent status shall have conversion rights or such continuation rights as exist under Federal law. At such time as the person loses dependent status, he/she should contact the City within sixty (60) days of the date coverage ends to make arrangements for conversion or continuation.

II. ENROLLMENT PERIOD

- A. Retiree must take the same medical plan at retirement at retirement that he/she had on the last day of employment except that nothing shall prevent retired eligible members from obtaining health insurance from providers other than those listed herein. In the event that such member chooses another insurance carrier, the City's payment shall be as set forth in Section III.B.2. Retirees or spouses who are 65 and older are subject to provisions of Section III.A.2. There will be no open enrollment

periods for retirees. Selection of plan for retirement must be made no later than the last open enrollment preceding retirement.

- B. Enrollment must be made within thirty (30) days of the date the retirement becomes effective. It is strongly recommended that election be made and notification occur prior to the effective date of retirement to assure no possible lapse of coverage. Prior to retirement the employee should discuss arrangements for coverage during the period immediately following retirement and before PERS has fully processed the retirement.
- C. Should a retiree, spouse or qualified dependent allow a lapse of coverage to occur, that person(s) will be dropped from the plan. Kaiser, Blue Cross, Foundation and City-sponsored Medicare supplement plans may allow the person(s) to re-enroll but such re-enrollment is subject to medical approval by the plans' administrators. The person(s) under Kaiser must re-enroll under individual rather than group coverage.
- D. Should a retiree gain a new dependent, Kaiser and Foundation will allow that dependent to be enrolled if the dependent meets the qualifications and election is made within thirty (30) days of becoming a dependent. Blue Cross will allow dependents to be added after an employee retires and before he/she turn sixty-five (65) if enrollment is done within thirty (30) days of becoming a qualified dependent. The Medicare supplement plans will allow a new spouse to be added subject to meeting medical approval.

III. COVERAGE

- A.1 The plans available are Kaiser, Blue Cross, Foundation and City-sponsored Medicare supplement plans except that: The City reserves the right to change these plan if it changes the plans for current employees. If any of the plans are changed, the City will make provisions to cover retirees.

If the City adds additional medical plans for current employees, those plans shall become eligible under this Plan for those employees working on or after the effective date of the plan. If provisions can be made to offer such plan to retirees, the City will conduct a one-time open enrollment for that plan.

- A.2 A retiree and his/her spouse who choose the Blue Cross or the Foundation plan will be carried on that plan until age 65. At age 65 the plans require that the retiree convert to a Medicare supplement plan. These plans ensure enrollment regardless of medical condition. The City may also provide alternative Medicare supplement plans.

A.3 A retiree enrolled in Blue Cross or Foundation who is not eligible for Medicare coverage through previous employment, a spouse or other employment after retirement, should notify the Personnel Department at least one year prior to retirement so alternative arrangements can be made.

B.1 The City shall pay an amount for medical-after-retirement benefits not to exceed the premium for Kaiser single coverage.

B.2 Further, for eligible employees who file their retirement applications on or after July 1, 1993, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage until that coverage reaches the caps listed below. The caps are twice what the City pays effective June 30, 1993. If the caps are re-negotiated at a later date, the new caps will cover anyone who retires after July 1, 1993.

	<u>Single</u>	<u>Single With Medicare</u>
Kaiser	\$ 310	\$192
Foundation	310	192
Blue Cross	310	192

B.3 The caps may be renegotiated based on actuarial studies of fund solvency. Any increase in the caps shall apply to anyone who retires on or after July 1, 1993.

B.4 Payment to retirees who obtain health insurance from providers other than those listed herein shall be set at the Kaiser single rate. In no event shall such benefit exceed the actual cost of such coverage and the cap as set forth above.

C. Upon reaching age 65 any retiree who is enrolled in the Kaiser plan, or new plan as described in Section III.A.1, shall coordinate their Kaiser plan with Medicare. Blue Cross and Foundation members, upon reaching age 65, will convert to a City-sponsored Medicare supplement plan. The Medicare premium shall be paid by the retiree. Medicare coverage provides additional benefits for the retiree and reduced premiums.

Retirees who do not qualify for Medicare on their own work history may qualify through the spouse.

IV. CONTRIBUTION LEVEL

A. Effective July 1, 1993, the City shall contribute two and fifteen-hundredths percent (2.15%) of salary as established in the salary resolutions for each probationary and regular employee in Units I, III and IV.

For probationary or regular part-time employees, the City shall contribute two and fifteen-hundredths percent (2.15%) based on the appropriate proration of salary from the salary resolution.

- B. The fund shall be established and administered by the City's Finance Department. Contributions shall be made monthly to the fund. To insure highest possible interest rates, deposits may be combined with other City funds. However, separate records will be kept and interest will be credited to the account annually.
- C. Funds in this account belong to the Medical-After-Retirement Plan and are for the uses set forth in this document.
- D. The contribution rate (2.15%) shall be considered as part of salary for all compensation comparisons with other agencies.

V. PAYMENT

- A. Premiums for Kaiser and Foundation shall be deducted from the retiree's PERS' check. Retiree is responsible for authorizing these deductions at the time of retirement. Deductions can be made to cover dependents.
- B. Kaiser and Foundation members shall submit a request for reimbursement to the City. Requests for reimbursement may be made monthly but in no event less than once per year.
- C. Between time of retirement and reaching age 65, Blue Cross members shall make direct payment to the City's Finance Department for their spouse's premium and for any difference between the amount the City pays and the actual amount of the premium for the retiree. Payment is due by the 15th day of the month to provide for the following month's coverage. Retiree shall be permitted to pay quarterly or semi-annually in advance.

Failure to make timely payments will result in the cancellation of insurance. Retiree is responsible for paying this premium. The City shall not do any billing.

- D. The City shall pay the premiums directly to the insurance carrier for those retirees who are enrolled in one of the City-sponsored Medicare supplement plans.
 - E. Retiree will be responsible for making payments for their spouses medical premiums and any difference between the amount paid by the City and the total amount of the premium. Retirees may pay monthly, quarterly, or semi-annually. The City shall not do any billing.
- VI. This Plan is subject to any and all applicable State and Federal regulations. Changes to the Plan necessary to comply with these regulations shall be made by the City.

Furthermore, this Plan is also subject to the requirements of the medical plans (Kaiser, Foundation, Blue Cross and City-sponsored Medicare supplement plans, and any other plans adopted under Section III.A).

VII. ADVISORY COMMITTEE

- A. A committee will be formed consisting of (1) two representatives from each unit covered by this Plan; (2) one management representative appointed by the City Manager; and (3) one retiree nominated by the other members of the Committee and appointed by the City Manager. Until such time as there is a retiree available and interested in serving on the Committee, this appointment shall be vacant.
- B. The purpose of the Committee shall be (1) to adopt the initial Plan document for approval by the City Council; (2) review disagreements regarding coverage; (3) review actuarials, recommend when actuarials are needed and recommend fund expenditures for same; (4) establish benefit levels in the event the actuarials indicate the fund balance is in danger of becoming insolvent.

<u>[Signature]</u> Unit I, AFSCME, Local 2575	<u>8-11-93</u> Date
<u>[Signature]</u> Unit I, AFSCME, Local 2575	<u>8/11/93</u> Date
<u>[Signature]</u> Unit III, Treatment Plant Employees' Association	<u>8/11/93</u> Date
<u>[Signature]</u> Unit III, Treatment Plant Employees' Association	<u>8-19-93</u> Date
<u>[Signature]</u> Unit IV, Antioch City Employees' Association	<u>8-11-93</u> Date
<u>[Signature]</u> Unit IV, Antioch City Employees' Association	<u>8-11-1993</u> Date
<u>[Signature]</u> City Manager	<u>8/31/93</u> Date

Tab 6

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF ANTIOCH

AND

**ANTIOCH CITY EMPLOYEES' ASSOCIATION
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 2001 - SEPTEMBER 30, 2004

ARTICLE 12

HEALTH & WELFARE

12.1 Medical Insurance

- A. The City shall contract with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. The City shall pay sixteen dollars (\$16.00) per month on behalf of each active and retired employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of sixteen dollars (\$16.00) per month, the City shall pay such amount for the term of this MOU and the City shall reduce its contribution to the Flexible Benefits Plan pursuant to Section J, below by an amount equal to the PERS increase.
- C. Except as provided herein, represented employees shall purchase medical insurance through the PERS Medical Program. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of their PERS Medical Program. Employees who opt out of the PERS Medical Program shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. The City shall make available a \$25,000 group life insurance policy for each employee effective on the first day of the month following the date of hire. Represented employees shall be required to enroll in the \$25,000 life insurance policy.

ARTICLE 13

RETIREMENT

Retirement/One-Year Contingency

A. Public Employees' Retirement System (PERS)

The City shall provide coverage in the Public Employees' Retirement System (PERS) for all probationary and regular employees based on the 2% @ 55 Formula. The City shall pay the employee's contribution in the amount of seven percent (7%).

B. Retirement Plan Modifications

1. The City shall designate 3.274% of the PERS wages for this bargaining unit for the purpose of providing certain retirement enhancements, as described in paragraphs 2 and 3, below. To the extent that the Association may wish to implement retirement enhancements that exceed the 3.274% allocated for this purpose, the Association may "purchase" such enhancements by restructuring existing benefits of equal value/costs. The restructuring of benefits, if any, shall be by mutual agreement.
2. Subject to the City's ability to reach agreement with other affected bargaining units and pursuant to the provisions of paragraph 1, above, the PERS retirement benefits available for consideration shall be: Single Highest Year Retirement; the Employer Paid Member Contribution (EPMC) reported as Special Compensation or the EPMC converted to salary during the final compensation period; Level IV Survivor Benefits; and, Military Service Credit Buy-Back.
3. Subject to the City's ability to reach agreement with other affected bargaining units and pursuant to the provisions of paragraph 1, above, paid or partially paid Spousal Coverage may be added to the City Medical-After-Retirement Plan. If the City is unable to reach agreement with other affected bargaining units, the City will evaluate and, if feasible, make this benefit available on a bargaining unit, by bargaining unit basis.
4. If, by July 31, 2002 the Association has been unable to exercise its options under this Section because of the City's inability to make available the retirement benefits described in paragraphs 2 and 3, above, the Association may terminate the Memorandum Of Understanding (MOU), effective September 30, 2002.
 - a. If the Association wishes to cancel the MOU pursuant to this Section, it must serve written notice on the City Personnel Director no later than 5:00 p.m. on August 9, 2002. If such notice is not received, the Association will be deemed to have forfeited its right to terminate the MOU.
 - b. If the Association accepts any of the retirement benefits described in paragraphs 2 and 3, above, the City will have met its obligation under this Section and the Association will have forfeited its right to terminate this MOU.
 - c. If the Association terminates the MOU, the City shall provide the EPMC reported as Special Compensation and, the wage increase that was effective

October 1, 2001, and the structuring of Article 12. Health and Welfare will continue in effect. All other economic provisions of this MOU will be restored to the levels that existed on September 30, 2001.

C. Medical-After-Retirement

The City shall provide a Medical-After-Retirement benefit in accordance with the Medical-After-Retirement Plan on file in the Personnel Department. The City shall contribute to this Plan a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review.

The City and the Association agree that the parties will continue to discuss changes to the City's Medical-After-Retirement Plan Document, as reflected in City Proposal 11A. The purpose of such changes shall be to update the Plan Document to accurately reflect the current Plan benefits. Upon completion of these discussions and similar discussions with other affected bargaining units, the Plan Document will be revised to reflect mutually agreed upon modifications.

D. Deferred Compensation

The City shall contribute Fifty Dollars and No/100ths (\$50.00) per month per employee to the City's Deferred Compensation plan.

Tab 7

**CITY OF ANTIOCH
MEDICAL-AFTER-RETIREMENT REIMBURSEMENT PLAN
UNITS I, III, AND IV**

The Medical-After-Retirement Reimbursement Plan ("Plan") is established to provide for City contributions toward medical insurance premiums for retired employees as outlined below. Eligibility for and enrollment in City-sponsored medical plans are governed by the City's insurance provider. Subject to the provisions and limitations of this Plan, retirees may be enrolled in and be reimbursed for the premium expenses of alternative medical insurance plans.

I. ELIGIBILITY

- A. This Plan is available to regular City employees in Units I (Public Employees' Union, Local 1), III, (Treatment Plant Employees' Association), and IV (Antioch City Employees' Association) who: (1) are employed by the City on or after October 1, 1986; (2) are a minimum of fifty (50) years of age; (3) have ten (10) years of full-time regular (post-probationary) and probationary service or an equivalent amount of part-time probationary or regular service (i.e. half time for twenty (20) years) with the City at the time of retirement; and (4) retire from the City under a PERS retirement and begin to draw PERS retirement benefits immediately upon separation from the City.
- B. An employee who must retire due to an industrial injury and who meets criteria (1), (3), and (4) above is eligible for the benefits provided by this Plan at any age and may continue to receive benefits for as long as he/she is receiving PERS disability retirement benefits.
- C.1 Dependents of eligible participants will be allowed to enroll in group medical insurance programs subject to the regulations of those programs and at the expense of the retiree. A spouse of a deceased retiree may continue group medical coverage at his/her own cost, subject to the rules of the medical insurance provider. Any benefit provided pursuant to this Plan would cease upon remarriage.
- C.2 Subject to the limitations of the insurance provider, the spouse of an eligible retiree who retired on or after October 15, 2002 may be enrolled in the same City-sponsored medical plan or the same alternative medical plan as the retiree. City contributions toward spousal medical premiums shall be provided in accordance with this Plan Document. The spouse of a deceased retiree who retired on or after October 15, 2002 shall be eligible for continued contributions under this Plan except that such eligibility shall cease upon remarriage.

Dependents, other than the spouse, of a retiree who retired on or after October 15, 2002 may be enrolled in City-sponsored medical insurance, subject to the regulations of the insurance carrier and at the expense of the retiree.

The actual payment of benefits pursuant to Section C.2 shall begin on the first of the month following adoption of this Plan Document by the City Council.

- C.3 Spouses and other Dependents who were receiving benefits pursuant to C.1 and C.2 above and who lose dependent status shall have conversion rights or such continuation rights as exist under Federal law and subject to the rules of the group medical plans. At such time as the person loses dependent status, he/she should contact the City within sixty (60) days of the date coverage ends to make arrangements for conversion or continuation.

II. ENROLLMENT PERIOD

- A. If an employee who is eligible to receive medical insurance premium payments pursuant to Section I of this Plan wishes to participate in City-Sponsored group medical coverage following his/her retirement, the employee must satisfy all of the enrollment requirements of the insurance carrier on the final day of his/her employment and must continue to meet such enrollment requirements while in retirement. Other than verifying employment and/or retirement information, the City shall have no responsibility to resolve eligibility disputes with group medical insurance providers.

If a retiree who is eligible to participate in City-sponsored medical insurance does not enroll in this Plan immediately upon retirement, he/she may enroll in this Plan at a later day if he/she can show proof of continuous medical coverage from his/her date of retirement.

Nothing in this section is intended to prevent retired eligible members from obtaining health insurance from providers other than those provided through the City group programs. In the event that such member chooses another insurance carrier, the City's payment shall be as set forth in Section III.B.2.

- B. If a retiree chooses to enroll in alternative health insurance, such enrollment must be made within thirty (30) days of the date the retirement becomes effective. A retiree who does not enroll in alternative health insurance within thirty (30) days of his/her retirement may enroll in this Plan at a later time if he/she can show proof of continuous medical coverage from the date of his/her retirement.
- C. Should a retiree, spouse or qualified dependent who is enrolled in this Plan allow a lapse of coverage to occur, that person(s) will be dropped from this Plan. Such retiree, spouse or qualified dependent may re-enroll in this Plan if the retiree, spouse and/or qualified dependent can show proof of continued medical coverage during the period he/she was not enrolled in this Plan. Actual enrollment in City-sponsored medical insurance shall be subject to the limitations of the insurance provider (i.e.: open enrollment periods).
- D. Retirees who are enrolled in this Plan may add or delete dependents from medical coverage, subject to the limitations of the medical insurance provider.

III. COVERAGE

- A. Except as otherwise provided in this Plan, the medical insurance programs available to retirees shall be the same insurance programs currently offered to active employees and City-sponsored Medicare supplement plans except that: the City reserves the right to change medical insurance providers if it changes providers for current employees. If any of the medical providers are changed, the City will make provisions to cover retirees.

If the City adds additional medical insurance providers for current employees, those programs shall become eligible under this Plan for those employees working on or after the effective date of the change in providers. If provisions can be made to offer such programs to current retirees, the City will conduct a one-time open enrollment for such program(s).

B.1 For eligible employees who filed their retirement application prior to July 1, 1993, the City shall pay an amount for medical-after-retirement benefits not to exceed the premium for single-party coverage with the City-Sponsored Medical Insurance Provider (individual insurance carrier in the case of multiple provider programs) that had the highest enrollment of active City employees during the previous enrollment period.

B.2 Further, for eligible employees who file their retirement applications on or after July 1, 1993, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage as determined in Section III B.1. until that coverage reaches the cap listed below. The caps are twice what the City paid effective June 30, 1993. If the caps are re-negotiated at a later date, the new caps shall apply to anyone who retires after July 1, 1993.

	<u>Single</u>	<u>Single with Medicare</u>
CAP	\$ 310	\$ 192

B.3 For eligible employees who retire on or after October 15, 2002, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage until that coverage reaches the cap listed below. If the caps are re-negotiated at a later date, the new caps shall apply to anyone who retires after October 15, 2002.

	<u>Single</u>	<u>Plus Spouse</u>	<u>Single w/Medicare</u>	<u>Spouse w/Medicare</u>
CAP	\$310	\$620	\$192	\$384

B.4 The caps may be renegotiated based on actuarial studies of fund solvency. Any increase in the caps shall apply to anyone who retires on or after July 1, 1993 or October 15, 2002 as appropriate.

B.5 The maximum payment to retirees who obtain health insurance from providers other than City-Sponsored Providers shall be set at the same rate as for retirees who are enrolled in a City-Sponsored program. Except that, in no event shall such benefit exceed the actual cost of such coverage or the caps as set forth above.

C. Upon reaching age 65 any retiree who is enrolled in a City-sponsored medical program shall comply with the Medicare supplement requirements of the program provider, if any.

IV. CONTRIBUTION LEVEL

- A. The City shall contribute to this Plan an amount equal to a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review. Such contribution shall be included in the salary resolutions for each probationary and regular employee in Units I, III and IV.

For probationary or regular part-time employees, the City shall contribute said amount based on the appropriate proration of salary from the salary resolution.

- B. The fund shall be established and administered by the City's Finance Department. Contributions shall be made monthly to the fund. To insure highest possible interest rates, deposits may be combined with other City funds. However, separate records will be kept and interest will be credited to the account annually.
- C. Funds in this account belong to the Medical-After-Retirement Plan and are for the uses set forth in this document.
- D. The City's contribution rate to this Plan shall be considered as part of salary for all compensation comparisons with other agencies.

V. PAYMENT

- A. Premiums for City-sponsored medical plans shall be deducted from the retiree's PERS' check. Retiree may be responsible for authorizing these deductions at the time of retirement. Deductions can be made to cover dependents. The City will automatically reimburse retirees for the appropriate amount.
- B. Retirees who are enrolled in an alternative medical plan shall submit a request for reimbursement to the City. Requests for reimbursement may be made monthly but in no event less than once per year. Retirees who are enrolled in alternative medical coverage shall provide proof of payment with their reimbursement requests.
- C. Retirees who are responsible for the payment of medical premiums for their spouses' or other dependents shall pay any difference between the amount paid by the City and the total amount of the premium.


- VI. This Plan is subject to any and all applicable State and Federal regulations. Changes to the Plan necessary to comply with these regulations shall be made by the City.

Furthermore, this Plan also may be subject to certain requirements imposed by the City-Sponsored medical insurance providers.


VII. ADVISORY COMMITTEE

- A. The Advisory Committee shall consist of (1) one representative from each unit covered by this Plan; (2) one management representative appointed by the City Manager; and (3) one retiree nominated by the other members of the Committee and appointed by the City Manager. If there is no retiree available and interested in serving on the Committee, this appointment shall be vacant. A quorum shall consist of at least two employee representatives and the management representative.

- B. The purpose of the committee shall be to periodically review Plan finances, including actuarial and other financial reports, and to evaluate the application and administration of the various provisions of this Plan Document. The Advisory Committee shall have no decision-making authority regarding the operation or funding of this Plan. The Advisory Committee may make recommendations to the City Manager regarding same.
- C. The Advisory Committee may meet upon request of any Committee member and shall meet at least once each calendar year.


 Unit I, Public Employees' Union, Local 1

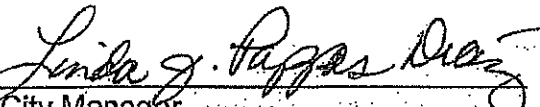
12/17/02
12-17-02
 Date


 Unit III, Treatment Plant
 Employees' Association

12-10-02
 Date


 Unit IV, Antioch City Employees'
 Association

12/11/02
 Date


 City Manager

12/17/02
 Date

Tab 8

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF ANTIOCH

AND

**ANTIOCH CITY EMPLOYEES' ASSOCIATION
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 2004 - SEPTEMBER 30, 2005

ARTICLE 12

HEALTH & WELFARE

12.1 Medical Insurance

- A. The City shall contract with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. Effective January 1, 2005, the City shall pay forty-eight dollars and forty cents (\$48.40) per month on behalf of each active and retired employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of forty-eight dollars and forty cents (\$48.40) per month, the City shall pay such amount for the term of this MOU and the City shall reduce its contribution to the Flexible Benefits Plan pursuant to Section J. below by an amount equal to the PERS increase
- C. Except as provided herein, represented employees shall purchase medical insurance through the PERS Medical Program. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of their PERS Medical Program. Employees who opt out of the PERS Medical Program shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. The City shall contribute the monthly premium amount necessary to purchase a \$25,000 group life insurance policy for each employee effective on the first day of the month following the date of hire. Represented employees shall be required to enroll in the \$25,000 life insurance policy.

ARTICLE 13

RETIREMENT

Retirement

A. Public Employees' Retirement System (PERS)

The City shall continue to provide coverage in the Public Employees' Retirement System (PERS) for all probationary and regular employees based on the 2.7% @ 55 Benefit Formula and Single Highest Year Retirement. The City shall pay a portion of the employee's contribution in the amount of seven percent (7%) and shall report such contribution to PERS as Special Compensation.

1. The City will continue to pay the additional one percent (1%) employee PERS contribution through September 1, 2005. Beginning October 1, 2005, represented employees shall become responsible for the payment of the additional one percent (1%) employee contribution.

B. Medical-After-Retirement

The City shall provide a Medical-After-Retirement benefit in accordance with the Medical-After-Retirement Plan on file in the Personnel Department. The City shall contribute to this Plan a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review.

C. Deferred Compensation

The City shall contribute Fifty Dollars and No/100ths (\$50.00) per month per employee to the City's Deferred Compensation plan.

Tab 9

MEMORANDUM

from
Personnel Department

**STAFF REPORT TO THE MAYOR AND CITY COUNCIL
FOR CONSIDERATION AT THE COUNCIL MEETING OF JANUARY 11, 2005**

PREPARED BY: Holly Brock-Cohn, Personnel Director

DATE: January 11, 2005

**SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
IMPLEMENTING A TEMPORARY INCREASE IN THE MEDICAL AFTER
RETIREMENT PLAN CAPS**

RECOMMENDATION

Adopt the attached resolution.

BACKGROUND

The City has three Medical After Retirement (MAR) plans. One plan covers employees in the POA, a second plan covers employees in Unit's I, III and IV (Maintenance, Water Treatment Plant and general employees) and the third plan covers Confidential and Management employees. The plans have slight differences but generally all cover employees who retire with at least 10 years of service and take a PERS retirement. The confidential and management plan covers spouse and dependents. The other plans include coverage for spouses.

In 1993 Caps were established in each plan and anyone who retired after 1993 is subject to these caps. The caps are the same in each plan and were set at an amount that was twice what the city paid for active employees in June 1993. Health care costs have risen substantially in the past 12 years and the premiums for all offered plans have now exceeded the caps. The plans state "the City will pay as medical after retirement benefits an amount not to exceed what is paid for active employees for the same coverage until that coverage reaches the caps..." Active employees are paid based on the most populated plans.

The current most populated plans for active employees exceed the caps by \$44.69 for singles, \$89.38 for 2-party and \$193.90 for family. As of January 1, 2005 there are 111 retirees of which 81 are subject to the caps. Of the 81 retirees, 35 are single, 45 are 2-party and 1 is family.

Staff is recommending a temporary increase in the caps at this time due to the need to refine the specific details of the actuarial study currently in process. The MAR agreements require that the City conduct an actuarial study periodically to determine the percentage of salary the City needs to contribute into each MAR fund to keep each fund solvent.

The last actuarial was completed in 2001. Staff anticipates completing the current actuarial study within the next two to three months.

The City is not under any obligation to raise the caps permanently. The MAR agreements only require the City to study the financial status of the MAR funds, meet with the MAR committees and consider modifications as outlined in the agreements.

FINANCIAL IMPACT

The cost to temporarily increase the caps by \$44.69, \$89.38 and \$193.90 based on single, 2-party and family status respectively is approximately \$5780/month.

OPTIONS

Do not approve the proposed changes.

ATTACHMENTS

Resolution

Medical After Retirement Agreements

RESOLUTION NO. 2005/_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
IMPLEMENTING A TEMPORARY INCREASE IN THE MEDICAL AFTER RETIREMENT
PLAN CAP'S**

WHEREAS the City Medical After Retirement (MAR) plans cap the amount the City will reimburse retirees for medical expenses and;

WHEREAS the current caps were set in 1993 and the premiums of the City sponsored health plans have exceeded the current caps and;

WHEREAS the city is in the process of conducting an actuarial study of the MAR funds including a review of the assumptions established when the last actuarial was completed in 2001 and completion of the actuarial study will take two to three months;

NOW THEREFORE, be it resolved that:

SECTION I: The City will increase the single, two party and family caps by \$44.69, \$89.38 and \$193.90 respectively on a temporary basis until the actuarial study is complete and;

SECTION II: After the calculations are reviewed the City will determine if any adjustments to the cap will be made on an ongoing basis.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council on the City of Antioch at a regular meeting thereof held on the 11th day of January, 2005 by the following vote:

AYES:

NOES:

ABSENT:

CITY CLERK OF THE CITY OF ANTIOCH

1/11/05

**CITY OF ANTIOCH
MEDICAL-AFTER-RETIREMENT REIMBURSEMENT PLAN
UNITS I, III, AND IV**

The Medical-After-Retirement Reimbursement Plan ("Plan") is established to provide for City contributions toward medical insurance premiums for retired employees as outlined below. Eligibility for and enrollment in City-sponsored medical plans are governed by the City's insurance provider. Subject to the provisions and limitations of this Plan, retirees may be enrolled in and be reimbursed for the premium expenses of alternative medical insurance plans.

I. ELIGIBILITY

- A. This Plan is available to regular City employees in Units I (Public Employees' Union, Local 1), III, (Treatment Plant Employees' Association), and IV (Antioch City Employees' Association) who: (1) are employed by the City on or after October 1, 1986; (2) are a minimum of fifty (50) years of age; (3) have ten (10) years of full-time regular (post-probationary) and probationary service or an equivalent amount of part-time probationary or regular service (i.e. half time for twenty (20) years) with the City at the time of retirement; and (4) retire from the City under a PERS retirement and begin to draw PERS retirement benefits immediately upon separation from the City.
- B. An employee who must retire due to an industrial injury and who meets criteria (1), (3), and (4) above is eligible for the benefits provided by this Plan at any age and may continue to receive benefits for as long as he/she is receiving PERS disability retirement benefits.
- C.1 Dependents of eligible participants will be allowed to enroll in group medical insurance programs subject to the regulations of those programs and at the expense of the retiree. A spouse of a deceased retiree may continue group medical coverage at his/her own cost, subject to the rules of the medical insurance provider. Any benefit provided pursuant to this Plan would cease upon remarriage.
- C.2 Subject to the limitations of the insurance provider, the spouse of an eligible retiree who retired on or after October 15, 2002 may be enrolled in the same City-sponsored medical plan or the same alternative medical plan as the retiree. City contributions toward spousal medical premiums shall be provided in accordance with this Plan Document. The spouse of a deceased retiree who retired on or after October 15, 2002 shall be eligible for continued contributions under this Plan except that such eligibility shall cease upon remarriage.

Dependents, other than the spouse, of a retiree who retired on or after October 15, 2002 may be enrolled in City-sponsored medical insurance, subject to the regulations of the insurance carrier and at the expense of the retiree.

The actual payment of benefits pursuant to Section C.2 shall begin on the first of the month following adoption of this Plan Document by the City Council.

- C.3 Spouses and other Dependents who were receiving benefits pursuant to C.1 and C.2 above and who lose dependent status shall have conversion rights or such continuation rights as exist under Federal law and subject to the rules of the group medical plans. At such time as the person loses dependent status, he/she should contact the City within sixty (60) days of the date coverage ends to make arrangements for conversion or continuation.

II. ENROLLMENT PERIOD

- A. If an employee who is eligible to receive medical insurance premium payments pursuant to Section I of this Plan wishes to participate in City-Sponsored group medical coverage following his/her retirement, the employee must satisfy all of the enrollment requirements of the insurance carrier on the final day of his/her employment and must continue to meet such enrollment requirements while in retirement. Other than verifying employment and/or retirement information, the City shall have no responsibility to resolve eligibility disputes with group medical insurance providers.

If a retiree who is eligible to participate in City-sponsored medical insurance does not enroll in this Plan immediately upon retirement, he/she may enroll in this Plan at a later day if he/she can show proof of continuous medical coverage from his/her date of retirement.

Nothing in this section is intended to prevent retired eligible members from obtaining health insurance from providers other than those provided through the City group programs. In the event that such member chooses another insurance carrier, the City's payment shall be as set forth in Section III.B.2.

- B. If a retiree chooses to enroll in alternative health insurance, such enrollment must be made within thirty (30) days of the date the retirement becomes effective. A retiree who does not enroll in alternative health insurance within thirty (30) days of his/her retirement may enroll in this Plan at a later time if he/she can show proof of continuous medical coverage from the date of his/her retirement.
- C. Should a retiree, spouse or qualified dependent who is enrolled in this Plan allow a lapse of coverage to occur, that person(s) will be dropped from this Plan. Such retiree, spouse or qualified dependent may re-enroll in this Plan if the retiree, spouse and/or qualified dependent can show proof of continued medical coverage during the period he/she was not enrolled in this Plan. Actual enrollment in City-sponsored medical insurance shall be subject to the limitations of the insurance provider (i.e.: open enrollment periods).
- D. Retirees who are enrolled in this Plan may add or delete dependents from medical coverage, subject to the limitations of the medical insurance provider.

III. COVERAGE

- A. Except as otherwise provided in this Plan, the medical insurance programs available to retirees shall be the same insurance programs currently offered to active employees and City-sponsored Medicare supplement plans except that: the City reserves the right to change medical insurance providers if it changes providers for current employees. If any of the medical providers are changed, the City will make provisions to cover retirees.

If the City adds additional medical insurance providers for current employees, those programs shall become eligible under this Plan for those employees working on or after the effective date of the change in providers. If provisions can be made to offer such programs to current retirees, the City will conduct a one-time open enrollment for such program(s).

B.1 For eligible employees who filed their retirement application prior to July 1, 1993, the City shall pay an amount for medical-after-retirement benefits not to exceed the premium for single-party coverage with the City-Sponsored Medical Insurance Provider (individual insurance carrier in the case of multiple provider programs) that had the highest enrollment of active City employees during the previous enrollment period.

B.2 Further, for eligible employees who file their retirement applications on or after July 1, 1993, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage as determined in Section III B.1. until that coverage reaches the cap listed below. The caps are twice what the City paid effective June 30, 1993. If the caps are re-negotiated at a later date, the new caps shall apply to anyone who retires after July 1, 1993.

	<u>Single</u>	<u>Single with Medicare</u>
CAP	\$ 310	\$ 192

B.3 For eligible employees who retire on or after October 15, 2002, the City will pay as medical-after-retirement benefits an amount not to exceed what is paid for active employees for the same coverage until that coverage reaches the cap listed below. If the caps are re-negotiated at a later date, the new caps shall apply to anyone who retires after October 15, 2002.

	<u>Single</u>	<u>Plus Spouse</u>	<u>Single w/Medicare</u>	<u>Spouse w/Medicare</u>
CAP	\$310	\$620	\$192	\$384

B.4 The caps may be renegotiated based on actuarial studies of fund solvency. Any increase in the caps shall apply to anyone who retires on or after July 1, 1993 or October 15, 2002 as appropriate.

B.5 The maximum payment to retirees who obtain health insurance from providers other than City-Sponsored Providers shall be set at the same rate as for retirees who are enrolled in a City-Sponsored program. Except that, in no event shall such benefit exceed the actual cost of such coverage or the caps as set forth above.

C. Upon reaching age 65 any retiree who is enrolled in a City-sponsored medical program shall comply with the Medicare supplement requirements of the program provider, if any.

IV. CONTRIBUTION LEVEL

- A. The City shall contribute to this Plan an amount equal to a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review. Such contribution shall be included in the salary resolutions for each probationary and regular employee in Units I, III and IV.

For probationary or regular part-time employees, the City shall contribute said amount based on the appropriate proration of salary from the salary resolution.

- B. The fund shall be established and administered by the City's Finance Department. Contributions shall be made monthly to the fund. To insure highest possible interest rates, deposits may be combined with other City funds. However, separate records will be kept and interest will be credited to the account annually.
- C. Funds in this account belong to the Medical-After-Retirement Plan and are for the uses set forth in this document.
- D. The City's contribution rate to this Plan shall be considered as part of salary for all compensation comparisons with other agencies.

V. PAYMENT

- A. Premiums for City-sponsored medical plans shall be deducted from the retiree's PERS' check. Retiree may be responsible for authorizing these deductions at the time of retirement. Deductions can be made to cover dependents. The City will automatically reimburse retirees for the appropriate amount.
- B. Retirees who are enrolled in an alternative medical plan shall submit a request for reimbursement to the City. Requests for reimbursement may be made monthly but in no event less than once per year. Retirees who are enrolled in alternative medical coverage shall provide proof of payment with their reimbursement requests.
- C. Retirees who are responsible for the payment of medical premiums for their spouses' or other dependents shall pay any difference between the amount paid by the City and the total amount of the premium.

- VI. This Plan is subject to any and all applicable State and Federal regulations. Changes to the Plan necessary to comply with these regulations shall be made by the City.

Furthermore, this Plan also may be subject to certain requirements imposed by the City-Sponsored medical insurance providers.

VII. ADVISORY COMMITTEE

- A. The Advisory Committee shall consist of (1) one representative from each unit covered by this Plan; (2) one management representative appointed by the City Manager; and (3) one retiree nominated by the other members of the Committee and appointed by the City Manager. If there is no retiree available and interested in serving on the Committee, this appointment shall be vacant. A quorum shall consist of at least two employee representatives and the management representative.

- B. The purpose of the committee shall be to periodically review Plan finances, including actuarial and other financial reports, and to evaluate the application and administration of the various provisions of this Plan Document. The Advisory Committee shall have no decision-making authority regarding the operation or funding of this Plan. The Advisory Committee may make recommendations to the City Manager regarding same.
- C. The Advisory Committee may meet upon request of any Committee member and shall meet at least once each calendar year.

John A. ...
 Unit I, Public Employees' Union, Local 1

12-17-02
12-17-02
 Date

Dean ...
 Unit III, Treatment Plant
 Employees' Association

12-10-02
 Date

Alfred E. ...
 Unit IV, Antioch City Employees'
 Association

12/11/02
 Date

Linda G. Pappas Diaz
 City Manager

12/17/02
 Date

Tab 10

RESOLUTION NO. 2005/05

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
IMPLEMENTING A TEMPORARY INCREASE IN THE MEDICAL AFTER RETIREMENT
PLAN CAP'S**

WHEREAS the City Medical After Retirement (MAR) plans cap the amount the City will reimburse retirees for medical expenses and;

WHEREAS the current caps were set in 1993 and the premiums of the City sponsored health plans have exceeded the current caps and;

WHEREAS the city is in the process of conducting an actuarial study of the MAR funds including a review of the assumptions established when the last actuarial was completed in 2001 and completion of the actuarial study will take two to three months;

NOW THEREFORE, be it resolved that:

SECTION I: The City will increase the single, two party and family caps by \$44.69, \$89.38 and \$193.90 respectively on a temporary basis until the actuarial study is complete and;

SECTION II: After the calculations are reviewed the City will determine if any adjustments to the cap will be made on an ongoing basis.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council on the City of Antioch at a regular meeting thereof held on the 11th day of January, 2005 by the following vote:

AYES: Council Member Davis, Conley and Mayor Freitas

NOES: Council Member Kalinowski and Simonsen

ABSENT: None



CITY CLERK OF THE CITY OF ANTIOCH

Mayor Freitas thanked the Auditors.

8. RESOLUTION IMPLEMENTING A TEMPORARY INCREASE IN THE MEDICAL AFTER RETIREMENT PLAN CAPS #505-01

Personnel Director Brock-Cohn presented the staff report dated January 11, 2005 recommending the City Council adopt the resolution.

Mayor Freitas stated if the resolution was adopted he wanted the City to be very clear with the retirees it was a temporary gap and the City was performing the audit.

Councilmember Simonsen expressed concern the data had not been provided indicating the cap increases were valid. He questioned where the money would be coming from and how the City Council would address the issue so there would be no impact on the budget. He stated if the actuarial was completed he did not know what would preclude the City Council from making it retroactive to January 1, 2005. He requested when reports were received by the City Council, they include information from the Finance Director regarding the fiscal impacts.

Personnel Director Brock-Cohn stated retirees were paid based on the most populated plans by active employees up to whatever cap was set and this was the first year the cap had been exceeded by most of the retirees due to the increase in the cost of premiums. She noted the recommendation was to increase the cap amount for single and employee +1 by the amount the most populated plan was over the cap.

In response to Councilmember Simonsen, Personnel Director Brock-Cohn stated it would be acceptable not to act on a temporary increase and wait until the actuarial was completed and make the increase retroactive to January 1, 2005.

In response to Councilmember Kallnowski, Ms. Brock-Cohn stated during her career she had never seen enhancements to benefits received by employee organizations outside the MOU or negotiation process.

Councilmember Kallnowski stated he understood why the issue needed to be resolved temporarily although he felt the City Council needed to revisit the issue promptly as he felt the City should not revisit enhancements to any contract unless the contract had expired or the employee organization was willing to open the contract up for renegotiations. He questioned how policy should be set moving forward to correct the issue.

Ms. Brock-Cohn stated she would need to research the process of reentering the negotiation process. She clarified there was the ability to negotiate side letters when an MOU was in place, however it was limited with monetary or significant changes in labor practices generally requiring City Council authorization.

City Attorney Galstan added the documents related to the Medical After Retirement was an ongoing vested retirement program and could only be changed by mutual consent of the employees and City Council. He noted the City was contractually obligated to do the actuarial study, however what was done with the study was based on meet and confer obligations between the City and the groups.

Finance Director Tasker clarified the actuarial had been completed although the actuary had requested additional information related to demographics and turnover. He stated there would

eventually be liability to the General Fund if the City continued to fund the cap.

A motion was made by Councilmember Conley, seconded by Councilmember Kalinowski to adopt the resolution implementing a *temporary* increase in the medical after retirement plan caps in the amount not to exceed \$18k.

Councilmember Kalinowski stated he would support the motion provided a resolution was brought back to the City Council clearly delineating future enhancements would occur only during contract negotiations and funds expended in the cycle be funded from employee contributions of the employees with no liability to the General Fund.

In response to Councilmember Simonsen, Finance Director Tasker clarified the funds were paid for out of the city employer paid money in the General Fund.

Councilmember Kalinowski pulled his second.

RESOLUTION NO. 2005/05

On motion by Councilmember Conley, seconded by Councilmember Davis the City Council members present adopted the resolution implementing a temporary increase in the medical after retirement plan caps in the amount not to exceed \$18k. The motion carried by the following vote:

Ayes: Freitas, Davis, Conley

Noes: Kalinowski, Simonsen

9. APPOINTMENT TO DOWNTOWN REDEVELOPMENT/WATERFRONT COMMITTEE

..... #302-01

Councilmember Conley stated due to the importance of Downtown Redevelopment he was requesting the subcommittee be dissolved and the City Council meet as a whole in during Work/Study Sessions to discuss the issue.

Councilmember Kalinowski agreed with Councilmember Conley stating he was willing to participate in monthly Study Sessions to discuss the Downtown Redevelopment Waterfront Plan.

Councilmember Simonsen stated he felt the subcommittee process worked very well.

Councilmember Davis stated he would like to participate in the process in either the subcommittee or with the City Council as a whole.

Mayor Freitas stated if the City Council met as a whole, the screening process would become a public matter and could prevent open discussion, which he did not feel would be in the best interest of the City.

City Attorney Galstan stated there could be aspects of the screening process that would be confidential and could be subject to Closed Session review.

Following discussion the City Council consensus agreed to hold the discussion of the item until direction from the Council on item #12 of the agenda.

Mayor Freitas adjourned to the Antioch Public Financing Authority with all Authority Members present.

Tab 11

Personnel Department
P.O. Box 5007, Antioch, CA 94531

(925)779-7020
FAX (925)779-7002

January 26, 2005

Dear Retiree:

For the first time since CAPs were added to the Medical After Retirement (MAR) plans, many retirees have reached or exceeded the established CAPs. As a result of the way in which CalPERS charges premiums, there is some confusion among retirees enrolled in CalPERS Health plans as to whether the City is paying the full CAP. This letter is intended to clear up any confusion and provide an update on the status of the MAR plans.

The Government Code which establishes the rules under which CalPERS provides health insurance requires that all agencies that contract with CalPERS for health insurance pay a Minimum Employer Contribution (MEC) and that the MEC be equal for active and retired employees. When established in 1962 the MEC was \$16.00. This amount remained in effect until January 1, 2004.

In 2002 due to consistently high medical inflation rates, CALPERS recommended, and the State Legislature approved MEC rate increases. This amount had not changed since 1962, with no adjustment for inflation since its enactment nearly 40 years ago. The increases were set to phase in over five years beginning in 2004 as follows.

Prior to January 1, 2004, sixteen dollars (\$16.00) per month
During calendar Year 2004, thirty-two dollars and twenty cents (\$32.20) per month
During calendar Year 2005, forty-eight dollars and forty cents (\$48.40) per month
During calendar Year 2006, sixty-four dollars and sixty cents (\$64.60) per month
During calendar Year 2007, eighty dollars and eighty cents (\$80.80) per month
During calendar year 2008, ninety-seven dollars (\$97.00) per month

Commencing January 1, 2009, the employer's minimum contribution rate shall be adjusted annually by the CALPERS board.

The City of Antioch, CALPERS MEC rate is currently forty-eight dollars and forty cents (\$48.40) per month. This amount is what is required by CALPERS to be paid on behalf of all enrolled active or retired City of Antioch employees and is paid directly to CalPERS. The MEC is a portion of the premium. It is NOT an additional amount on top of the set premium and it is NOT an administrative fee. In practice, CalPERS establishes premiums (see attached for 2005 amounts). Then CalPERS charges the local agency directly for the MEC. For retirees the remainder of the premium is charged to the retiree. The following examples illustrate the point for both 2004 and 2005 to demonstrate the change.

For an Employee who retired from the City as a Maintenance Worker or Secretary who is currently married and has Kaiser Health Plan:

2005

Premium = \$709.38 (2005 2-party Kaiser with out Medicare)
MEC billed to City = \$ 48.40

Billed to Retiree = \$660.98 (\$709.38 - 48.40)

City of Antioch, based on MAR agreement with CAP of \$620:

Payment to CalPERS = \$ 48.40
Payment to Retiree = \$571.60

Total payment of City = \$620.00 (total premium is above CAP so retiree is reimbursed up to the CAP)

The same scenario for 2004:

2004

Premium = \$610.84 (2004 2-party Kaiser with out Medicare)
MEC billed to City = \$ 32.20

Billed to Retiree = \$578.64 (\$610.84 - 32.20)

City of Antioch, based on MAR agreement with CAP of \$620:

Payment to CalPERS = \$ 32.20
Payment to Retiree = \$578.64

Total payment of City = \$610.84 (total premium is below CAP of \$620 so retiree is reimbursed in full)

The City is currently in the process of conducting an actuarial study of the MAR funds. Once the actuarial is complete, the City will consider whether or not to permanently increase the CAPs. Due to the length of time the actuarial is taking, the Council authorized a *temporary* increase in the CAPs of \$44.69 for singles, \$89.38 for 2-party and \$193.90 for family based upon current eligibility requirements for each MAR plan. This temporary increase is in effect not to exceed \$18,000 or three months. A letter will be sent to all retirees once the actuarial is complete and the City has made a final decision on the CAPs.

In raising the CAP temporarily the Council has not committed to a permanent increase. The final decision will be based not only on the actuarial study but a variety of other factors that may impact the financial condition of the City.

Lastly, I would like to remind all retirees that the City of Antioch MAR plans do not require retirees to stay with CalPERS Health. The plans only require that retirees maintain continuous coverage. If you are able to find a health plan that is less expensive than CalPERS that meets your needs there are no constraints against making a change. The only difference in process is that you would pay the premium directly and send a copy of the bills to City of Antioch payroll. You will receive a reimbursement check monthly up to the applicable CAP.

If you have any questions please call me at 925-779-7020 or Carol Cline at 925-779-7000 x2042.

Sincerely,

HOLLY BROCK-COHN
Personnel Director

J:\PERS\Retirees\Jan 05 ltr re MAR.doc

Tab 12

MEMORANDUM
from
Personnel Department

**STAFF REPORT TO THE MAYOR AND CITY COUNCIL
FOR CONSIDERATION AT THE COUNCIL MEETING OF APRIL 26, 2005**

PREPARED BY: *HBC* Holly Brock-Cohn, Personnel Director

DATE: April 26, 2005

**SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
ALLOWING THE TEMPORARY INCREASE IN THE MEDICAL AFTER
RETIREMENT PROGRAM CAPS TO LAPSE**

RECOMMENDATION

Adopt the attached resolution.

BACKGROUND

On January 11, 2005, staff brought before City Council a resolution to temporarily increase the MAR caps while a revised actuarial study on each of the three MAR plans was conducted. The study has been completed and demonstrates that the costs to the City of each of the plans based on the current caps has increased significantly. This means that increases in the caps can not be financed within the existing funding structure.

The POA has requested that the City increase the existing caps. Currently most city employees contribute to health insurance on a monthly basis. Since 2002, the City has shared the increase in premium costs with employees based on the most populated plans. Depending on the plan chosen, some employees may be contributing toward the cost.

With the increase in premiums, retirees are now beginning to reach the caps and therefore, they may also need to contribute toward their premium costs.

The City has been using general fund reserves the past two years and faces a budget shortfall for at least the next two years. It would seem that consideration of a cap increase should be deferred until the budget discussions in May and June. Additionally this may be a subject for labor negotiations.

FINANCIAL IMPACT

None, if the temporary caps are rescinded.

DL
4/26/05
cont to 5/10/05

OPTIONS

Increase the MAR caps by an amount to be determined. Approximate costs are \$5,780 per month based on recent temporary cap increase.

ATTACHMENTS

Resolution

Medical After Retirement Agreements

Actuarial Report documents

4/26/05

RESOLUTION NO. 2005/

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
ALLOWING THE TEMPORARY INCREASE IN THE MEDICAL AFTER RETIREMENT
PLAN CAPS TO LAPSE**

WHEREAS the City Council on January 11, 2005 authorized a three month increase in the Medical After Retirement (MAR) plan caps and;

WHEREAS a revised actuarial study has been completed which demonstrates that the costs to the City of each of the MAR plans, based on current caps, has increased significantly and;

WHEREAS an increase in the caps can not be financed within the existing MAR fund structure;

NOW THEREFORE, be it resolved that:

SECTION I: The City will end the temporary increase in the MAR caps for all retired employees effective April 30, 2005.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council on the City of Antioch at a regular meeting thereof held on the 26th day of April, 2005 by the following vote:

AYES:

NOES:

ABSENT:

CITY CLERK OF THE CITY OF ANTIOCH

4/26/05

Tab 13

MEMORANDUM

**from
Personnel Department**

**STAFF REPORT TO THE MAYOR AND CITY COUNCIL
FOR CONSIDERATION AT THE COUNCIL MEETING OF MAY 10, 2005**

PREPARED BY: Holly Brock-Cohn, Personnel Director

DATE: May 10, 2005

SUBJECT: Update on meeting with employee groups regarding MAR plans

RECOMMENDATION

Adopt and file.

BACKGROUND

City staff has met with the POA Medical After Retirement Advisory committee three times since December 2004. We first met in December 2004 with the POA and the Actuary to discuss the actuarial valuation completed in November 2004. At that time the POA asked the City and Actuary to review some of the assumptions. On January 11, 2005, staff brought before City Council a resolution to temporarily increase the MAR caps while a revised actuarial study on each of the three MAR plans was conducted.

City staff met again with the POA MAR advisory committee and the Actuary on April 14, 2005 to discuss the results of the updated actuarial report. The study demonstrates that the cost to the City of each of the plans based on the current caps has increased significantly. While each fund currently has a balance in real cash, each fund also has unfunded liabilities based on both current and future retirees which results in each fund being in the red.

At the Council meeting of April 26, 2005, staff recommended that the temporary increase in MAR caps be allowed to lapse. The Council requested that staff meet with each of the MAR advisory committees to go over the actuarial report and provide more information to the City Council. Since the Council meeting of the 26th, staff has met with each of the three MAR advisory committees to discuss the actuarial report. The report was proved to each of the committee members prior to the meetings. The City Council has also received a copy of the full actuarial report.

An increase in the caps will cause an increase in general fund expenditures. Currently, MAR accounts are funded through a percentage of salary charge per employee. Funds are moved from each of the city operating funds (general fund, internal service fund and enterprise fund depending on where each employee is charged) into the appropriate MAR fund. Since the POA is funded from the General Fund, any increase in MAR payments to the POA would come directly from the General Fund.

The POA has requested that the City increase the existing caps. Currently most city employees contribute to health insurance on a monthly basis. Since 2002, the City has shared the increase in premium costs with employees based on the most populated plans. Depending on the plan chosen, some employees may be contributing toward the cost.

With the increase in premiums, retirees are now beginning to reach the caps and therefore, they may also need to contribute toward their premium costs.

The City has been using general fund reserves the past two years and faces a budget shortfall for at least the next two years. It would seem that consideration of a cap increase would be inappropriate at this time. Additionally this may be a subject for labor negotiations. Units I, III and IV and Management and Confidential all have contracts ending in September of this year. Any one of these groups is welcome to suggest an increase in retirement benefits during negotiations. The request can then be considered as part of the entire package. The POA contract is up in 2007. At that time, the POA may also request an increase in benefits. Although the City MAR do not require that changes be made only during negotiations, they do directly affect the cost of salary and benefits paid to an employee. To consider an increase in retirement benefits outside of the entire salary and benefits package is inappropriate.

FINANCIAL IMPACT

None, if the temporary caps are rescinded.

OPTIONS

Increase the MAR caps by an amount to be determined. Approximate costs are \$5,780 per month based on recent temporary cap increase.

ATTACHMENTS

Resolution

Medical After Retirement Agreements

Actuarial Report documents

4/26/05

Tab 14

MEMORANDUM
from
Personnel Department

**STAFF REPORT TO THE MAYOR AND CITY COUNCIL
FOR CONSIDERATION AT THE COUNCIL MEETING OF MAY 10, 2005**

PREPARED BY: Holly Brock-Cohn, Personnel Director

DATE: May 10, 2005

**SUBJECT: STATUS OF DISCUSSION RELATED TO THE
MEDICAL-AFTER-RETIREMENT PLANS**

RECOMMENDATION

Receive and file.

BACKGROUND

Since the City Council meeting of April 26th Staff has met with each of the three advisory committees associated with each of the Medical-After-Retirement plans. All members of the committees and the City Council received a copy of the actuarial report. Each group was asked to meet with their respective members and report back to the City on their interest in pursuing the discussion of increasing the caps. The POA indicated they may have a financial expert review the actuarial report the City presented. We anticipate hearing back from each committee by early June.

FINANCIAL IMPACT

No additional costs beyond the continued temporary cap increase of approximately \$5,780/mo.

ATTACHMENTS

Actuarial Report



5/10/05

City of Antioch

**July 1, 2004
Actuarial Valuation of
Post-Retirement Medical Benefits**

April 30, 2005

Actuarial & Financial Consulting

City of Antioch

POST-RETIREMENT MEDICAL BENEFITS

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CITY OF ANTIOCH

Post-Retirement Medical Benefits

Discussion

Valuation Results

The valuation as of 7/1/2004 produced significantly higher liability and cost results (in dollars) than the prior valuation at 7/1/2001. This was caused by several factors including the addition of spouse coverage for General Employees as of 10/15/2002, a 26% increase in the combined active and retired life population; a 32% increase in payroll, the effect of medical inflation up to the current cap cost limits and the effect of changes in the assumed rates of termination and retirement derived from employee experience between 2000 and 2004.

	<u>Accumulated Post-Retirement Benefit Liability (APBO)</u>		<u>Annual Contribution</u>	
	7/1/2004	7/1/2001	7/1/2004	7/1/2001
	(in thousands)			
General Employees	\$ 4,135	\$ 1,715	\$ 424	\$ 106
Police	2,425	1,228	286	82
Management/Confid.	<u>5,828</u>	<u>4,332</u>	<u>469</u>	<u>307</u>
Total	\$12,388	\$ 7,275	\$ 1,179	\$495

The addition of General Employee Spouses added \$ 675,000 to the 7/1/2001 Liability and added \$ 108,000 to the 7/1/2001 Annual Contribution shown above.

While medical inflation keeps driving up the total premium cost, the cost increases to the City of Antioch have been moderated since the current level of medical premiums has reached the cap limits, with the exception of 31 retirees without cap limits who retired prior to 7/1/1993 and a few under age 65 Management Employees who have PersChoice coverage with premium that is still less than the \$ 450 monthly premium cap limit.

Since 7/1/2001, the overall asset to liability (APBO) ratio has decreased from 44% to 39%. By employee category the ratios are shown below:

	<u>7/1/2004</u>	<u>7/1/2001</u>
General Employees	50%	77%
Police	63	92
Management/Confidential	<u>22</u>	<u>17</u>
Combined	39%	44%

CITY OF ANTIOCH

Post-Retirement Medical Benefits (discussion continued)

The decrease in the General Employee and Police ratios are due primarily to the addition of spouse benefits, for General Employees, heavier than expected Police retirements and the changes in termination and retirement assumptions. The Management/ Confidential Employee ratio has increased due primarily to the addition of new staff that has no unfunded liability.

Assumption Changes

The following actuarial assumption changes were made since the 7/1/2001 valuation to better reflect the expected demographic and financial experience.

1. **Medical Cost Trend :** The 7/1/04 valuation medical trend is based on mid-year (Jan, 1) premium cost increases and grades from 5.5% in 2005/06 to 10.5% in 2006/07 down to 6% for 2011/12 and later. The 7/1/2001 valuation medical trend graded from 12% in the first year graded down to 6% for years seven and later. Since the monthly health premiums are now at or near the cap limits, the effect of medical trend on the liability and on the annual cost is relatively minor.
2. **Rate of Termination :** The prior valuation assumed a single table for all 3 employee categories. For the 7/1/2004 valuation, separate rates were applied based on actual experience (see page 8 for the actual rates). The annual cost increases for **only withdrawal changes** is \$ 7,000 for the POA, \$ 16,000 for Management and \$ 75,000 for General Employees.
3. **Rate of Retirement :** For General Employees, the change in rates of retirement had no impact on costs. For Police and Management, the new rates imply earlier retirements and resulting higher costs due to a longer benefit payout period and a shorter period over which to fund. See page 8 for the actual rates assumed. The annual cost impact for **only retirement rate changes** resulted in increases \$ 120,00 for the POA, \$ 71,000 for Management and no increase for General Employees.

Conclusion

Since 7/1/2001, the financial status and funding requirements for the retiree medical plan have changed. In dollars, the **Accumulated Post-Retirement Benefit Obligation (APBO)** has increased by 70% and the **Annual Contribution** has more than doubled for the reasons as stated above.

As a percent of payroll the **annual funding contribution** has increased by 82%. This includes the cost to add spouses of General Employees since 7/1/2001. If we eliminate the effect of adding spouses of General Employees, then the total contribution rate has increased by 57% (i.e. from 3.80% to 5.98% of payroll).

CITY OF ANTIOCH

Post-Retirement Medical benefits (discussion continued)

As the plan matures, it is important to track the experience rates of turnover and retirement as compared to assumptions applied in the valuation. Higher and or earlier ages at retirement than assumed or plan benefit amendment changes can significantly increase the plan cost. Higher rates of turnover than assumed may increase or decrease plan costs depending on census demographics and the ages where higher rates of turnover occur.

The plan, as currently stated, is reasonably funded and is projected to be adequate to pay benefits as they come due. However, increases in benefit levels or changes in plan experience can quickly erode assets. Therefore, it is recommended that expected retirements and benefit payments be projected and compared with actual cash flow so that needed adjustments to funding or benefits can be made.

City of Antioch

Post-Retirement Medical Benefits

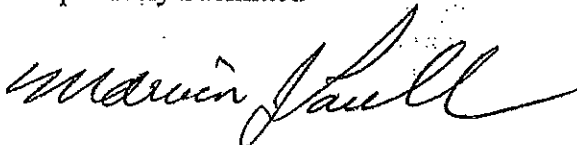
Certification

We have completed the Actuarial Valuation of the City of Antioch Post-Retirement Medical Benefit Program as of July 1, 2004. The purpose of the report is to summarize the valuation results for the liabilities and annual costs to fund the program.

The results shown in this report are based upon the employee data and financial information that was provided by the City of Antioch.

This valuation was performed in accordance with generally accepted actuarial principles and practices. In my opinion, the valuation utilizes reasonable actuarial assumptions. The valuation reflects our best estimate of anticipated experience. To the best of my knowledge, the valuation is complete and accurate and fully and fairly discloses the actuarial position of the plan.

Respectively Submitted



Marvin J. Paull; FSA, MAAA, EA
Principal
(951) 304 - 9696

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Summary and Comparison of Key Valuation Results

(dollars shown in \$ 1,000's)

	<u>July 1, 2004</u>	<u>July 1, 2001</u>
A. Key Assumptions		
1. Investment Return	5.0%	5.0%
2. Medical Trend	5.5%, 10.5% ⁽¹⁾ graded to 6%	12% graded ⁽²⁾ to 6%
B. Participant Information		
1. Number of Actives	323	262
2. Number of retirees	103	77
3. Payroll	\$19,788	\$15,035
C. Financial Values		
1. Pres. Value - All future Benefits	\$17,880	\$9,627
2. Pres. Value - Accum. Benefits (APBO)	12,388	7,275
3. Market Value of Assets	4,840	3,171
4. PV Unfunded Past Service Benefits	7,548	4,104
5. PV Future Service Benefits	5,493	2,351
D. Funding Rates		
1. Amortization of Unfunded Past Service	2.65%	1.89%
2. Future Service Benefit Funding	3.33%	1.39%
3. Total Funding Rate	5.98%	3.29%
E. Estimated Annual Contribution		
	\$1,179	\$496

(1) Based on January 1 rate increases, July 1 valuation dates and mid-calendar year Medical Trend application. Initial July 1, 2004 rate based on current rate and known January 1, 2005 rate. The 5.5% rate increase applies July 1, 2005.

(2) Initial Medical trend rate of 12% began July 1, 2001.

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Summary of Liability and Cost by Employee Category

<u>Present Values</u>	<u>General Employees</u>	<u>Police</u>	<u>Management/ Confidential</u>	<u>Total</u>
Accumulated Benefits - APBO	\$4,134,512	\$2,425,233	\$5,827,849	\$12,387,594
All Future Benefits - EPBO	6,588,746	4,416,043	6,875,586	17,880,375
Annual Cost	\$423,562	\$286,239	\$469,075	\$1,178,876
Cost as a % of Payroll	6.32%	3.63%	9.03%	5.96% *

* Rounding differences occur compared to detailed calculation sheet on page 6.

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Actuarial Valuation Summary as of July 1, 2004

	General Employees	Police	Management & Confident	Total
1. Number of Active Employees	134	127	62	323
2. Annual Salary	\$6,707,189	\$7,885,820	\$5,194,845	19,787,854
3. Pres. Value of Benefits				
a. Past Service (APBO)	\$4,134,512	\$2,425,233	\$5,827,849	12,387,594
b. Future Service	2,454,234	1,990,810	1,047,737	5,492,781
c. Total (EPBO)	<u>\$6,588,746</u>	<u>\$4,416,043</u>	<u>\$6,875,586</u>	<u>\$17,880,375</u>
4. Funds Available	\$2,062,195	\$1,521,279	\$1,256,309	\$4,839,783
5. Unfunded APBO = (3a) -4	\$2,072,317	\$903,954	\$4,571,540	\$7,547,811
6. APBO Funding Rate = 5 X .06938/(2)	2.14%	0.80%	6.11%	2.65%
7. Pres. Value Future Salaries	\$58,834,550	\$70,235,389	\$35,831,409	\$164,901,348
8. Funding Rate of Unfunded Future Service = (3b)/(7)	4.17%	2.83%	2.92%	3.33%
9. Total Funding Rate = (6) + (8)	6.32%	3.63%	9.03%	5.98%
10. Estimated Annual Contrib. = (9) X (2)	\$423,562	\$286,239	\$469,075	\$1,178,875

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Accumulated Post-retirement benefit Obligation for Active & Retired Participants

<u>PARTICIPANT CATEGORY</u>	<u>GENERAL EMPLOYEES</u>	<u>POLICE</u>	<u>MANAGEMENT/ CONFIDENTIAL</u>	<u>TOTAL</u>
Retired	\$2,141,791	\$662,888	\$4,205,137	\$7,009,816
Active	1,992,721	1,762,345	1,622,712	5,377,778
	<u>\$4,134,512</u>	<u>\$2,425,233</u>	<u>\$5,827,849</u>	<u>\$12,387,594</u>

City of Antioch

Post-Retirement Medical Benefits

Assumptions and Cost Method

1. **Interest:** 5.0%
2. **Salary Scale:** 3.5%
3. **Mortality:** 1994 Group Annuity Mortality Table with Scale AA for future mortality improvement to 1999. Separate table for males and females.
4. **Medical Cost Trend:** Based on January 1 rate increases and July 1 valuation dates.

Year	Trend or Basis
2004/05	Blend of 1/1/04 and 1/1/05 rates
2005/06	5.5%
2006/07	10.5%
2007/08 – 2010/11	Grade down 1% per year
2011/12 & later	6.0%

5. **Termination Prior to Retirement:**

Years of Service	Gen. Empl.	Police	Mgt./Confid.
Less than 1	11.5%	24.0%	9.0%
1 – 2	9.0	12.0	9.0
2 – 4	7.0	7.0	8.5
4 – 5	6.0	6.5	8.5
5 or more	2.0	4.5	1.5

6. **Rate of Disability Retirement (Police only):** 1% of active employees are expected to become disabled between age 40 and 55.

7. **Rate of Retirement:**

EMPLOYEE GROUP				EMPLOYEE GROUP			
Age	General	Police	Mgt./Confid.	Age	General	Police	Mgt./Confid.
50	2.0%	31.0%	5%	59	30%	N/A	10%
51	9.5	23.0	5	60	20	N/A	25
52	9.5	12.5	5	61	20	N/A	15
53	9.5	15.0	7	62	50	N/A	50
54	5.0	25.0	7	63	30	N/A	20
55	18.0	50.0	10	64	50	N/A	10
56	18.0	70.0	15	65	100	N/A	70
57	8.0	85.0	20	66			50
58	8.0	100.0	5	67			100

City of Antioch

Post-Retirement Medical Benefits

Assumptions and Cost Method (continued)

- 8. Marital Status and Spouse Age:** Based on data provided by City of Antioch. For 20% of the employees, the spouse is assumed to be one year younger than than the employee based on employees with spouse dates of birth.
- 9. Medicare:** All retirees are assumed eligible for Medicare at age 65.
- 10. Initial Premium Rates:** Based on rates in effect on 7/1/2004 and that will be effective on 1/1/2005.

11. Cap on City Contribution: (for retirees after 7/1/93)	<u>Under Age 65</u>		<u>Age 65 & Over w/Medicare</u>	
	<u>Single</u>	<u>2 Party</u>	<u>Single</u>	<u>2 Party</u>
General Employees & Police	\$ 310	\$ 620	\$ 192	\$ 384
Management/Confid. Employees				
Kaiser & Blue Shield	\$ 310	\$ 620	\$ 192	\$ 384
Blue Cross	450	785	250	500

- 12. Plan Assets:** Based on information provided by the City of Antioch.
- 13. Valuation Date:** July 1, 2004
- 14. Cost Method:** Attained Age Method with Supplemental Liability based on Projected Unit Credit Method. Liabilities are allocated to years of service (up to eligibility date) on a pro-rata basis. Unfunded past service liabilities are amortized over 25 years.

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Assumptions and Cost Method (continued)

INITIAL MEDICAL PREMIUM RATES ⁽¹⁾

<u>UNDER AGE 65</u>	<u>Effective Date</u>		<u>Applied at 7/1/04 Valuation Date</u>
	<u>1/1/2004</u>	<u>1/1/2005</u>	
Kaiser	\$305.42	\$354.69	\$330.06
Blue Shield	315.22	389.96	352.59
PersCare	544.77	619.93	582.35
PersChoice	349.41	369.74	359.58
<u>AGE 65 AND OVER</u>			
Kaiser	\$273.86	\$243.22	\$258.54
Blue Shield	319.97	287.78	303.88
PersCare	336.07	289.32	312.70
PersChoice	305.67	279.60	292.64

(1) Premiums shown above are monthly single premium rates.

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Participant Statistics

Covered Participants

<u>Group</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
General Employees	134	39	173
Police	127	14	141
Management/Confid.	62	50	112
	<u>323</u>	<u>103</u>	<u>426</u>

Compensation

<u>Group</u>	<u>Annual Payroll</u>	<u>Average Annual Pay</u>
General Employees	\$6,707,189	\$50,054
Police	7,885,820	62,093
Management/Confid.	5,194,845	83,788
	<u>\$19,787,854</u>	<u>\$61,263</u>

CITY OF ANTIOCH

Post-Retirement Medical Benefits

Summary of Plan Provisions

	General Employees	Police	Management/ Confidential		
Eligibility for Regular Benefits	Age 50, 10 yrs. Svc., PERS Ret.	10 yrs. Svc., PERS Retirement	10 yrs. Svc., PERS Retirement		
Eligibility for Disability Benefits	10 yrs. Svc., PERS Retirement	Permanent Disab.	N/A		
Covered Employees	Retiree Spouse Widow(er)	Retiree Spouse Widow(er)	Retiree Spouse Widow(er) Dependents		
Level of Benefits	100% if eligible	25% at 10 years 50% at 15 years 75% at 20 years 100% at 25 years	100% if eligible		
<u>Coverage After Retiree Death</u>					
Before Retirement	None	None	Yes, w/5 yrs. Svc.		
After Retirement	Yes	Yes	Yes		
City Contribution Level	Determined by actuarial review	Determined by actuarial review	Determined by actuarial review		
<u>Cap for Retirement After 7/1/93</u>					
Kaiser & Blue Shield	Single	Pre 65	\$310	\$310	\$310
		After 65	192	192	192
	2 Party	Pre 65	620	620	620
		After 65	384	384	384
	Family		N/A	N/A	820
Blue Cross	Single	Pre 65	\$310	\$310	\$450
		After 65	192	192	250
	2 Party	Pre 65	620	620	785
		After 65	384	384	500
	Family		N/A	N/A	880

**Medical After Retirement
All Retirees Monthly Payments
5/2005**

Plan	Spouse	Cap	Premium	City Paid	Excess premium paid by Retiree where applicable		
APOA	Wife	After 7/93	709.38	620.00	89.38		
APOA	Wife	After 7/93	748.00	620.00	128.00		
APOA	Wife	After 10/15/02	1,013.90	620.00	393.90		
APOA	Wife	After 10/15/02	1,013.90	620.00	393.90		
APOA	Wife	After 7/93	739.48	620.00	119.48		
APOA	Wife	After 7/93	354.69	155.00	199.69		
APOA	-	Prior 7/93	243.22	243.22	0.00		
APOA	Wife	After 7/93	354.69	155.00	199.69		
APOA	-	Prior 7/93	243.22	243.22	0.00		
APOA	Wife	After 7/93	922.19	155.00	767.19		
APOA	Wife	After 7/93	709.38	310.00	399.38		
APOA	Wife	After 10/15/02	779.92	620.00	159.92		
APOA	-	After 7/93	709.38	310.00	399.38		
APOA	Wife	After 7/93	709.38	620.00	89.38		
APOA	Wife	After 7/93	922.19	620.00	302.19		
APOA	Wife	After 7/93	779.92	310.00	469.92		
APOA	Wife	After 7/93	709.38	620.00	89.38		
APOA	Wife	After 7/93	922.19	620.00	302.19		
Units I, III, IV	N/A	Prior 7/93	289.32	289.32	0.00		
Units I, III, IV	N/A	Prior 7/93	287.78	287.78	0.00		
Units I, III, IV	Wife	After 10/15/02	1,046.99	620.00	426.99		
Units I, III, IV	N/A	7/93-10/15/02	354.69	310.00	44.69		
Units I, III, IV	Wife	After 10/15/02	243.22	192.00	51.22		
Units I, III, IV	Wife	After 10/15/02	779.92	620.00	159.92		
Units I, III, IV	Wife	After 10/15/02	922.19	620.00	302.19		
Units I, III, IV	N/A	7/93-10/15/02	243.22	192.00	51.22		
Units I, III, IV	N/A	7/93-10/15/02	597.91	192.00	405.91		
Units I, III, IV	N/A	7/93-10/15/02	243.22	192.00	51.22		

**Medical After Retirement
All Retirees Monthly Payments
5/2005**

Units I, III, IV	Wife	After 10/15/02	779.92	620.00	159.92	
Units I, III, IV	N/A	7/93-10/15/02	663.98	192.00	471.98	
Units I, III, IV	N/A	7/93-10/15/02	369.74	310.00	59.74	
Units I, III, IV	N/A	7/93-10/15/02	354.69	310.00	44.69	
Units I, III, IV	N/A	7/93-10/15/02	243.22	192.00	51.22	
Units I, III, IV	N/A	7/93-10/15/02	709.38	310.00	399.38	
Units I, III, IV	Wife	After 10/15/02	805.38	620.00	185.38	
Units I, III, IV	Wife	After 10/15/02	709.38	620.00	89.38	
Units I, III, IV	N/A	Prior 7/93	354.69	354.69	0.00	
Units I, III, IV	N/A	Prior 7/93	243.22	243.22	0.00	
Units I, III, IV	Wife	After 10/15/02	922.19	620.00	302.19	
Units I, III, IV	Wife	After 10/15/02	922.19	620.00	302.19	
Units I, III, IV	N/A	7/93-10/15/02	559.20	192.00	367.20	
Units I, III, IV	N/A	7/93-10/15/02	739.48	310.00	429.48	
Units I, III, IV	N/A	7/93-10/15/02	402.69	310.00	92.69	
Units I, III, IV	N/A	7/93-10/15/02	354.69	310.00	44.69	
Units I, III, IV	N/A	7/93-10/15/02	597.91	310.00	287.91	
Units I, III, IV	N/A	Prior 7/93	486.44	310.00	176.44	
Units I, III, IV	N/A	Prior 7/93	243.22	243.22	0.00	
Units I, III, IV	N/A	7/93-10/15/02	289.32	192.00	97.32	
Units I, III, IV	Wife	After 10/15/02	389.96	310.00	79.96	
Units I, III, IV	Husb	After 10/15/02	779.92	620.00	159.92	
Units I, III, IV	Wife	After 10/15/02	354.69	310.00	44.69	
Units I, III, IV	Wife	After 10/15/02	709.38	620.00	89.38	
Units I, III, IV	Wife	After 10/15/02	1,025.08	620.00	405.08	
Units I, III, IV	Wife	After 10/15/02	709.38	620.00	89.38	
Units I, III, IV	N/A	7/93-10/15/02	369.74	310.00	59.74	
Units I, III, IV	N/A	7/93-10/15/02	243.22	192.00	51.22	
Units I, III, IV	N/A	7/93-10/15/02	369.74	310.00	59.74	
Units I, III, IV	N/A	7/93-10/15/02	287.78	192.00	95.78	

**Medical After Retirement
All Retirees Monthly Payments
5/2005**

Units I, III, IV	Husb	After 10/15/02	779.92	620.00	159.92		
Mgmt/Conf.	Husb	After 7/93	805.38	620.00	185.38		
Mgmt/Conf.	Husb	Prior 7/93	559.20	559.20	0.00		
Mgmt/Conf.	-	After 7/93	402.69	310.00	92.69		
Mgmt/Conf.	-	After 7/93	739.48	571.60	167.88		
Mgmt/Conf.	-	After 7/93	389.96	310.00	79.96		
Mgmt/Conf.	-	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	-	After 7/93	354.69	354.69	0.00		
Mgmt/Conf.	Wife	After 7/93	709.38	620.00	89.38		
Mgmt/Conf.	Wife	After 7/93	709.38	620.00	89.38		
Mgmt/Conf.	Wife	Prior 7/93	736.87	736.87	0.00		
Mgmt/Conf.	Wife	After 7/93	768.76	620.00	148.76		
Mgmt/Conf.	Wife	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Wife	Prior 7/93	243.22	243.22	0.00		
Mgmt/Conf.	Wife	After 7/93	805.38	620.00	185.38		
Mgmt/Conf.	Wife	Prior 7/93	578.64	578.64	0.00		
Mgmt/Conf.	Wife	After 7/93	369.74	310.00	59.74		
Mgmt/Conf.	-	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Wife	After 7/93	559.20	384.00	175.20		
Mgmt/Conf.	Wife	After 7/93	486.44	384.00	102.44		
Mgmt/Conf.	-	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Wife	After 7/93	739.48	620.00	119.48		
Mgmt/Conf.	Wife	After 7/93	597.91	384.00	213.91		
Mgmt/Conf.	Wife	Prior 7/93	597.91	597.91	0.00		
Mgmt/Conf.	Wife	After 7/93	709.38	620.00	89.38		
Mgmt/Conf.	-	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Wife	After 7/93	805.38	620.00	185.38		
Mgmt/Conf.	Wife	After 7/93	805.38	620.00	185.38		
Mgmt/Conf.	Husb	Prior 7/93	486.44	486.44	0.00		
Mgmt/Conf.	Wife	After 7/93	575.56	384.00	191.56		

**Medical After Retirement
All Retirees Monthly Payments
5/2005**

Mgmt/Conf.	Wife	After 7/93	709.38	620.00	89.38		
Mgmt/Conf.	-	Prior 7/93	243.22	243.22	0.00		
Mgmt/Conf.	-	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Wife	After 7/93	779.92	620.00	159.92		
Mgmt/Conf.	-	After 7/93	389.96	310.00	79.96		
Mgmt/Conf.	-	After 7/93	354.69	354.69	0.00		
Mgmt/Conf.	Wife	After 7/93	677.74	620.00	57.74		
Mgmt/Conf.	Wife	Prior 7/93	578.64	578.64	0.00		
Mgmt/Conf.	Wife	Prior 7/93	709.38	709.38	0.00		
Mgmt/Conf.	Wife	After 10/15/02	709.38	620.00	89.38		
Mgmt/Conf.	Husb	After 7/93	709.38	620.00	89.38		
Mgmt/Conf.	Husb	After 7/93	1,013.90	820.00	193.90		
Mgmt/Conf.	Wife	After 7/93	354.69	310.00	44.69		
Mgmt/Conf.	Wife	Prior 7/93	578.64	578.64	0.00		
Mgmt/Conf.	Wife	Prior 7/93	578.64	578.64	0.00		
Mgmt/Conf.	Wife	After 7/93	279.60	192.00	87.60		
Mgmt/Conf.	Wife	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Fam	Prior 7/93	1,611.82	1,611.82	0.00		
Mgmt/Conf.	Wife	Prior 7/93	578.64	578.64	0.00		
Mgmt/Conf.	Wife	After 7/93	805.38	620.00	185.38		
Mgmt/Conf.	-	Prior 7/93	289.32	289.32	0.00		
Mgmt/Conf.	Wife	Prior 7/93	486.44	486.44	0.00		
Mgmt/Conf.	Wife	After 7/93	677.74	620.00	57.74		
Total Paid by City per Month				49,690.91			
Annual Paid by City				596,290.92			
* Spouse Column: N/A indicates not eligible for spousal coverage, - indicates no spouse, wife/husb/fam indicates city pays 2-party or family coverage							

Tab 15

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF ANTIOCH

AND

**OPERATING ENGINEERS LOCAL UNION NO. 3
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 2005 - SEPTEMBER 30, 2009

ARTICLE 12

HEALTH & WELFARE

12.1 Medical Insurance

- A. The City shall contract with the Public Employees' Retirement System (PERS) and the Local 3 Health and Welfare Trust for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. Effective January 1, 2006, the City shall pay sixty-four dollars and sixty cents (\$64.60) per month on behalf of each active and retired employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of sixty-four dollars and sixty cents (\$64.60) per month, the City shall pay such amount for the term of this MOU and the City shall reduce its contribution to the Flexible Benefits Plan pursuant to Section 12.9.C.1,2,3 below by an amount equal to the PERS increase.
- C. Except as provided herein, employees shall purchase medical insurance through the PERS Medical Program or the Local 3 Health and Welfare Trust. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of their PERS Medical Program or the Local 3 Health and Welfare Trust. Employees who opt out of the PERS Medical Program or the Local 3 Health and Welfare Trust shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program or the Local 3 Health and Welfare Trust.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. For employees hired prior to the City Council ratifying this Memorandum of Understanding the City shall contribute the monthly premium amount necessary

ARTICLE 13

RETIREMENT

Retirement

A. Public Employees' Retirement System (PERS)

For employees hired prior to the City Council ratifying this Memorandum of Understanding the City shall continue to provide coverage in the Public Employees' Retirement System (PERS) for all probationary and regular employees based on the 2.7% @ 55 Benefit Formula and Single Highest Year Retirement. The City shall pay a portion of the employee's contribution in the amount of seven percent % (7%) and shall report such contribution to PERS as Special Compensation.

For employees hired after the date upon which all Impacted employee organizations agree and the appropriate PERS amendment has been executed, the City will provide coverage in PERS for all probationary and regular employees based on the 2% at 55 Benefit Formula.

The City will pay the employee PERS contribution until April 1, 2006 at which time the employee will pay one percent (1%) of the employee PERS contribution and on April 1, 2006 all classifications will receive an across the board wage increase of one percent. This one percent (1%) together with the three percent (3%) in Article 1 will result in an across the board wage increase of four percent (4%) on April 1, 2006.

The City will institute Internal Revenue Code Section 414(h) 2.

B. Medical-After-Retirement (MAR)

For employees hired prior to the date upon which all impacted employee organizations agree the City shall provide a Medical-After-Retirement benefit in accordance with the MAR Plan on file in the Personnel Department. The City shall contribute to this Plan a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review.

The City agrees to include the temporary rate contribution, upon the City Council's ratification of this MOU, into the current rate structure of the Medical-After-Retirement Plan.

The City will conduct its next actuarial review of the Medical-After-Retirement Plan on or about June 1, 2007 and meet with the Union as to its results.

For employees hired after the date upon which all impacted employee organizations agree the City will contribute One point five percent (1.5%) of the employee's base monthly salary toward the Medical - After - Retirement Account (MARA). In the event the employee makes a contribution of up to Two point Five percent of the employee's base monthly salary toward the Medical After Retirement Account, the City will match such contribution up to one percent (1.0%). The City's total contribution toward any employee will not exceed two point five percent (2.5%).

The parties agree to participate in a City wide committee to implement the new Medical After Retirement Account program. Among the topics to be considered, but not limited to, will be the following;

- The ability of current employees to switch to the new MARA.
- The ability of all employees to contribute additional monies to the MARA

C. Deferred Compensation

Effective October 1, 2006 the City shall discontinue contributing Fifty Dollars and No/100ths (\$50.00) per month per employee to the City's Deferred Compensation plan and provide an across the board wage increase of one percent (1%) to all classifications in the bargaining unit.

Tab 16

**STAFF REPORT TO THE ANTIOCH CITY COUNCIL FOR CONSIDERATION
AT THE COUNCIL MEETING OF NOVEMBER 27, 2007**

PREPARED BY: DAWN MERCHANT, FINANCE DIRECTOR
REVIEWED BY: ARLENE MORNICK, ASSISTANT CITY MANAGER
DATE: NOVEMBER 14, 2007
SUBJECT: OTHER POST EMPLOYMENT BENEFITS

Summary

This study session will present the Council with alternatives for accounting for other post employment benefits (OPEB), which are summarized below:

1. Continue the City's current practice. Account for contributions and benefits provided in Internal Service Funds.
2. Establish a trust to account for benefits. Transfer all assets currently accumulated in Internal Service Funds to the trust. Establish an annual General Fund contribution to the trust.
3. Establish a trust to account for benefits. Do not transfer any assets into that trust. Fund the required annual contribution to the trust with a combination of General Fund money and reserve funds held in the Internal Service Funds. Internal Service Funds will last for a period of about 5 years, after which, additional funding from the City's General Fund will be required.

Background on the new accounting pronouncements which the City is required to implement and a discussion of our options follows. It should be noted that the City has always taken seriously its obligation to fund medical after retirement benefits and therefore has built a reserve of approximately \$6.5 Million. Therefore, the City of Antioch is in far better position than many other public agencies.

Background

GASB 43 and 45 require Public Agencies to start valuing and reporting their Other Post Employment Benefit (OPEB) liabilities. OPEB may consist of several types of post employment healthcare benefits including: medical, dental, vision, and other health-related benefits, whether provided separately or through a defined benefit pension plan. The City of Antioch falls into the requirements of these GASB pronouncements as we provide medical after retirement benefits to certain employees.

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11/27/07

GASB 43 establishes uniform financial reporting standards for OPEB plans that establish an irrevocable trust. GASB 45 establishes uniform financial reporting standards for employers in relation to the measurement and recognition of the OPEB liability. GASB 45 does **not** mandate funding of the liability; it simply requires identification of the liability and the Annual Required Contribution (ARC) to fund it. As far as the City's future financial statements, the valuation of this liability will create a significant, unfunded liability if we do not implement a trust.

Current Status

The City currently follows a pay as you go method for accounting for post employment benefits. We currently have three Internal Service Funds set up to account for Management, Miscellaneous and Police OPEB liabilities. We obtain actuarial valuations every two years and using the results, determine an appropriate annual contribution to each Fund. This budget year, the combined contribution is projected to be \$1,245,000. The City has been able to accumulate reserves for payment of the OPEB liabilities (approximately \$6.5M as of 6/30/07), but nowhere near the total liability of these obligations. Funds earn interest at a rate of only what we earn in our investment portfolio. In addition, since the funds are in Internal Service Funds of the City, they are not considered plan assets for OPEB and may be spent at the Council's discretion.

As a reminder, the city has capped its long term liability to fund OPEB contributions. During 2006/07 meet and confer sessions with bargaining units, the city has closed its medical after retirement benefits through this OPEB plan to new employees. Instead, for all employees hired after 9/1/2007, the city will create Medical After Retirement Accounts (MARA) for each individual employee and contribute a fixed amount into the plan. As those newer employees retire, they will own the assets in their plan and the City will stop its contributions to any after retirement benefits.

Benefits of a Trust

CALPERS has created the California Employers' Retiree Benefit Trust (CERBT). The following is CALPERS pre-funding/funding plan through CERBT:

- It is an irrevocable trust. Contributions and investment returns are irrevocably committed to pay for OPEB liabilities.
- The trust is funded with contributions from participating employers to pay for their Other Post Employment Benefits.
- The trust will invest amounts contributed in a diversified portfolio.
- Investment returns can help offset costs of benefits (CALPERS reports that investment returns pay approximately 75% of pension benefits currently and that expected investment return is 7.75%)
- The trust will disburse contributed amounts and earnings as needed to pay for Other Post Employment Benefits. Payouts from the trust are in the form of reimbursements to the City for benefits paid to retirees. The City or its plan administrator makes the OPEB payments directly to employees.

Options

Three alternatives to addressing our OPEB obligations were summarized at the beginning of this report. The issues the City now needs to consider in order to determine which option is preferable are as follows:

Issue	Staff recommendation
Shall the City create a trust?	Yes. By creating a trust the City is making a commitment to fully fund its OPEB obligation.
If a trust is created, what becomes of the \$6.5 million accumulated Internal Service Fund Assets?	Immediately upon creation, deposit those assets in the trust. Funds will earn a higher rate of return in the trust and in the long run, that reduces the City's overall long term liability.
If a trust is created, what should be the City's annual contribution?	Contribute at the current funding rates with adjustments as needed for inflation and plan usage. The City updates the plan assumptions with biennial actuarial valuations. In two years, an adjustment to current contributions will be determined.

Bartel Associates LLC has completed a June 30, 2007 actuarial valuation of the City's OPEB obligations. They have prepared an Executive Summary (see Attachment A) outlining the three alternatives presented. A discussion of each alternative follows.

1. Continue the City's current practice of accounting for contributions to and payments of OPEB liabilities in Internal Service Funds. Under this scenario, the actuary assumes a 4.25% rate of return on investments, and funds accumulated are not considered plan assets. The City Council has maximum control over how Internal Service Funds are appropriated. The City will show a liability on its financial statements for each year that it does not contribute the ARC (Annual Required Contribution), which has been determined by the actuarial valuation. Under this option, the ARC is \$4.103 million. The long-term actuarial accrued liability under this scenario is approximately \$40.448 million.
2. Create a trust and immediately transfer the \$6.5M of accumulated funds in the Internal Service Funds to the trust. Under any scenario that establishes a trust, the actuary assumes a 7.75% rate of return on investments within the trust. The funds placed into the trust become plan assets, meaning that the City Council has no ability to appropriate those funds for other purposes. The City would then make annual contributions to the trust. Under this scenario the ARC is \$2.246 million. It is important to note that the City does not have to contribute the full amount of the ARC to the trust. The City only needs to establish what amount to contribute. If the City chooses to contribute a lesser amount than the ARC, the city financial statements will have to report the difference in the amount as a Net OPEB

Obligation. The City's long-term actuarial accrued liability under this scenario is approximately \$17.892 million.

3. Create a trust, but hold the \$6.5M accumulated in the Internal Service Funds. The amount held will then be used to fully pay the ARC each year over a period of approximately four years until the Internal Service Funds are depleted, at which time the City would need to determine whether or not to continue to fund the full ARC or a lesser amount. In this case, the City will lose the investment advantage of the monies in the trust invested in a higher rate than the City earns in its investment portfolio. Under this scenario, the City Council has maximum control over any funds left in the Internal Service Fund. The City's long-term actuarial accrued liability under this scenario is approximately \$24.414 million.

As you can see, the alternative chosen greatly affects the City's accrued long-term liability for OPEB benefits.

Recommendation

Staff is recommending that the City create a trust to account for other post employment benefits. We would like the Council to focus on alternative 2 as this alternative recognizes the smallest financial liability of the options presented. We also are recommending that the City continue to contribute what we have in the past towards benefits so that there will be no significant budget impacts. The establishment of a trust allows more flexibility of investment dollars. Investment tools utilized by pension funds can maximize total returns for the portfolio, something the City cannot do on its own, and the investments are not subject to the restrictions of our City's investment policy. This in turn, helps offset the cost of expenses to fund the OPEB liability. A significant portion of the Trust funding can be paid from earnings rather than contributions paid by the City's General Fund. In addition, should the City's General Fund wish to issue bonds in the future, rating agencies may consider the City's handling of OPEB as a factor of credit worthiness. A trust would be looked upon more favorably. If the City decides to pre-fund/fund through a trust, we are required to implement that option for the FYE 6/30/08. The only downside, if it is considered one, is that the difference between current contributions to the ARC and the ARC required by the actuarial evaluation will become a liability on the City's financial statements. This is very minor considering the significant assets of the City and would not be considered material by future auditors or Bond raters.

Staff requests Council to provide direction regarding the creation of an OPEB trust.

Attachments

Attachment A – Retiree Healthcare Plan June 30, 2007 Actuarial Valuation Executive Summary.

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City of Antioch

BARTEL
ASSOCIATES, LLC

**Retiree Healthcare Plan
June 30, 2007 Actuarial Valuation
Executive Summary**

November 2007



Executive Summary
City of Antioch
Retiree Healthcare Plan
June 30, 2007 Actuarial Valuation

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On June 21, 2004, the Governmental Accounting Standards Board approved Statement No. 45 (GASB 45), Accounting Standards for *Other* (than pensions) *Post Employment Benefits* (OPEB). This report is based on the financial reporting standards established under GASB 45, and assumes the City will implement GASB 45 for its 2007/08 fiscal year. Historically the City has accounted for retiree healthcare benefits as they were paid, with approximately \$903,000 projected for the 2007/08 fiscal year. GASB 45 will require the City account for this promise on an accrual basis (as benefits are earned).

STUDY RESULTS

Funded Status: The plan funded status is equal to the Actuarial Accrued Liability (see definitions and assumptions section below) less plan assets. When assets equal liabilities, a plan is considered on track for funding.

To consider a retiree healthcare plan funded for GASB 45 purposes, assets must be set aside in a trust that cannot legally be used for any purpose other than to pay retiree healthcare benefits. The City currently has an Internal Service Fund (ISF) set up for retiree medical benefits. The City makes contributions to the ISF (based on % of employee pay) and uses the ISF to pay current retiree medical benefit payments. However, the ISF is not considered "plan assets" under GASB 45; therefore the City's retiree healthcare plan is not currently funded under GASB 45. This has important implications on the discount rate assumption used to calculate plan liabilities (see definitions and assumptions section below). We have prepared valuation results under 3 scenarios:

- Alternative 1 – No Pre-Funding – Benefits paid from the ISF which is assumed to earn a 4.25% long term rate of return. The City's current funding policy would not change.
- Alternative 2 – Transfer ISF to Irrevocable Trust and Continue Pre-Funding – Contributions made to an irrevocable trust through CalPERS with diversified assets which are assumed to earn a 7.75% long term return. The City's funding policy would need to change beginning with the 2008/09 fiscal year.
- Alternative 3 – Pay Required Contribution from ISF – Contributions made to an irrevocable trust through CalPERS with diversified assets which are assumed to earn a 7.75% long term return. For these results, we assumed no transfer of the ISF assets to the CalPERS trust and that the City's funding policy would not need to change until the 2012/13 fiscal year.



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The following table summarizes the plan's June 30, 2007 funded status (000s omitted):

	Alternative		
	1	2	3
Irrevocable Trust?	No	CalPERS	CalPERS
Transfer ISF into Irrevocable Trust?	No	Immediately	Over Time
Funding Policy Change?	No Change	2008/09	2012/13
Discount Rate?	4.25%	7.75%	7.75%
■ Actuarial Accrued Liability (AAL)			
• Actives	\$ 22,213	\$ 12,222	\$ 12,222
• Retirees	<u>18,235</u>	<u>12,192</u>	<u>12,192</u>
• Total	\$ 40,448	\$ 24,414	\$ 24,414
■ ISF	<u>6,522</u>	<u>6,522</u>	<u>6,522</u>
■ Unfunded AAL (UAAL)	\$ 33,926	\$ 17,892	\$ 17,892
■ GASB 45 UAAL	40,448	17,892	24,414

Annual Required Contribution (ARC): GASB 45 doesn't require an agency make up any shortfall (unfunded liability) immediately, nor does it allow an immediate credit for any excess assets. Instead, the difference is amortized over time. An agency's Annual Required Contribution is nothing more than the current employer Normal Cost, plus the amortized unfunded liability or less the amortized excess assets. Simply put, this contribution is the value of benefits earned during the year plus something to move the plan toward being on track for funding. For the City's valuation we calculated the 2007/08 ARC as the Normal Cost plus a 30-year¹ amortization (as a level percent of pay) of the Unfunded Actuarial Accrued Liability (000s omitted):

	Alternative		
	1	2	3
Irrevocable Trust?	No	CalPERS	CalPERS
Transfer ISF into Irrevocable Trust?	No	Immediately	Over Time
Funding Policy Change?	No Change	2008/09	2012/13
Discount Rate?	4.25%	7.75%	7.75%
■ Normal Cost	\$ 2,492	\$ 1,131	\$ 1,131
■ UAAL Amortization	<u>1,611</u>	<u>1,115</u>	<u>1,522</u>
■ 2007/08 Annual Required Contribution	\$ 4,103	\$ 2,246	\$ 2,653
■ Annual Required Contribution as a percentage of estimated 2007/08 Payroll	17.6%	9.6%	11.4%
■ Estimated 2007/08 Payroll	\$ 23,360	\$ 23,360	\$ 23,360

¹ Maximum amortization period allowed under GASB 45.



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Net OPEB Obligation (NOO): An agency's Net OPEB Obligation is the historical difference (from implementation)² between actual contributions made and the Annual Required Contributions³. If an agency has always contributed the required contribution, then the Net OPEB Obligation equals zero. However, an agency has not "made" the contribution unless it has been set aside and cannot legally be used for any other purpose.

Annual OPEB Cost (AOC): GASB 45 requires the Annual OPEB Cost equal the Annual Required Contribution, except when an agency has a Net OPEB Obligation at the beginning of the year. When that happens an agency's Annual OPEB Cost will equal the ARC, adjusted for expected interest on the Net OPEB Obligation and reduced by an amortization of the Net OPEB Obligation (000s omitted):

	Alternative		
	1	2	3
Irrevocable Trust?	No	CalPERS	CalPERS
Transfer ISF into Irrevocable Trust?	No	Immediately	Over Time
Funding Policy Change?	No Change	2008/09	2012/13
Discount Rate?	4.25%	7.75%	7.75%
■ 2007/08 Annual Required Contribution	\$ 4,103	\$ 2,246	\$ 2,653
■ Interest on Net OPEB Obligation	0	0	0
■ Amortization of Net OPEB Obligation	0	0	0
■ Total 2007/08 Annual OPEB Cost	\$ 4,103	\$ 2,246	\$ 2,653

² GASB 45 specifies the initial Net OPEB Obligation (at implementation) be set to zero.

³ Benefits paid for current retirees are considered contributions.



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The following illustrates the City's June 30, 2008 Net OPEB Obligation if the City adopts GASB 45 for the 2007/08 fiscal year (000s omitted):

	Alternative		
	1	2	3
Irrevocable Trust?	No	CalPERS	CalPERS
Transfer ISF into Irrevocable Trust?	No	Immediately	Over Time
Funding Policy Change?	No Change	2008/09	2012/13
Discount Rate?	4.25%	7.75%	7.75%
■ June 30, 2007 Net OPEB Obligation	\$ 0	\$ 0	\$ 0
■ 2007/08 Annual OPEB Cost	4,103	2,246	2,653
■ 2007/08 Contributions	<u>(903)⁴</u>	<u>(7,911)⁵</u>	<u>(2,653)⁶</u>
■ June 30, 2008 Net OPEB Obligation	\$ 3,200	\$ (5,665)	\$ 0

The City's actual June 30, 2008 Net OPEB Obligation will differ slightly from the above because actual contributions or benefit payments will be different than estimated.

Cash and Accrual Projections: Following are open group projections, assuming the number of active City employees remains constant:

Alternative 1 – Years 1 to 10
4.25% Discount Rate / 30-Year Amortization
 (000s omitted)

Fiscal Year	BOY Net OPEB Obligation	BOY Assets in ISF	GASB 45 Contrib. (PayGo)	Budgeted Payment	From ISF	Add'l Cash Needed
2007/08	\$ -	\$ 6,522	\$ 903	\$ 1,389	\$ 903	\$ -
2008/09	3,200	7,295	1,039	1,407	1,039	-
2009/10	6,533	7,981	1,107	1,428	1,107	-
2010/11	10,077	8,649	1,266	1,451	1,266	-
2011/12	13,755	9,205	1,441	1,476	1,441	-
2012/13	17,561	9,632	1,536	1,500	1,536	-
2013/14	21,586	10,004	1,727	1,520	1,727	-
2014/15	25,747	10,218	1,925	1,540	1,925	-
2015/16	30,049	10,259	2,036	1,560	2,036	-
2016/17	34,589	10,209	2,253	1,579	2,253	-

⁴ Estimated 2007/08 benefit payments.

⁵ Assumes ISF transfer of \$6,522,000 plus \$1,389,000 budgeted % of pay contribution.

⁶ Assumes full ARC is contributed.



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Alternative 1 – Years 11 to 20
4.25% Discount Rate / 30-Year Amortization
 (000s omitted)

Fiscal Year	BOY Net OPEB Obligation	BOY Assets in ISF	GASB 45 Contrib. (PayGo)	Budgeted Payment	From ISF	Add'l Cash Needed
2018/19	\$ 39,277	\$ 9,955	\$ 2,503	\$ 1,597	\$ 2,503	\$ -
2019/20	44,083	9,453	2,681	1,613	2,681	-
2020/21	49,081	8,763	2,982	1,631	2,982	-
2021/22	54,161	7,756	3,284	1,649	3,284	-
2022/23	59,331	6,417	3,464	1,668	3,464	-
2023/24	64,726	4,856	3,805	1,688	3,805	-
2024/25	70,199	2,901	4,156	1,709	2,901	-
2025/26	75,748	526	4,361	1,731	2,268	2,093
2026/27	81,532	-	4,765	1,754	1,754	3,011
2027/28	87,366	-	5,175	1,778	1,778	3,397

Alternative 2
7.75% Discount Rate / 30-Year Amortization
 (000s omitted)

Fiscal Year	BOY Net OPEB Obligation	BOY Assets in ISF	GASB 45 Contrib.	Budgeted Payment	From ISF	Add'l Cash Needed
2007/08	\$ -	\$ 6,522	\$ 7,911	\$ 1,389	\$ 6,522	\$ -
2008/09	(5,665)	-	2,344	1,407	-	937
2009/10	(5,751)	-	2,392	1,428	-	964
2010/11	(5,838)	-	2,441	1,451	-	990
2011/12	(5,927)	-	2,485	1,476	-	1,010
2012/13	(6,017)	-	2,537	1,500	-	1,038
2013/14	(6,108)	-	2,589	1,520	-	1,069
2014/15	(6,201)	-	2,637	1,540	-	1,097
2015/16	(6,295)	-	2,692	1,560	-	1,132
2016/17	(6,390)	-	2,748	1,579	-	1,169



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Alternative 3
7.75% Discount Rate / 30-Year Amortization
 (000s omitted)

Fiscal Year	BOY Net OPEB Obligation	BOY Assets in ISF	GASB 45 Contrib.	Budgeted Payment	From ISF	Add'l Cash Needed
2007/08	\$ -	\$ 6,522	\$ 2,653	\$ 1,389	\$ 2,653	\$ -
2008/09	-	5,509	2,700	1,407	2,700	-
2009/10	-	4,423	2,752	1,428	2,752	-
2010/11	-	3,259	2,807	1,451	2,807	-
2011/12	-	2,013	2,856	1,476	2,856	-
2012/13	-	689	2,912	1,500	2,204	708
2013/14	-	-	2,969	1,520	-	1,449
2014/15	-	-	3,021	1,540	-	1,481
2015/16	-	-	3,081	1,560	-	1,521
2016/17	-	-	3,142	1,579	-	1,563

Sensitivity: The above results are based on a 30-year amortization of the unfunded liability. Following illustrates the impact of changing the amortization to 20 years (000s omitted):

	Alternative		
	1	2	3
Irrevocable Trust?	No	CalPERS	CalPERS
Transfer ISF into Irrevocable Trust?	No	Immediately	Over Time
Funding Policy Change?	No Change	2008/09	2012/13
Discount Rate?	4.25%	7.75%	7.75%
■ 20-year amortization			
• Total 2007/08 ARC \$	\$ 4,799	\$ 2,534	\$ 3,045
• Total 2007/08 ARC %	20.5%	10.8%	13.0%
■ 30-year amortization			
• Total 2007/08 ARC \$	\$ 4,103	\$ 2,246	\$ 2,653
• Total 2007/08 ARC %	17.6%	9.6%	11.4%



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BASIC DEFINITIONS AND ASSUMPTIONS

Present Value of Benefits: When an actuary prepares an actuarial valuation, (s)he first gathers participant data (including active employees, former employees not in payment status, participants and beneficiaries in payment status) at the valuation date (for example June 30, 2007). Using this data and actuarial assumptions, (s)he projects future benefit payments. (The assumptions predict, among other things, when people will retire, terminate, die or become disabled, as well as what salary increases, general (and healthcare) inflation and investment return might be.) Those future benefit payments are discounted, using expected future investment return, back to the valuation date. This discounted present value is the plan's present value of benefits. It represents the amount the plan needs as of the valuation date to pay all future benefits – if all assumptions are met and no future contributions (employee or employer) are made. The City's June 30, 2007 retiree healthcare Present Value of Benefits is \$70.8 million using a 4.25% discount rate (\$34.5 million using a 7.75% discount rate), with \$18.2 million of this for former employees who have already retired (\$12.2 million using a 7.75% discount rate).

Actuarial Accrued Liability: This represents the portion of the present value of benefits that participants have earned (on an actuarial, not actual, basis) through the valuation date. The City's June 30, 2007 retiree healthcare Actuarial Accrued Liability is \$40.4 million using a 4.25% discount rate (\$24.4 million using a 7.75% discount rate), with \$18.2 million of this for former employees who have already retired (\$12.2 million using a 7.75% discount rate).

Normal Cost: The Normal Cost represents the portion of the present value of benefits expected to be earned (on an actuarial, not actual, basis) in the coming year. The City's 2007/08 retiree healthcare Normal Cost is \$2.5 million (10.7% of base payroll) using a 4.25% discount rate and \$1.1 million using a 7.75% discount rate (4.8% of base payroll).

Actuarial Cost Method: This determines the method in which benefits are actuarially earned (allocated) to each year of service. It has no effect on the Present Value of Benefits, but has significant effect on the Actuarial Accrued Liability and Normal Cost. The City's June 30, 2007 retiree healthcare valuation was prepared using the Entry Age Normal cost method.

Actuarial Assumptions: Under GASB 45, an actuary must follow current actuarial standards of practice, which generally call for explicit assumptions - meaning each individual assumption represents the actuary's best estimate.

GASB 45 requires that the discount rate is based on the source of funds used to pay benefits. This means the underlying expected long-term rate of return on plan assets for funded plans. Furthermore, since the source of funds for an unfunded plan is usually the general fund and California law restricts agencies' investment vehicles, this valuation uses a relatively low, 4.25%, discount rate. If the City sets up a Trust (that could only be used to pay plan benefits), using CalPERS Section 115 Trust then the discount rate would be based on the Trust's expected long-term investment return (established by CalPERS at 7.75%).



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Another key assumption is future healthcare inflation rates. Actual premiums for 2007 and 2008 were used. The inflation rate for HMO's starts at 9.7% (the increase in 2009 premiums over 2008) and grades down to 4.5% (2017 premiums over 2016) and remains at 4.5% into the future. The inflation rate for PPO's starts at 10.5% (the increase in 2009 premiums over 2008) and grades down to 4.5% (2017 premiums over 2016) and remains at 4.5% into the future. This assumption means healthcare is assumed to increase, on the average, 7.1% for HMO's and 7.5% for PPO's a year for the 9 years following 2008. Furthermore, since the valuation's general inflation assumption is 3%, it also means healthcare is assumed to level off at 1.5% over general inflation.



DRAFT

BENEFIT PROMISE

The following table summarizes the City's retiree medical benefits:

	General	Mgmt/Confidential	Police
■ Eligibility	■ Service or disability retire directly from the City ■ Age 50 & 5 years service under CalPERS		
■ Medical Benefit	■ City reimburses medical premiums subject to caps which vary by years of service and retirement date		
● < 10 YOS	■ PEMHCA minimum contribution only (\$80.80/mo. in 2007)		
● ≥ 10 YOS	■ 100% of Cap	■ 100% of Cap	■ <u>YOS</u> <u>% of Cap</u> 10 50% 11 55% 12 60% : : 20+ 100%
■ Caps	■ DOR < 7/1/93: ● Single \$431.17 ⁷ ■ 7/1/93 ≤ DOR < 10/15/02: ● Single < 65 \$354.69 ≥ 65 \$236.69 ■ DOR ≥ 10/15/02: ● Single < 65 \$354.69 ≥ 65 \$236.69 ● 2-Party < 65 \$709.38 ≥ 65 \$473.38	■ DOR < 7/1/93: No Cap ■ DOR ≥ 7/1/93 & DOH < 7/1/93: ● Last Active Plan - Kaiser: > Single < 65 \$354.69 ≥ 65 \$236.69 > 2-Party < 65 \$709.38 ≥ 65 \$473.38 > Family \$1,013.90 ● Last Active Plan - Other: HMO PPO > Single < 65 \$434.69 \$494.69 ≥ 65 \$236.69 \$294.69 > 2-Party < 65 \$839.38 \$874.38 ≥ 65 \$473.38 \$589.38 > Family \$1,013.90 \$1,073.90 ■ DOR ≥ 7/1/93 & DOH ≥ 7/1/93: Same as Last Active Plan - Kaiser above	■ DOR < 7/1/93: ● Single \$431.17 ⁷ ● 2-Party \$862.34 ⁷ ■ DOR ≥ 7/1/93: ● Single < 65 \$354.69 ≥ 65 \$236.69 ● 2-Party < 65 \$709.38 ≥ 65 \$473.38 ■ Effective 9/1/07: ● Capped at Kaiser Bay Area single or 2-party premium

⁷ Based on premium for plan with highest active enrollment during previous enrollment period, currently Kaiser.



DRAFT

	General	Mgmt/Confidential	Police
<ul style="list-style-type: none"> ■ Surviving Spouse Benefit 	<ul style="list-style-type: none"> ■ DOR < 10/15/02: PEMHCA Min ■ DOR ≥ 10/15/02: same benefit continues 	<ul style="list-style-type: none"> ■ Same benefit continues ■ Death while in service benefit if 5 years City service 	<ul style="list-style-type: none"> ■ Same benefit continues
<ul style="list-style-type: none"> ■ Dental, Vision & Life 	<ul style="list-style-type: none"> ■ None 		
<ul style="list-style-type: none"> ■ Retiree Medical Funds 	<ul style="list-style-type: none"> ■ Internal Service Funds – invested in City’s pooled cash portfolio ■ City contributes % of pay determined by actuarial review, currently: <ul style="list-style-type: none"> • General – 6.32% • Mgmt/Conf – 9.03% • Police – 3.63% ■ Not considered “plan assets” under GASB 45 ■ Balances as of 6/30/2007: <ul style="list-style-type: none"> • General \$2,846,013 • Mgmt/Conf \$1,684,588 • Police \$1,991,116 • Total \$6,521,717 		
<ul style="list-style-type: none"> ■ Employees Hired After November 2007 	<ul style="list-style-type: none"> ■ City will contribute 1.5% of base salary into an account and will match employee contributions up to an additional 1% 		



Tab 17



BARTEL
ASSOCIATES, LLC

City of Antioch Retiree Healthcare Plan

**June 30, 2007
Actuarial Valuation**

May 2008

Bartel Associates, LLC
411 Borel Avenue, Suite 445
San Mateo, California 94402
Phone: 650/377-1600
Fax: 650/345-8057
Email: jbartel@bartel-associates.com

ACTUARIAL VALUATION CERTIFICATION

This report presents the June 30, 2007 actuarial valuation for the City of Antioch Retiree Healthcare Plan ("Plan"). The purpose of this valuation is to:

- determine the Plan benefit obligations as of June 30, 2007 pursuant to Governmental Accounting Standards Board Statement No. 45 (GASB 45), and
- calculate City of Antioch's 2007/08 fiscal year Annual Required Contribution for the Plan under GASB 45 assuming GASB 45 is adopted for the 2007/08 fiscal year and the City will pre-fund the full annual required contribution through the CalPERS OPEB Trust.

This report includes the following sections:

- Section 1 presents a staff summary of the GASB 45 valuation results.
- Section 2 provides financial accounting information, including the 2007/08 Annual Required Contribution and the estimated June 30, 2008 Net OPEB Obligation.
- Section 3 provides the results of the actuarial valuation.
- Sections 4, 5, and 6 summarize the census data, plan provisions, funding method, and actuarial assumptions that form the basis for this valuation.
- Section 7 includes a summary of GASB 45.

This report presents Bartel Associates' best estimate of the City of Antioch Retiree Healthcare Plan liabilities and costs in accordance with accepted actuarial principles and our understanding of GASB 45.

The undersigned are members of the American Academy of Actuaries and meet Academy Qualification Standards to render the actuarial results and opinions in this report.

Respectfully submitted,
Bartel Associates, LLC

Catherine A. Wandro

Catherine A. Wandro, ASA, MAAA
Actuary

John E. Bartel

John E. Bartel, ASA, MAAA, EA
President

May 22, 2008

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Actuarial and Accounting Terminology Used in this Report

- AAL – Actuarial Accrued Liability
- AOC – Annual OPEB Cost
- ARC – Annual Required Contribution
- EAN – Entry Age Normal Cost Method
- GASB 45 – Governmental Accounting Standards Board Statement No. 45
- NOO – Net OPEB Obligation
- OPEB – Other (than pensions) Post Employment Benefits
- PVPB – Present Value of all Projected Benefits
- UAAL – Unfunded Actuarial Accrued Liability

SECTION 1
STAFF SUMMARY

On June 21, 2004, the Governmental Accounting Standards Board approved Statement No. 45 (GASB 45), Accounting Standards for Other (than Pensions) Post Employment Benefits (OPEB). The information presented in this report is based on the financial reporting standards established under GASB 45. We understand the City will adopt GASB 45 for the 2007/08 fiscal year.

The City of Antioch provides postretirement medical benefits to employees who retire directly from the City under CalPERS. Eligible retirees can continue participation in the City medical plans (PEMHCA), with the City contributing up to a capped dollar amount which varies by bargaining group.

The City currently maintains an Internal Service Fund (ISF) for the retiree medical benefits. The City makes contributions to the ISF based on a percentage of active employee payroll (percentage varies by bargaining group) and current retiree medical benefits are paid out from the ISF.

We understand the City will pre-fund the retiree healthcare benefit through the CalPERS OPEB trust and make the following contributions for the 2007/08 fiscal year:

- The \$6.522 million June 30, 2007 ISF balance will be transferred to the CalPERS OPEB trust, plus any accumulated City contributions on the transfer date.
- The remaining accumulated contributions will be transferred to the CalPERS OPEB trust at the end of the 2007/08 fiscal year.
- The projected City percent of pay contribution for 2007/08 is \$1.389 million.

We further understand the City will make full ARC contributions (9.6% of payroll) to the CalPERS OPEB trust for each subsequent year. Therefore, we prepared the valuation results based on a 7.75% discount rate.

The June 30, 2007 benefit obligations and the 2007/08 Plan cost from the June 30, 2007 actuarial valuation using a 7.75% discount rate are as follows (amounts in 000's):

	<u>June 30, 2007</u>
■ Present Value of Projected Benefits (PVPB)	\$ 34,472
Total present value of all expected future benefits at the valuation date calculated using selected actuarial assumptions. The PVPB is a measure of the total Plan liability or obligation for benefits due to past and future service for current employees and retirees.	
■ Actuarial Accrued Liability (AAL)	24,414
Liability or obligation for benefits earned or allocated to past service at the valuation date calculated using selected actuarial methods and assumptions.	

SECTION 1
STAFF SUMMARY

	<u>June 30, 2007</u>
■ Plan Assets	0
Assets that have been segregated and restricted in a trust so that they can only be used to pay Plan benefits.	
■ Unfunded Actuarial Accrued Liability (UAAL)	24,414
The excess of the AAL over the Plan Assets. This represents the amount of the liability at the valuation date that must still be funded. If Plan Assets exceed the AAL, there will be a Plan Surplus.	
	<u>2007/08</u> <u>Plan Cost</u>
■ Normal Cost (NC)	\$ 1,131
The value of employer promised benefits expected to be earned or allocated to the current fiscal year.	
■ Annual Required Contribution (ARC)	2,653
Normal Cost plus a 30-year amortization of the unfunded AAL.	
■ Annual OPEB Cost (AOC)	2,653
The AOC equals the ARC, adjusted for prior differences between actual contributions and the ARC.	
■ Estimated Benefit Payments	903
Cash flow expected for the current year for promised retiree healthcare benefits. It includes payments for current retirees and active employees expected to retire during the year.	

CalPERS requires agencies participating in the CalPERS OPEB Trust prepare actuarial valuations at least every two years. If there is a significant change in benefit provisions, participants, or factors that impact long-term assumptions during this period, a new valuation must be performed.

Tab 18

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF ANTIOCH

AND

**OPERATING ENGINEERS LOCAL UNION NO. 3
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 2009 - SEPTEMBER 30, 2014

ARTICLE 12

HEALTH & WELFARE

12.1 Medical Insurance

- A. The City shall contract with the Public Employees' Retirement System (PERS) and the Local 3 Health and Welfare Trust for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. Effective January 1, 2006, the City shall pay sixty-four dollars and sixty cents (\$64.60) per month on behalf of each active and retired employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of sixty-four dollars and sixty cents (\$64.60) per month, the City shall pay such amount for the term of this MOU and the City shall reduce its contribution to the Flexible Benefits Plan pursuant to Section 12.9.C.1,2,3 below by an amount equal to the PERS increase
- C. Except as provided herein, employees shall purchase medical insurance through the PERS Medical Program or the Local 3 Health and Welfare Trust. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of their PERS Medical Program or the Local 3 Health and Welfare Trust. Employees who opt out of the PERS Medical Program or the Local 3 Health and Welfare Trust shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program or the Local 3 Health and Welfare Trust.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. For employees hired prior to the City Council ratifying this Memorandum of Understanding the City shall contribute the monthly premium amount necessary to purchase a \$25,000 group life insurance policy for each employee effective on

ARTICLE 13

RETIREMENT

Retirement

A. Public Employees' Retirement System (PERS)

For employees hired prior to the City Council ratifying this Memorandum of Understanding the City shall continue to provide coverage in the Public Employees' Retirement System (PERS) for all probationary and regular employees based on the 2.7% @ 55 Benefit Formula and Single Highest Year Retirement. The City shall pay a portion of the employee's contribution in the amount of seven percent % (7%) and shall report such contribution to PERS as Special Compensation.

For employees hired after the date upon which all impacted employee organizations agree and the appropriate PERS amendment has been executed, the City will provide coverage in PERS for all probationary and regular employees based on the 2% at 55 Benefit Formula.

The City will pay the employee PERS contribution until April 1, 2006 at which time the employee will pay one percent (1%) of the employee PERS contribution and on April 1, 2006 all classifications will receive an across the board wage increase of one percent. This one percent (1%) together with the three percent (3%) in Article 1 will result in an across the board wage increase of four percent (4%) on April 1, 2006.

Effective the first full payroll period after March 1, 2011 the employees shall pay 3.0% of the City's PERS contribution.

Effective the first full payroll period after March 1, 2011 the employees who pay 1.0% of the employees share of PERS shall pay 4.0% of the City's contribution.

Effective the first full payroll period after March 1, 2011 there shall be no employee contribution towards the employee's share of PERS.

Effective the first full payroll period after March 1, 2012 employees shall pay an additional 2.0% of the City's PERS contribution for a total of 6.0%).

Effective the first full payroll period after March 1, 2013, employees shall pay an additional 2.0% of the City's PERS contribution for a total of 8.0%.

The City will institute Internal Revenue Code Section 414(h) 2.

B. Medical-After-Retirement (MAR)

For employees hired prior to the date upon which all impacted employee organizations agree the City shall provide a Medical-After-Retirement benefit in accordance with the MAR Plan on file in the Personnel Department. The City shall contribute to this Plan a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review.

The City agrees to include the temporary rate contribution, upon the City Council's ratification of this MOU, into the current rate structure of the Medical-After-Retirement Plan.

The City will conduct its next actuarial review of the Medical-After-Retirement Plan on or about June 1, 2007 and meet with the Union as to its results.

For employees hired after the date upon which all impacted employee organizations agree the City will contribute One point five percent (1.5%) of the employee's base monthly salary toward the Medical – After – Retirement Account (MARA). In the event the employee makes a contribution of up to Two point Five percent of the employee's base monthly salary toward the Medical After Retirement Account, the City will match such contribution up to one percent (1.0%). The City's total contribution toward any employee will not exceed two point five percent (2.5%).

The parties agree to participate in a City wide committee to implement the new Medical After Retirement Account program. Among the topics to be considered, but not limited to, will be the following;

- The ability of current employees to switch to the new MARA.
- The ability of all employees to contribute additional monies to the MARA

Tab 19



**CITY OF ANTIOCH
RETIREE HEALTHCARE PLAN**

**January 1, 2009 Actuarial Valuation
Results**

JOHN E. BARTEL

**BARTEL
ASSOCIATES, LLC**

November 30, 2009

Contents

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RESULTS

Actuarial Obligations

7.75% Discount Rate

(Amounts in 000's)

	<u>6/30/07 Valuation</u>		<u>1/1/2009 Valuation</u>	
	<u>Actual 6/30/2007</u>	<u>Projected 6/30/2008</u>	<u>Actual 1/1/2009</u>	<u>Projected 6/30/2009</u>
■ Present Value of Benefits				
• Actives	\$ 22,279		\$ 22,654	
• Retirees	12,193		12,340	
• Total	34,472		34,994	
■ Actuarial Accrued Liability				
• Actives	12,222		13,496	
• Retirees	12,193		12,340	
• Total	24,414	\$ 26,599	25,836	\$ 26,883
■ Actuarial Value of Assets	-	(7,516) ⁹	(6,520)	(6,612)
■ Unfunded AAL	24,414	19,083	19,316	20,271
■ Normal Cost	1,131	1,168		1,092
■ Pay-As-You-Go Cost¹⁰	783	833		888

⁹ Estimated assets on 6/30/08 were set equal to expected 2007/08 end-of-year CERBT pre-funding contribution amount.

¹⁰ Actual paygo for 6/30/07 and 6/30/08, projected paygo for 6/30/09.



November 30, 2009

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RESULTS

Annual Required Contribution (ARC)

7.75% Discount Rate

(Amounts in 000's)

	<u>6/30/2007 Valuation</u>		<u>1/1/2009 Valuation</u>	
	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
■ ARC - \$				
• Normal Cost	\$ 1,131	\$ 1,168	\$ 1,092	\$ 1,127
• UAAL Amortization ¹¹	1,522	1,210	1,263	1,305
• ARC	2,653	2,378	2,355	2,432
■ Payroll	23,360	24,120	25,478	26,306
■ ARC - %				
• Normal Cost	4.8%	4.8%	4.3%	4.3%
• UAAL Amortization	6.6%	5.0%	5.0%	5.0%
• ARC	11.4%	9.9%	9.2%	9.2%

¹¹ UAAL amortization for 2007/08 and 2008/09 based on a level percent of payroll over 30-years and 29-years, respectively. UAAL amortization for 2009/10 and 2010/11 based on a fresh start 30-year and 29-year amortization, respectively. UAAL amortization amount for 2009/10 would have been \$1,157 without fresh start.



November 30, 2009

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Tab 20

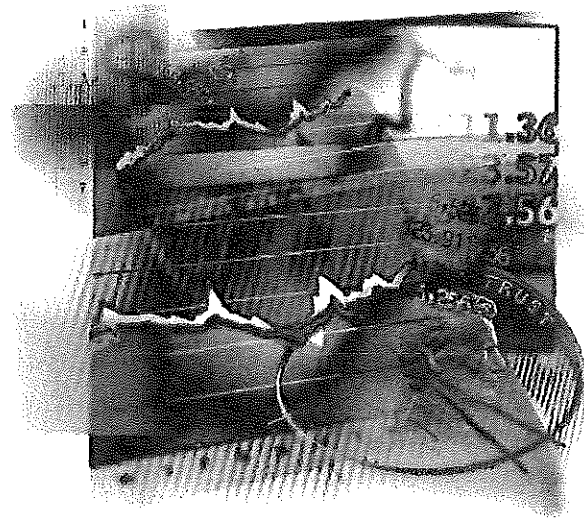


Bickmore Risk Services & Consulting

City of Antioch

Actuarial Valuation of Other
Post-Employment Benefit Programs as of

January 1, 2011



October 2011

800.541.4591

www.BRSrisk.com



A. Executive Summary

This report presents the results of the January 1, 2011 actuarial valuation of the City of Antioch (the City) "other post-employment benefit" (OPEB) programs. Briefly, the City subsidizes medical premiums for eligible retired employees. The purpose of this valuation was to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45).

The valuation was prepared using a 7.75% discount rate, based on current requirements of the CalPERS OPEB trust, CERBT, in which the Agency participates. We note that this rate is not a guarantee of future investment performance.

Exhibits presented in this report are based on the following assumptions:

- The results of the January 1, 2011 valuation will first be applied in determining the annual OPEB expense for the fiscal year ending June 30, 2011.
- Amortization of the unfunded actuarial accrued liability (UAAL) will be determined over the remainder of the closed 30 year period established when GASB 45 was initially implemented. Payments are determined as a level percent of pay. Prior separate amortization bases will be consolidated, and a single amortization period will be used.

Based on the assumptions stated above, we calculate the GASB 45 actuarial accrued liability (AAL) to be \$25,338,471 as of January 1, 2011. The City reported assets in CERBT on this date of \$7,375,365 to offset these liabilities. Thus, the unfunded actuarial accrued liability (UAAL) on January 1, 2011 is \$17,963,106.

We project these amounts in the exhibits to the years for which they will be applied for the City's financial statements. *For the fiscal year ending June 30, 2011:*

- We calculate the annual required contribution (ARC) to be \$1,830,380.
- The City reported net contributions of \$724,352 for the fiscal year ending June 30, 2011, equal to medical premiums of \$1,032,340 paid by the City less reimbursements from CERBT of \$307,988.
- Based on the calculations and contributions as described above, we calculate the net OPEB asset to be \$1,485,960 as of June 30, 2011.
- Results for the fiscal year ending June 30, 2012 are shown in the exhibits beginning on page 9.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. To the extent that actual experience is not what we assumed, future results will be different. We also note that this valuation has been prepared on a closed group basis; no provision is made for new employees.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages. The next valuation is scheduled for July 1, 2011, as required by CERBT, which we understand will be first applied to the City's fiscal year ending June 30, 2013.

Tab 21

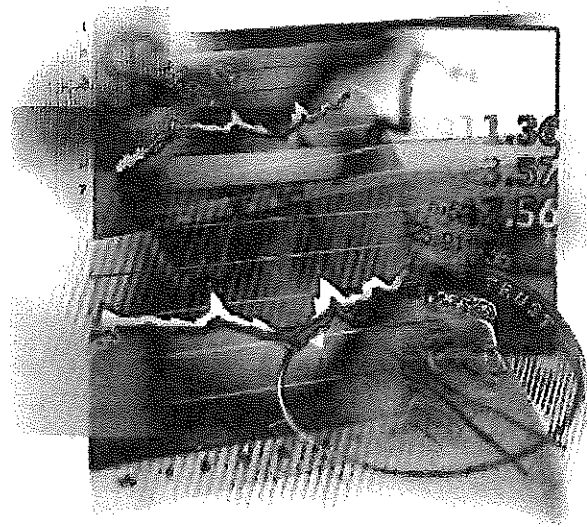


Bickmore Risk Services & Consulting

City of Antioch

Actuarial Valuation of Other
Post-Employment Benefit Programs as of

July 1, 2011



August 2012

800.541.4591

www.BRSrisk.com

A. Executive Summary

This report presents the results of the July 1, 2011 actuarial valuation of the City of Antioch (the City) other post-employment benefit (OPEB) programs. Briefly, the City subsidizes medical premiums for eligible retired employees. The purpose of this valuation was to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45).

Prefunding the plan supports use of a higher interest rate and generally produces substantially lower liabilities than a pay-as-you-go funding policy, which requires a lower interest rate. When assets are set aside in a trust but at a level not sufficient to meet GASB 45 requirements for prefunding, it is referred to as "partial prefunding". Because the City has contributed previously to the trust, but does not plan to contribute to the trust in the next few years, it is partially prefunding its OPEB obligations. Accordingly, we developed and used a blended discount rate of 4.80% for this valuation. Additional discussion of funding policy, including discount rates, is found on page 7 and determination of the blended discount rate is provided in Appendix 2 on page 28. We note that none of the rates used are to be considered a guarantee of future investment performance, but rather assumptions about the expected long term rates of return for assets used to pay future retiree benefits.

Exhibits presented in this report are based on the following assumptions:

- The results of the July 1, 2011 valuation will first be applied in determining the annual OPEB expense for the fiscal year ending June 30, 2013.
- Amortization of the unfunded actuarial accrued liability (UAAL) will be determined over the remainder of the closed 30 year period established in the prior valuation.
- A net OPEB asset of \$655,114 will be reported in the City's financial statements for the fiscal year ending June 30, 2012 (see Appendix 3).

Based on the assumptions stated above, we calculate the GASB 45 actuarial accrued liability (AAL) to be \$38,433,174 as of July 1, 2011. The City reported assets in CERBT on this date of \$7,454,949 to offset these liabilities. Thus, the unfunded actuarial accrued liability (UAAL) on July 1, 2011 is \$30,978,225.

We project these amounts in the exhibits to the years for which they will be applied for the City's financial statements. *For the fiscal year ending June 30, 2013:*

- The annual required contribution (ARC) is \$3,125,660.
- OPEB contributions are expected to be \$1,222,274 for the fiscal year ending June 30, 2013, equal to the medical premiums paid by the City. No contributions are expected to be made to the OPEB trust.
- Based on the calculations and contributions as described above, we project a net OPEB obligation of \$1,249,477 on June 30, 2013.

Results for the fiscal year ending June 30, 2014 are shown in the exhibits beginning on page 10.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to continue

Executive Summary (Concluded)

coverage for themselves and their dependents. To the extent that actual experience is not what we assumed, future results will be different. We also note that this valuation has been prepared on a closed group basis; no provision is made for new employees.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages.


The next valuation is scheduled to be prepared as of July 1, 2013 as required for continued participation in CERBT. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Tab 22



Bickmore

City of Antioch



**Actuarial Valuation of the Other
Post-Employment Benefit Programs
As of July 1, 2013**

Submitted December 2013



A. Executive Summary

This report presents the results of the July 1, 2013 actuarial valuation of the City of Antioch (the City) other post-employment benefit (OPEB) programs. Briefly, benefits include subsidized medical coverage for eligible retirees. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45).

How much the City contributes each year affects the calculation of liabilities. Prefunding the plan generally supports use of a higher interest rate and typically produces substantially lower liabilities than a pay-as-you-go funding policy. When assets are set aside in a trust but at a level not sufficient to meet GASB 45 requirements for prefunding, it is referred to as "partial prefunding". Because the City has contributed previously to the trust, but does not plan to contribute to the trust in the next few years, it is partially prefunding its OPEB obligations. Accordingly, we developed and used a blended discount rate of 4.79% for this valuation. Additional discussion of funding policy, including discount rates, is found on page 8 and determination of the blended discount rate is provided in Appendix 2 on page 30. We note that none of the rates used are to be considered a guarantee of future investment performance, but rather assumptions about the expected long term rates of return for assets used to pay future retiree benefits.

Exhibits presented in this report reflect our understanding that the results of this July 1, 2013 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2015 and 2016. We have included a summary of the information we anticipate will be reported for the City's fiscal year ending June 30, 2014 in Appendix 3 of this report, anticipating that the City will report a net OPEB obligation of \$3,293,760 on June 30, 2014.

We calculate the GASB 45 actuarial accrued liability (AAL) to be \$45,996,778 and the normal cost to be \$1,343,036 as of July 1, 2013. The City reported assets in CERBT on this date of \$8,328,210 to offset these liabilities. Thus, the unfunded actuarial accrued liability (UAAL) on July 1, 2013 is \$37,668,568.

The following summarizes results for the fiscal year ending June 30, 2015:

- We calculate the annual required contribution (ARC) to be \$3,547,700.
- We project contributions totaling \$1,429,383 for the fiscal year ending June 30, 2015, equal to the premium payments for retirees. As noted above, no contributions are expected to be made to the OPEB trust.
- Based on the calculations and contributions as described above, we project a net OPEB obligation of \$5,394,088 as of June 30, 2015.

These results are shown in tables beginning on page 11. Projected results for the fiscal year ending June 30, 2016 are also shown in these tables.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. To the extent that actual experience is not

**Executive Summary
(Concluded)**

what we assumed, future results will be different. We also note that this valuation has been prepared on a closed group basis, with no provision made for new employees.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages. The next actuarial valuation is scheduled to be prepared as of July 1, 2015, as a condition of continued participation in CERBT. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Tab 23

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF ANTIOCH

AND

**OPERATING ENGINEERS LOCAL UNION NO. 3
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 2014 - SEPTEMBER 30, 2016

ARTICLE 12

HEALTH & WELFARE

12.1 Medical Insurance

- A. The City contracts with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. The City shall pay the PERS required Minimum Employer Contribution (MEC) per month on behalf of each active and retired employee who participates in the City's health insurance plans.
- C. Except as provided herein, employees shall purchase medical insurance through the PERS Medical Program. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of their PERS Medical Program. Employees who opt out of the PERS Medical Program shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. The City shall contribute the monthly premium amount necessary to purchase a \$25,000 group life insurance policy for each employee effective on the first day of the month following the date of hire. Represented employees shall be required to enroll in the \$25,000 life insurance policy.
- B. Supplemental life insurance shall be available. Enrollment in the supplemental life insurance program is optional, with the premium paid by the employee.

ARTICLE 13

RETIREMENT

Retirement

A. Public Employees' Retirement System (PERS)

All regular status employees hired prior to January 1, 2013, and PEPRAs legacy/classic members, shall be provided coverage in the Public Employees' Retirement System (PERS) with the benefit formula of 2.7% @ 55 and Single Highest Year Final Compensation Period. Employees shall pay eight percent (8%) of the PERS Employer. The City shall pay the remainder of the PERS Employer Contribution and all eight percent (8%) of the Employee Contribution (EPMC). The City shall report the EPMC to PERS as reportable compensation for retirement calculation purposes.

Regular status employees hired on or after January 1, 2013, who will be new members of CalPERS, and who were not in a reciprocal system, will be required to be enrolled in the State-wide formula of 2% @ 62. These employees shall have the Three Year Average Final Compensation Period. In accordance with PEPRAs provisions, these employees shall pay a PERS Employee Contribution Rate of 50% of the Normal Cost, as determined annually by CalPERS.

B. Medical-After-Retirement (MAR)

For employees hired prior to September 1, 2007, the City shall provide a Medical-After-Retirement benefit in accordance with the MAR Plan on file in the Human Resources Department. The City shall contribute to this Plan a set percentage of salary per month as determined and, as may be changed from time to time, by an actuarial review.

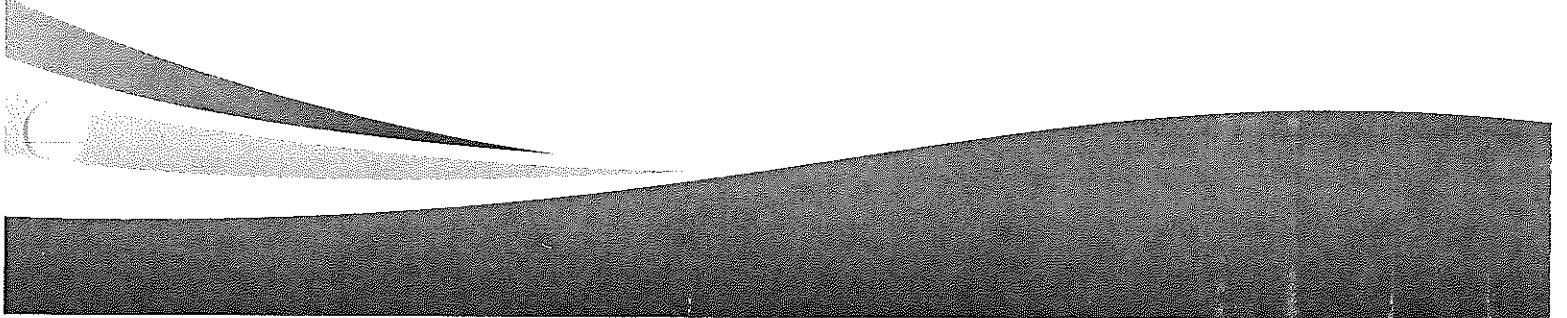
For employees hired on or after September 1, 2007, the City will contribute One point five percent (1.5%) of the employee's base monthly salary toward the Medical - After - Retirement Account (MARA). In the event all impacted employee vote to make a contribution of Two point Five percent of the employee's base monthly salary toward the Medical After Retirement Account, the City will match such contribution, making the City's total contribution toward all impacted employees two point five percent (2.5%).

Tab 24



Bickmore

City of Antioch



**Actuarial Valuation of the Other
Post-Employment Benefit Programs
As of July 1, 2015**

Submitted February 2016

A. Executive Summary

This report presents the results of the July 1, 2015 actuarial valuation of the City of Antioch (the City) other post-employment benefit (OPEB) programs. The purposes of this valuation are to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45) and to provide information to be reported to the California Employers' Retiree Benefit Trust (CERBT).

- An "explicit subsidy" exists when the employer contributes directly toward retiree healthcare premiums. In this program, benefits may include a monthly subsidy toward medical premiums for eligible retirees. Future excise taxes expected to be paid for "high cost" coverage are also explicit costs and are included with explicit liabilities.
- An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. Pre-Medicare retirees able to continue medical coverage at the same premium rates as are charged for active employees creates an implicit benefit subsidy under GASB 45. *This is the first valuation required to include the implicit subsidy liability.*

How much the City contributes each year affects the calculation of liabilities. Though an irrevocable trust has been established with CERBT for funding of the City's OPEB obligations, no additional contributions are anticipated for the next couple of years. Because OPEB contributions are expected to be less than 100% of the annual required contribution (ARC) for the next few years, GASB 45 requires development of a blended discount rate which reflects the relative portion of future benefits expected to be paid from the trust and those expected to be paid directly by the agency. Trust assets are currently invested in the CERBT investment strategy 1. With the City's approval, we have selected a discount rate of 7.28% for the assets invested in the trust. Please note that use of this rate is an assumption, however, and is not a guarantee of future investment performance.

We have determined a separate "blended" discount rate for each of the three groups of employees (and retirees) for whom there are separate trust accounts. Additional explanation of the basis of discount rates used for the valuation is provided in Section F and development of the blended discount rates is found in Appendix 1. Should the City, in fact, make contributions to the trust in addition to paying retiree benefits, it may be possible to calculate a higher discount rate, and, if so, the results of the valuation will be different.

Exhibits presented in this report reflect Bickmore's understanding that the results of this July 1, 2015 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2017 and 2018. Appendix 2 provides an updated development of the results for the fiscal year ending June 30, 2016, based on the July 1, 2013 valuation and on OPEB contributions expected to be made prior to June 30, 2016.

The Actuarial Accrued Liability and Assets as of July 1, 2015 are shown below:

Subsidy	Management	Miscellaneous	Police	Total
Discount Rate	4.60%	5.09%	4.34%	
Actuarial Accrued Liability	\$ 13,502,874	\$ 16,251,325	\$ 38,077,016	\$ 67,831,215
Actuarial Value of Assets	1,941,892	4,757,637	3,009,933	9,709,462
Unfunded Actuarial Accrued Liability	11,560,982	11,493,688	35,067,083	58,121,753
Funded Ratio	14.4%	29.3%	7.9%	14.3%

**Executive Summary
(Continued)**

Assuming the City continues to follow its previously established policy of prefunding its OPEB liabilities, the following summarizes results for the fiscal year ending June 30, 2017:

Subsidy	Management	Miscellaneous	Police	Total
Annual Required Contribution (ARC) for FYE 2017	\$ 757,600	\$ 1,150,346	\$ 3,148,677	\$ 5,056,623
Expected employer paid benefits for retirees	509,656	353,113	719,567	1,582,336
Current year's implicit subsidy credit	332,703	320,866	270,643	924,212
Expected contribution to OPEB trust	-	-	-	-
Expected net OPEB obligation at June 30, 2017	(1,181,900)	1,484,111	9,992,666	10,294,877

These results are shown in tables beginning on page 17. Projected results for the fiscal year ending June 30, 2018 are also shown in these tables. Additional information to facilitate OPEB reporting in the City's financial statements is provided in Appendix 3.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. Please note that this valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

Exhibits comparing current valuation results to those from the prior valuation begin on page 7, followed by a description of changes. An actuarial valuation is, by its nature, a projection and to the extent that actual experience is not what we assumed, future results will be different. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates or in the subsidy provided by the City toward retiree medical premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower contributions to or investment returns on plan assets than were assumed; and
- Implementation of GASB 75, the new OPEB accounting standard, which should be not later than the City's fiscal year ending June 30, 2018. One key change moves reporting of the unfunded OPEB liability from a footnote to the balance sheet.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages. The next valuation is scheduled to be prepared as of July 1, 2017 as required for continued participation in CERBT. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

**Executive Summary
(Concluded)**

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the City's financial statements and to provide the annual contribution information with respect to the City's current OPEB funding policy. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The City should consult counsel on these matters; Bickmore does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the City consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

Tab 25

EXHIBIT 1

MEMORANDUM OF UNDERSTANDING

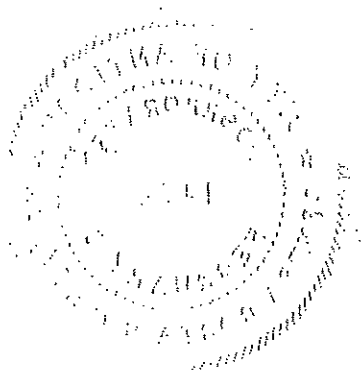
BETWEEN

CITY OF ANTIOCH

AND

**OPERATING ENGINEERS LOCAL UNION NO. 3
REPRESENTATIONAL UNIT IV**

OCTOBER 1, 2016 – SEPTEMBER 30, 2021



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MEMORANDUM OF UNDERSTANDING

between

CITY OF ANTIOCH

and

OPERATING ENGINEER LOCAL NO. 3
REPRESENTATIONAL UNIT NO. IV

This Memorandum of Understanding is entered into pursuant to the provisions of Section 3500 et seq. of the Government Code of the State of California.

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees in said representational unit, and have freely exchanged information, opinions and proposals and have reached agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding shall be presented to the City Council of the City of Antioch as the joint recommendation of the undersigned parties for salary and employee benefit adjustments. Except as provided herein, this Memorandum of Understanding shall cover the period commencing October 1, 2016, and ending September 30, 2021.

Negotiations shall commence no later than thirty (30) days and no sooner than one hundred and twenty (120) days prior to the expiration of this MOU. Either party may commence negotiations within this time period after written notification to the other party. Nothing herein contained shall prevent the parties from mutually agreeing to meet and confer on any subject.

ARTICLE 12

HEALTH AND WELFARE

12.1 Medical Insurance

- A. The City contracts with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and the City's Medical-After-Retirement Policy.
- B. The City shall pay the PERS required Minimum Employer Contribution (MEC) per month on behalf of each active and retired employee who participates in the City's health insurance plans.
- C. Except as provided herein, employees shall purchase medical insurance through the PERS Medical Program. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the PERS Medical Program. Employees who opt out of the PERS Medical Program shall be required to provide written confirmation of alternative coverage annually thereafter, during the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program.

12.2 Dental Insurance

- A. The City shall make dental insurance available to active employees and the eligible dependents of active employees.
- B. Except as provided herein, represented employees shall be required to enroll in the Dental Plan. Represented employees who have dental insurance coverage from another source may, by providing written proof of such alternative coverage to the City, opt out of the Dental Plan. Employees who opt out of the Dental Plan shall be required to provide written confirmation of alternative coverage annually thereafter, during the Dental Plan open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the Dental Plan.

12.3 Life Insurance

- A. The City shall contribute the monthly premium amount necessary to purchase a \$25,000 group life insurance policy for each employee effective on the first day of the month following the date of hire. Represented employees shall be required to enroll in the \$25,000 life insurance policy.

A. Supplemental life insurance shall be available. Enrollment in the supplemental life insurance program is optional, with the premium paid by the employee.

12.4 State Disability Insurance

A. Employees in this Unit shall be enrolled in State Disability Insurance (SDI).

12.5 Long-Term Disability Insurance

A. The City shall make a Long-Term Disability Insurance Plan available for all represented employees at the employee's expense, outside of the cafeteria plan.

B. Enrollment in the Long-Term Disability Insurance Plan is mandatory.

12.6 Vision Care Insurance

A. The City shall make available to represented employees and the dependents of represented employees Options I, II and III of the City of Antioch Vision Plan.

B. Enrollment in the Vision Plan is optional.

12.7 Employee Assistance Program

A. The City shall contribute the monthly premium amount on behalf of each represented employee toward the cost of the City's current Employee Assistance Program (EAP).

B. Enrollment in the EAP is mandatory.

12.8 Gym/Health Club Reimbursement Program

A. The City shall make available a Gym/Health Club Reimbursement Program that provides a partial reimbursement to represented employees who provide the City with written verification of regular membership in a health club or commercial gym.

B. Employees, who provide written proof of membership pursuant to paragraph A. above, may receive up to \$27.00 per month not to exceed 100% of the cost of such membership, on an after-tax basis.

12.9 Flexible Benefits (Cafeteria) Plan

A. Effective January 1, 2015, the City shall make the following contributions to the Flexible Benefits Plan on behalf of represented employees:

1. For each represented employee who is eligible for employee only medical coverage, the City shall contribute \$ 595.72 per month.

2. For each represented employee who is eligible for two (2) party medical coverage, the City shall contribute \$ 1,053.90 per month.
3. For each represented employee who is eligible for family medical coverage, the City shall contribute \$ 1366.79 per month.

At least thirty (30) days prior to the beginning of the annual open enrollment period, the City shall determine the flexible benefits/cafeteria plan contributions for the following calendar year as follows:

- a. The City shall add the dollar values increase in premiums for the Kaiser health plan (single, 2-party, family) and the most costly dental plan.
 - b. The City then shall divide the sum of these changes by 2, to determine a 50%/50% split of the increase in premiums.
 - c. The City's contribution toward the flexible spending/cafeteria plan shall be modified by 50% of the premium increase. This 50%/50% sharing of premium increases shall be capped at a maximum annual increase of \$1,000 out of pocket per employee (a \$2,000 combined total premium increase). In the event that the annual premium increase exceeds \$2,000, the City shall pick up 100% of the premium in excess of \$2,000.
- B. Effective January 1, 2019, the City shall make the following contributions to the Flexible Benefits Plan on behalf of the employees. These contributions include the Minimum Employer Contribution (MEC) required by CalPERS:
1. For each employee who is eligible for employee only medical coverage, the City shall contribute ninety five percent (95%) of the Kaiser single rate and per month.
 2. For each employee who is eligible for two (2) party medical coverage, the City shall contribute ninety five percent (95%) of the Kaiser two (2) party rate per month.
 3. For each employee who is eligible for family medical coverage, the City shall contribute ninety five (95%) of the Kaiser family rate per month.
 4. In addition to the City Contributions above, the City shall make an additional contribution to the flexible benefit plan on behalf of the employee equal to 100% of the premium for the most densely populated City-wide dental plan at that level (single, two-party, family).
 - a. The most densely populated dental plan shall be determined at least thirty (30) days prior to the beginning of the annual open enrollment period, the City shall determine which of the City offered dental plans has the highest percentage of employees enrolled on a City-wide basis for each coverage level offered by the City.

- C. Each employee shall file an election in writing during the month of Open Enrollment each year as to how the monies in his or her Flexible Benefits Account are to be expended during the ensuing plan year. Thereafter, except as provided in the Flexible Benefits Program Plan Document, no changes to the designations so made shall be allowed until the enrollment period of the following plan year.
1. During the designated Open Enrollment Period each year, each represented employee must satisfy the mandatory and conditional enrollment obligations specified in this Article. In addition, each employee may enroll in the various optional programs offered under the Flexible Benefits Plan.
 2. If the costs of an employee's selections exceed the City's monthly contributions, the employee shall designate a portion of his/her wages to be deposited into the Flexible Benefits Plan to cover the cost of such selections.
 3. If the costs of an employee's selections under the Flexible Benefits Plan are less than the City's monthly contribution on that employee's behalf, the unused money will be split, with one-half (1/2) of the unused money going to the employee as wages each month and one-half (1/2) of the money reverting to the City. Or, the employee may elect to have one-hundred percent (100%) of the unused money deposited into his/her deferred compensation account, not to exceed the maximum allowable employee contribution.

Effective January 1, 2019, if the costs of an employee's selections under the Flexible Benefit Plan are less than the City's monthly contribution on that employee's behalf, the unused money will be split, with one-half (1/2) of the unused money going to the employee as wages each month and one-half (1/2) of the money reverting to the City. The employee may contribute the wages received under this section to the employee's deferred compensation account subject to the plan limits.
 4. Each employee shall be responsible to provide immediate written notification to the City regarding any change to the number of his or her dependents that affects the amount of the City's monthly contributions on the employee's behalf. Changes to the City's contribution rate shall take effect at the start of the first pay period in the month preceding the month in which the eligible dependent is either added or deleted under the plan. In the event an employee does not timely report a change of dependent status that affects the amount of the City's monthly contribution,

the employee shall reimburse the City for any overpayment paid by the City via payroll deduction.

5. The City will not treat the employee share of premium payments within the Flexible Benefits Program as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicate that such contributions are taxable income subject to withholding. The City shall treat any cash payments to the employee as compensation subject to applicable local, State and Federal tax regulations and shall withhold and report such taxes as required by law. Each employee shall be solely and personally responsible for any Federal, State or local tax liability of the employee that may arise out of the implementation of this section.

D. Employees hired by the City after December 31, 2018, cash back in lieu of benefits shall be limited to \$250 per month.

12.10 Alternative Health & Welfare Benefits

- A. The City and the Union may, by mutual agreement, re-open discussions at anytime during the term of this Agreement to discuss alternative health and welfare benefit programs and/or service providers.
- B. Except where changes are imposed upon the City and the Union by outside authority, modifications in benefits would occur only as the result of mutual agreement between the parties.

ARTICLE 13

RETIREMENT

Retirement

A. Public Employees' Retirement System (PERS)

All regular status employees hired prior to January 1, 2013, and PEPRA legacy/classic members, shall be provided coverage in the Public Employees' Retirement System (PERS) with the benefit formula of 2.7% @ 55 and Single Highest Year Final Compensation Period. Employees shall pay eight percent (8%) of the PERS Employer. The City shall pay the remainder of the PERS Employer Contribution and all eight percent (8%) of the Employee Contribution (EPMC). The City shall report the EPMC to PERS as reportable compensation for retirement calculation purposes.

Regular status employees hired on or after January 1, 2013, who will be new members of CalPERS, and who were not in a reciprocal system, will be required to be enrolled in the State-wide formula 2% @ 62. These employees shall have the Three Year Average Final Compensation Period. In accordance with PEPRA provisions, these employees shall pay a PERS Employee Contribution Rate of 50% of the Normal Cost, as determined annually by CalPERS.

B. Medical-After-Retirement (MAR)

For employees hired prior to September 1, 2007, the City shall provide a Medical-After-Retirement benefit in accordance with the MAR Plan on file in the Human Resources Department. The City shall contribute a set percentage of salary per month, as determined and, as may be changed from time to time, by an actuarial review.

For employees hired on or after September 1, 2007, the City will contribute One point five percent (1.5%) of the employee's base monthly salary toward the Medical-After-Retirement Account (MARA). In the event all impacted employee vote to make a contribution of Two point Five percent of the employee's base monthly salary toward the Medical After Retirement Account, the City will match such contribution, making the City's total contribution toward all impacted employees two point five percent (2.5%).

Tab 26

Baum, Gail (Sacramento)

From: Merchant, Dawn <dmerchant@ci.antioch.ca.us>
ent: Thursday, September 21, 2017 6:35 PM
To: Mastay, Nickie
Subject: Fwd: City of Antioch OPEB - retiree bargained benefits valued

See below from our actuary. The values are based on the caps including the MEC portion as we do, not as an additional amount above cap.

Dawn Merchant
Finance Director

----- Forwarded message -----

From: Catherine MacLeod <cmacleod@bickmore.net>
Date: Sep 21, 2017 6:31 PM
Subject: City of Antioch OPEB - retiree bargained benefits valued
To: "Merchant, Dawn" <dmerchant@ci.antioch.ca.us>
Cc: Courtney Crisp <ccrisp@bickmore.net>

Hello, Dawn.

Courtney and I have reviewed the prior valuation report and, specifically, what we projected and valued.

For retirees hired prior to 9/1/2007 who qualify for the "bargained" benefits, we value benefits up to the applicable cap for each group. We interpreted these benefits as including the PEMHCA minimum amounts. **In other words, we valued benefits the way the City appears to have interpreted them**, as per the bolded statement below.

In the Chart of Benefits included in Table 3A of our 2015 report, we divide the benefits into two sections:

1. *One for people hired before 9/1/2007 with 10 or more years*
Under the banner "City paid Retiree Medical Benefits", we show the bargained benefits. We say nothing about any additional payments to CalPERS.
2. *The other for people hired on/after 9/1/2009 OR who were hired before but had less than 10 years of service at retirement.*
For these people, the only benefit payable is the PEMHCA MEC.

Please let me know if we can be of any further assistance on this.

Cathy

Catherine MacLeod
Director, Postemployment Benefit Actuarial Services
503.419.0462
cmacleod@bickmore.net

Bickmore

From: Merchant, Dawn [mailto:dmerchant@ci.antioch.ca.us]
Sent: Thursday, September 21, 2017 4:16 PM
To: Catherine MacLeod; Courtney Crisp
Subject: City of Antioch OPEB valuations

Good Afternoon-

One of our bargaining units has filed a grievance with the City regarding how we are paying our medical after retirement benefits that we have to respond to. Our lawyer is asking about the actuarial valuations and how the reimbursements are treated. Specifically, we reimburse employees up to the caps by group, but the **City has always interpreted that the cap includes the MEC that we pay directly to PERS so when we reimburse our employees, we reduce the cap by the MEC.** Our lawyer wants to know if for purposes of the valuation if the liability is being calculated on the cap plus the MEC being paid or only up to the cap amount. I know the MEC is listed on the table 3A of the valuations but I am not sure how it is being accounted for. If you could please let me know by Monday I would appreciate it. Thank you.

Dawn Merchant

Finance Director
City of Antioch
(925) 779-6135

Tab 27

08/31/07 updated

Plan 578 - Miscellaneous (I,III,IV)
Caps for Employees retiring before 7/01/93

	Single
Highest Enrolled Plan	350.37
Direct Pay to PERS	(80.80)
Maximum Reimbursement	269.57

Highest Enrolled Plan 431.17

Cap not to exceed Single-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 7/01/93 but before 10/15/02

	Single	Single w/Medicare
	310.00	192.00
Cap Increase	44.69	44.69
	354.69	236.69

Direct Pay to PERS	(80.80)	(80.80)
Maximum Reimbursement	273.89	155.89

Highest Enrolled Plan 431.17

Cap not to exceed Single or 2-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 10/15/02

	Single	2-Party	Single w/Medicare	2-Party w/Medicare
	310.00	620.00	192.00	384.00
Temporary Cap Increase	44.69	89.38	44.69	89.38
	354.69	709.38	236.69	473.38

Direct Pay to PERS	(80.80)	(80.80)	(80.80)	(80.80)
Maximum Reimbursement	273.89	628.58	155.89	392.58

Highest Enrolled Plan 431.17 862.34

Cap not to exceed Single or 2-Party Coverage of Highest Enrolled Plan

08/31/07 updated

Plan 578 - Miscellaneous (I,III,IV)
Caps for Employees retiring before 7/01/93

Single

Highest Enrolled Plan 470.67
Direct Pay to PERS (97.00)
Maximum Reimbursement 373.67

Highest Enrolled Plan 470.67

Cap not to exceed Single-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 7/01/93 but before 10/15/02

Single Single
w/Medicare

Cap Increase 310.00 192.00
44.69 44.69
354.69 236.69

Direct Pay to PERS (97.00) (97.00)
Maximum Reimbursement 257.69 139.69

Highest Enrolled Plan 431.17

Cap not to exceed Single or 2-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 10/15/02

Single 2-Party Single 2-Party
w/Medicare w/Medicare

Temporary Cap Increase 310.00 620.00 192.00 384.00
44.69 89.38 44.69 89.38
354.69 709.38 236.69 473.38

Direct Pay to PERS (97.00) (97.00) (97.00) (97.00)
Maximum Reimbursement 257.69 612.38 139.69 376.38

Miscellaneous (I,III,IV)

Caps for Employees retiring before 7/01/93

Single

Highest Enrolled Plan	746.47
Direct Pay to PERS	(125.00)
Maximum Reimbursement	621.47

Cap not to exceed Single-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 7/01/93 but before 10/15/02

Single Single
w/Medicare

	310.00	192.00
Cap Increase	44.69	44.69
	354.69	236.69
Direct Pay to PERS	(125.00)	(125.00)
Maximum Reimbursement	229.69	111.69

Caps for Employees retiring after 10/15/02

Single 2-Party Single 2-Party
w/Medicare w/Medicare

	310.00	620.00	192.00	384.00
Temporary Cap Increase	44.69	89.38	44.69	89.38
	354.69	709.38	236.69	473.38
Direct Pay to PERS	(125.00)	(125.00)	(125.00)	(125.00)
Maximum Reimbursement	229.69	584.38	111.69	348.38

Miscellaneous (I,III,IV)

Caps for Employees retiring before 7/01/93

Single

Highest Enrolled Plan	733.39
Direct Pay to PERS	(128.00)
Maximum Reimbursement	605.39

Cap not to exceed Single-Party Coverage of Highest Enrolled Plan

Caps for Employees retiring after 7/01/93 but before 10/15/02

	Single	Single w/Medicare
	310.00	192.00
Cap Increase	44.69	44.69
	354.69	236.69
Direct Pay to PERS	(128.00)	(128.00)
Maximum Reimbursement	226.69	108.69

Caps for Employees retiring after 10/15/02

	Single	2-Party	Single w/Medicare	2-Party w/Medicare
	310.00	620.00	192.00	384.00
Temporary Cap Increase	44.69	89.38	44.69	89.38
	354.69	709.38	236.69	473.38
Direct Pay to PERS	(128.00)	(128.00)	(128.00)	(128.00)
Maximum Reimbursement	226.69	581.38	108.69	345.38

Business Partner Name : City of Antioch

CalPERS ID : 7701602899

Receivable ID : 100000014927225

Original Billed Amount : \$376,023.09

Coverage Month : APRIL

Total Billing Adjustments : \$0.00

Total Payments Made : \$0.00

Total Amount Due : \$376,023.09

Due Date : 04/10/2017

State	Premium Amount	Participant Share	Employer Share
Retired	\$600.96	\$472.96	\$128.00
Retired	\$600.96	\$472.96	\$128.00
Retired	\$1,024.85	\$896.85	\$128.00
Retired	\$1,906.81	\$1,778.81	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$1,906.81	\$1,778.81	\$128.00
Retired	\$389.76	\$261.76	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$648.42	\$520.42	\$128.00
Retired	\$1,351.22	\$1,223.22	\$128.00
Retired	\$733.99	\$605.99	\$128.00
Retired	\$648.42	\$520.42	\$128.00
Retired	\$389.76	\$261.76	\$128.00
Retired	\$779.52	\$651.52	\$128.00
Retired	\$1,351.22	\$1,223.22	\$128.00
Retired	\$733.99	\$605.99	\$128.00
Retired	\$1,795.46	\$1,667.46	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$1,876.00	\$1,748.00	\$128.00
Retired	\$1,112.63	\$984.63	\$128.00
Retired	\$600.96	\$472.96	\$128.00
Retired	\$1,467.00	\$1,339.00	\$128.00
Retired	\$300.48	\$172.48	\$128.00
Retired	\$675.61	\$547.61	\$128.00
Retired	\$1,351.22	\$1,223.22	\$128.00
Retired	\$1,080.99	\$952.99	\$128.00
Retired Totals	\$159,069.07	\$146,586.07	\$128,241.00



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Dawn Merchant, Finance Director *DM*

REVIEWED BY: Ron Bernal, City Manager

SUBJECT: Appropriation of Expenditures for Encumbrances and Project Budgets Outstanding as of June 30, 2017 to the 2017/18 Fiscal Year Budget and Other Fiscal Year 2017/18 Budget Amendments

RECOMMENDED ACTION

It is recommended that the City Council adopt the resolution appropriating expenditures for encumbrances and project budgets outstanding to the 2017/18 fiscal year budget and approving amendments to the 2017/18 fiscal year budget.

STRATEGIC PURPOSE

This action falls under Strategic Plan Long Term Goal O: Achieve and maintain financial stability and transparency.

FISCAL IMPACT

Funds were committed and available in the prior fiscal year to pay for encumbrances and project budgets outstanding. This action will carry forward those unspent funds and any related reimbursements into the current fiscal year. Other items requiring amendments are outlined in Attachment C.

DISCUSSION

Fiscal year 2017/18 budget amendments are being requested for the following items:

- Encumbrances are commitments (purchase orders) related to not yet completed contracts or purchases of goods or services. Encumbrances outstanding at June 30, 2017 are reported as assignments of fund balance since they do not constitute expenditures or liabilities and must be re-appropriated in the 2017/18 fiscal year budget. This action affords the appropriate authorization to complete the payment for these prior commitments (Exhibit A).
- Certain projects appropriated in the 2016/17 budget were not complete, and thus require the remaining budget to be carried forward into the 2017/18 budget to pay for remaining project expenditures (Exhibit B).

- Other budget items reflecting changes to the fiscal year 2017/18 budget which occurred after adoption of the budget on June 27, 2017 (Exhibit C). Clarification of these items is provided in the next section.

Other Budget Items Requiring Amendments

Since the adoption of the two-year budget on June 27, 2017, the following items have occurred which need to be accounted for in the budget:

General Fund

- Several City vehicles need to be replaced as they have exceeded their useful lives and/or have become too costly to continually repair and a new to fleet vehicle is needed in the Facility Maintenance division. Although the City maintains a Vehicle Replacement Fund, the vehicles being replaced have not had enough money set aside to cover the full replacement value. \$295,034 in additional funds are needed for replacement and addition of new to fleet vehicles.
- The City has a one-time revenue policy that outlines that a minimum 50% of one-time revenues received by the City, which will include non Police salary savings, be contributed to unfunded liabilities with the remainder to be used on one-time projects as directed by City Council. For fiscal year 2017, the only one-time revenues under this policy was non Police salary savings totaling \$1,389,250. 50% of this is \$694,625. A budget amendment is included on Attachment C for this to put towards unfunded liabilities. A discussion about the remaining \$694,625 will occur at a future meeting date, either as part of the mid-year budget review or at another Council meeting date requested by Council.

Other Funds

- **Water Fund:** Several City vehicles need to be replaced as they have exceeded their useful lives and/or have become too costly to continually repair. Although the City maintains a Vehicle Replacement Fund, the vehicles being replaced have not had enough money set aside to cover the full replacement value. \$93,451 in additional funds are needed for replacement of vehicles.

Budget Summary

The next table reflects fiscal year 2016/17 unaudited closing numbers, fiscal year 2017/18 budget with approved amendments to date, and revised fiscal year 2017/18 budget figures incorporating the requested amendments in this report.

Budget Summary Table

	2016-17 Unaudited	2017-18 Budget	2017-18 Revised
Beginning Balance, July 1	\$22,904,428	\$31,015,218	\$31,015,218
Revenue Source:			
Taxes	38,699,654	39,034,551	39,034,551
Taxes – Measure C	6,534,889	6,756,900	6,756,900
Licenses & Permits	1,143,426	1,210,000	1,210,000
Fines & Penalties	160,564	58,000	58,000
Investment Income & Rentals	559,693	575,000	575,000
Revenue from Other Agencies	1,237,450	1,012,631	1,012,631
Current Service Charges	2,108,896	1,522,406	1,522,406
Other Revenue	2,409,691	1,271,040	1,271,040
Transfers In	3,780,876	2,970,972	2,970,972
Total Revenue	56,635,139	54,411,500	54,411,500
Expenditures:			
Legislative & Administrative	674,701	1,276,038	1,303,337
Finance	13,824	45,997	83,989
Nondepartmental	224,699	461,538	1,221,816
Public Works	6,274,746	7,493,413	8,232,545
Police Services	28,883,660	29,505,363	29,799,562
Police Services-Measure C	7,441,194	9,125,710	9,125,710
Police Services-Animal Support	420,859	732,753	732,753
Recreation/Community Svs.	1,594,924	1,133,817	1,133,817
Community Development	2,498,005	4,127,909	4,403,769
Code Enforce. – Measure C	497,737	579,115	579,115
Total Expenditures	48,524,349	54,481,653	56,616,413
Surplus/(Deficit)	8,110,790	(70,153)	(2,204,913)
Ending Balance, June 30	\$31,015,218	\$30,945,065	\$28,810,305
Committed – Police Services	2,947,925	-	-
Committed-Comp. Absences	97,710	112,147	112,147
Committed-Litigation Reserve	500,000	500,000	500,000
Assigned – Encumbrances & Project Budgets	1,270,101	-	-
Unassigned Fund Balance	\$26,199,482	\$30,332,918	\$28,198,158
Percentage of Revenue	46.26%	55.74%	51.82%

Fiscal year 2016/17 is actually closing with \$5,069,455 higher fund balance than projected with the adoption of the revised 2016/17 budget on June 27th. This variance represents approximately \$981,000 more in revenues and \$4,088,000 less in expenditures than anticipated. It is important to note that \$2,947,925 of the fund balance is committed Measure C funds for Police and \$1,270,101 is for purchase orders and projects not completed/spent by June 30th being requested to roll over into the current fiscal year.

The following are the most significant factors contributing to the variances from budget:

➤ **REVENUES**

- Approximately \$198,000 more in property tax revenue due to a redevelopment residual payment. This is an annual payment, but it is a difficult amount to estimate and fluctuates based on monies available for distribution to taxing entities.
- Approximately \$225,000 more in business license taxes, mainly due to Measure O collections.
- Approximately \$159,000 more in sales tax, property transfer tax and transient occupancy tax.
- Approximately \$65,000 more in state mandated reimbursements than expected.
- Approximately \$154,000 more in COPS grant reimbursement revenue than projected.
- Approximately \$180,000 other miscellaneous revenues more than projected.

➤ **EXPENDITURES**

- \$1,270,101 in encumbrances and project budgets outstanding at June 30th, that were not spent by June 30th, are being re-appropriated into fiscal year 2018 as outlined in Exhibits A and B. (\$125,000 of this amount was already approved by Council on September 26th for the Police firing range). This amount is represented as an assignment of fund balance at June 30, 2017 in the General Fund table on the previous page.
- \$1,389,250 savings in non-Police personnel expenditures due to vacancy savings. As discussed on page 2 of this report, 50% of this is being re-appropriated into the current year to contribute to unfunded liabilities with a discussion of the remaining 50% to occur at a future date.
- Approximately \$1,627,000 additional savings in Police salaries and supplies and services than anticipated. This is considered part of the Measure C savings in fiscal year 2017 (see chart prior page).
- Approximately \$128,000 savings in claims liability expenses. The City is responsible for claims payments up to a \$50,000 deductible, so an amount is estimated in the budget to ensure enough funds are available for any claims settled.
- \$371,000 increase in recreation subsidy (expense) due mainly to revenues coming in slightly under projections and more in part time help spending than expected.

The adopted 2017/18 budget reflected a \$95,063 budget surplus, and with the approval of a budget amendment for firing range maintenance by Council at a prior meeting, the budget now reflects a slight budget deficit of \$70,153. The budget amendments requested in this report will result in increasing the budget deficit to \$2.2M in this fiscal year. However, the deficit spending results from re-appropriating unspent budgeted funds from 2016/17 to 2017/18 (see Budget Summary Table on page 3) that are in reserves at June 30, 2017.

A revised Measure C table for Police funding is presented below (note that the revised budget includes amendments outlined in Exhibits A through C):

General Fund Police Department Measure C Funding

	Police Actuals FY17	Police Budget FY18 - Revised
13/14 Baseline Budget	\$26,560,004	\$26,560,004
Measure C actual/budget	6,037,152	6,177,785
Measure C carryover – FY16(actual)	4,351,967	0
Measure C carryover – FY17(Actual)	0	2,947,925
Budget Allotment	36,949,123	35,685,714
Actual/Budgeted Expenditures	36,745,713	39,658,025
City Wide Administration	(2,744,515)	(2,878,398)
Net Police Department Expense	34,001,198	36,779,627
Difference under/(over) budget	\$2,947,925	(\$1,093,913)

Based on the chart above, \$7,441,194 of Measure C Funds was spent by the Police Department during fiscal year 2016/17. This represents the difference between the total Measure C actual fiscal year 2016/17 receipts, plus the carryover from fiscal year 2015/16. The calculation is below:

Measure C Fiscal Year 2016/17 Receipts	\$6,037,152
Plus: Fiscal Year 2015/16 Measure C carryover	4,351,967
Sub-total Available Measure C Monies	\$10,389,119
Less: Difference under Budget (chart above)	(2,947,925)
CALCULATED TOTAL OF MEASURE C FUNDING SPENT FOR POLICE SERVICES	\$7,441,194

A mid-year budget review will be brought to Council in February or March of next year. In addition, the discussion of the use of the remaining salary savings will be brought back at a future date requested by Council.

ATTACHMENTS

- A.** Resolution Appropriating Expenditures for Encumbrances and Project Budgets Outstanding as of June 30, 2017 to the 2017/18 Fiscal Year and Approving Other Amendments to the 2017/18 Budget
 - Exhibit A to Resolution – Encumbrances to Reappropriate
 - Exhibit B to Resolution – Project Budget Carryovers
 - Exhibit C to Resolution – Other Budget Amendments

RESOLUTION NO. 2017/

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROPRIATING EXPENDITURES FOR ENCUMBRANCES AND PROJECT
BUDGETS OUTSTANDING AS OF JUNE 30, 2017 TO THE 2017/18 FISCAL YEAR
BUDGET AND APPROVING OTHER AMENDMENTS TO THE 2017/18 FISCAL YEAR
BUDGET**

WHEREAS, a number of encumbrances have been reflected in the accounting system to reserve funds which were encumbered in the 2016/17 fiscal year budget, but which are to date unexpended and are required to be re-appropriated to the 2017/18 fiscal year; and

WHEREAS, project budgets outstanding as of June 30, 2017 need to be re-appropriated; and

WHEREAS, other amendments to the 2017/18 fiscal year budget are required;

THEREFORE, BE IT RESOLVED that the appropriations of new expenditures to the 2017/18 fiscal year budget for encumbrances and projects outstanding at June 30, 2017 and revisions to the 2017/18 fiscal year expenditure budgets, as specified in Exhibits A, B and C (incorporated herein by reference), are hereby approved and the 2017/18 fiscal year budget shall be deemed to be so amended.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 14th day of November 2017, by the following vote:

AYES:

ABSENT:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

**EXHIBIT A
ENCUMBRANCES AT JUNE 30, 2017 TO REAPPROPRIATE**

Fund/Department	Account Description	PO Number	Vendor	Appropriation Request
GENERAL FUND:				
Police Department	Furniture & Equipment	P170503	Pursuit North	\$ 90,515.00
Police Department	Furniture & Equipment	P170517	Odin Systems	12,100.00
Police Department	Furniture & Equipment	P170518	Lehr Auto Electric	1,026.00
Police Department	Training	P170545	CI Technologies	23,000.00
Community Development	Nuisance Abatement	P170247	K2GC	27,125.00
Community Development	Contracts Professional	P170514	Raney Planning & Management	875.00
Community Development	Contracts Professional	P170539	ICF Jones and Stokes Inc	233,202.00
Non-Departmental	Contracts Professional	P170538	Lew Edwards Group	49,484.00
City Manager	Special Projects	P170304	Digital Services	2,438.00
Economic Development	Contracts Professional	P160396	Municipal Resource Group	24,861.00
Public Works	Contracts Professional	P150366	Testing Engineers	19,726.00
Public Works	Contracts Professional	P160088	PSC Environmental Services	5,000.00
Public Works	Contracts Professional	P160309	ARC Alternatives	20,778.00
Public Works	Contracts Professional	P170543	Specialized Graphics	6,076.00
			Total General Fund	<u><u>516,206.00</u></u>
SLLMD FUNDS:				
Public Works	Contracts Professional	P170001	Apex Grading	17,000.00
			Total Solid Waste Fund	<u><u>17,000.00</u></u>
RESIDENTIAL DEVELOPMENT ALLOCATION (RDA) FUND:				
Non-Departmental	Economic Development	P160421	Wallace Roberts and Todd LLC	709.00
			Total RDA Fund	<u><u>709.00</u></u>
NPDES FUND:				
Public Works	Contracts Professional	P170015	Atlantis Diving and Salvage	5,900.00
Public Works	Contracts Professional	P170035	Atlantis Diving and Salvage	10,075.00
Public Works	Contracts Professional	P170248	Wreco	8,686.00
			Total NPDES Fund	<u><u>24,661.00</u></u>
WATER FUND:				
Public Works	Contracts Professional	P140211	Walter Bishop	36,256.00
Public Works	Contracts Professional	P150346	Exponent Inc	3,506.00
Public Works	Contracts Professional	P160320	Luhdorff and Scalmanini	8,119.00
Public Works	Contracts Professional	P170322	JLR Environmental	88,806.00
Public Works	Parts & Service	P170531	Automated Valve Service	14,437.00
Public Works	Contracts Professional	P170532	Automated Valve Service	17,590.00
Public Works	Parts & Service	P170533	Vincent Electric Motor Co.	8,766.00
			Total Water Fund	<u><u>177,480.00</u></u>
SEWER FUND:				
Public Works	Contracts Professional	P150196	Municipal Financial Services	4,355.00
Public Works	Operating Supplies	P170537	Computerland	1,686.00
Public Works	Contracts Professional	P170011	Nor Cal Pipeline Services	209,245.00
			Total Sewer Fund	<u><u>215,286.00</u></u>
			Grand Total Encumbrances	<u><u>\$ 951,342.00</u></u>

**EXHIBIT B
PROJECT BUDGET CARRYOVERS FROM JUNE 30, 2017**

Project Budget Carryovers				
Description	FY17 Budget	FY17 Expenditures **	Balance to Carryover to FY18	Funding Source
Police - Software Upgrade/Facility Maint.	\$ 99,100.00	\$ 5,354.00	\$ 93,746.00	General Fund
Concrete/Sidewalk Repairs	475,000.00	83,082.00	391,918.00	General Fund
Finance-Software Upgrade	383,063.00	345,071.00	37,992.00	General Fund
Sign Repairs	125,000.00	94,341.00	30,659.00	General Fund
Facilities Maintenance	170,000.00	135,383.00	34,617.00	General Fund
Median/Landscape Maintenance	192,500.00	152,537.00	39,963.00	General Fund
Antioch Home Ownership Program	17,250.00	-	17,250.00	Housing Successor Fund
KB Homes RDA Reimbursements	547,246.00	134,903.00	412,343.00	Residential Development Agreement
New Traffic Signals	340,000.00	11,929.00	328,071.00	Traffic Signal Fund
Pavement Preventative Maintenance	2,600,000.00	2,563,805.00	36,195.00	Gas Tax
Pavement Management System	30,000.00	11,103.00	18,897.00	Gas Tax
Downtown Roadway Project	200,000.00	-	200,000.00	Gas Tax
James Donlon Retaining Wall Rehab	180,000.00	166,673.00	13,327.00	Gas Tax
West Antioch Creek	70,000.00	67,670.00	2,330.00	Capital Improvement Fund
Marina Parking Lot Rehab	50,000.00	-	50,000.00	Capital Improvement Fund
Sidewalk Repair Program	300,000.00	280,879.00	19,121.00	Water/Sewer/Gas Tax
Northeast Annexation Infrastructure	230,000.00	82,155.00	147,845.00	Capital Improvement Fund
Prewett Water Park Project	950,795.00	923,591.00	27,204.00	Prewett CIP Fund/Mello Roos
Transportation Impact Fee Study	85,000.00	35,539.00	49,461.00	Measure J
Sidewalk Improvements	650,000.00	61,865.00	588,135.00	Measure J
Lone Tree Way Pavement Overlay	50,000.00	-	50,000.00	Measure J
L Street Improvement Study	100,000.00	25,029.00	74,971.00	Measure J
Trash Capture Devices	200,000.00	2,184.00	197,816.00	NPDES
Mobile Equipment	725,569.00	423,726.00	301,843.00	Vehicle Replacement Fund
Wildhorse Left Turn Pocket	20,000.00	465.00	19,535.00	Hillcrest A.D. Fund
CDBG Downtown Roadway	840,138.00	13,682.00	826,456.00	CDBG
Cathodic Protection Assessment	177,690.00	21,519.00	156,171.00	Water Fund
Water Studies and Planning	175,000.00	63,955.00	111,045.00	Water Fund
WTP Electrical Upgrades	60,000.00	57,979.00	2,021.00	Water Fund
WTP Disinfection Improvements	3,065,746.00	213,170.00	2,852,576.00	Water Fund
Zone 1 Pipeline Rehab	500,000.00	464,436.00	35,564.00	Water Fund
Desalination Plant	1,155,164.00	282,058.00	873,106.00	Water Fund
WTP Plant Improvements	225,000.00	125,779.00	99,221.00	Water Fund
WTP Disinfection Improvements	1,000,000.00	-	1,000,000.00	Water System Improvement Fund
Water Main Replacement	260,000.00	252,499.00	7,501.00	Water System Improvement Fund
Corrosion Rehab	200,000.00	4,100.00	195,900.00	Sewer Fund
Trenchless Rehabilitation	1,950,858.00	1,117,766.00	833,092.00	Sewer Fund
Sewer Main Replacement	318,652.00	30,039.00	288,613.00	Sewer System Improvement Fund
Grand Total			\$ 10,464,505.00	

**Amounts reported as expenditures include any purchases orders being requested on Exhibit A to show unencumbered balance

Grant Project Budget Amendments				
Fund/Account	FY18 Budget	FY18 Amendment	FY18 Revised Budget	Description
Animal Control Fund:				
Grant Expenditures	\$ -	\$ 80,577.00	\$ 80,577.00	Maddie's Fund grant balance

**EXHIBIT C
OTHER BUDGET AMENDMENTS - FY18**

<u>Fund/Account</u>	<u>FY18 Budget</u>	<u>FY18 Amendment</u>	<u>FY18 Revised Budget</u> *	<u>Purpose</u>
General Fund:				
Building Dept Expense	\$ 1,185,096.00	\$ 3,276.00	\$ 1,188,372.00	Vehicle replacement, vehicle replacement fund shortfall
Code Enforcement Dept Expense	1,609,414.00	11,382.00	1,620,796.00	Vehicle replacement, vehicle replacement fund shortfall
Facility Maintenance Dept Expense	37,202.00	35,000.00	72,202.00	New to fleet vehicle needed
Streets Dept Expense	1,523,760.00	155,395.00	1,679,155.00	Vehicle replacements, vehicle replacement fund shortfall
Nondepartmental Expense	461,538.00	710,794.00	1,172,332.00	Increase in Police Supp. Retirement Plan contribution for one time revenues/Vehicle replacement
Police Dept Expense	39,363,826.00	<u>73,812.00</u>	39,437,638.00	Vehicle replacement, vehicle replacement fund shortfall
	Total General Fund	989,659.00		
Water Fund:				
Equipment		<u>93,451.00</u>	93,451.00	Vehicle replacements, vehicle replacement fund shortfall
	Total Water Fund	93,451.00		


*Excludes encumbrances and other project budgets outstanding from Exhibits A & B being requested



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 14, 2017

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Nickie Mastay, Administrative Services Director 

SUBJECT: Resolution Approving One (1) Economic Development Director Position Authorizing the Appropriate Budget Adjustment

RECOMMENDED ACTION

It is recommended that the City Council take the following actions:

- 1) Discuss the funding for one (1) Economic Development Director; and
- 2) Adopt a resolution approving one (1) Economic Development Director position and authorize the appropriate budget adjustment.

STRATEGIC PURPOSE

Long Term Goal G: Economic Development.

Strategy G-1: Grow Antioch's Economy through Economic Development Activities.

Strategy G-2: Continue to focus on community enhancements, such as Downtown/Rivertown development, Highway 4 expansion, BART Specific Plan implementation, and future ferry service.

Strategy G-3: Determine and prioritize geographical areas of focus.

Strategy G-4: Participate in regional knowledge sharing, strategies, branding and marketing with regional partners, such as the East Bay Leadership Council, Contra Costa Economic Partnership, East Bay Economic Development Alliance, the Northern Waterfront Economic Development Initiative, the Workforce Development Board, the Small Business Development Centers, the Health & Wealth Initiative, and the Chamber of Commerce and EC2, as well as other east county cities.

Strategy G-5: Create and implement a marketing campaign for Antioch.

FISCAL IMPACT

The salary range (without benefits) for one (1) Economic Development Director in the Economic Development Department is \$127,392 - \$154,836. The total annual range of cost of funding one (1) Economic Development Director is (Step A – Step E) \$234,425 - \$279,277. It is recommended that a budget for four months of cost be appropriated in the FY2017/18 General Fund budget and a full year of cost in the FY2018/19 General Fund budget.

DISCUSSION

At the June 27, 2017 City Council Meeting, during the discussion about approving and adopting a two-year operating budget for the fiscal years 2017-2019, Council Members stated that they supported a six-month timeframe for Council to consider funding for an Economic Development Director in an effort to market the City to increase revenue and job growth.

The Economic Development Director plans, directs, manages, and oversees the activities designed to promote community vitality and encourage efforts to expand the local economy and coordinates assigned activities with other departments and outside agencies.

Some of the duties of the Economic Development Director are:

- Act as a catalyst to introduce new business to Antioch.
- Negotiate development agreements related to economic development activities.
- Coordinate consultants and City staff in securing funding for economic development projects and activities.
- Attend and participate in professional group meetings; maintain awareness of new trends and developments in the fields of redevelopment and economic development; incorporate new developments as appropriate.
- Develop a marketing plan.
- Coordinate information activities on City programs and oversee a public information program.
- Respond to and resolve difficult and sensitive citizen inquiries and complaints.

The Economic Development Director position is part of the Management (Executive) bargaining unit.

ATTACHMENTS

A. Resolution

Exhibit A to Resolution – Economic Development Director Class Specification

RESOLUTION NO. 2017/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING ONE (1) ECONOMIC DEVELOPMENT DIRECTOR POSITION FOR
FOUR MONTHS IN THE FY2017/18 BUDGET AND ONE YEAR IN THE FY 2018/19
BUDGET AND AUTHORIZING THE APPROPRIATE GENERAL FUND
BUDGET ADJUSTMENT**

WHEREAS, the City must take advantage of the current economic upswing and other positive factors; and

WHEREAS, the City must leverage the economic recovery, Highway 4 widening, BART and annexation to grow Antioch's economy to improve the quality of life in Antioch; and

WHEREAS, the City would like to create more local jobs and increase the City's revenue.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Antioch as follows:

Section 1. That one (1) Economic Development Director position is hereby approved to be funded for four months in the fiscal year 2017/18 General Fund budget and one year in the fiscal year 2018/19 General Fund budget; and

Section 2. The Finance Director is authorized to make the necessary adjustments to the fiscal year 2017/18 and 2018/19 General Fund budget to effectuate this change.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 14th day of November, 2017, by the following vote:

AYES:

NOES:

ABSENT:

**ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH**

ECONOMIC DEVELOPMENT DIRECTOR

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

SUMMARY DESCRIPTION

Under general administrative direction, plans, directs, manages, and oversees the activities and operations of the Economic Development Department including programs and projects designed to promote community vitality and encourage efforts to expand the local economy; coordinates assigned activities with other departments and outside agencies; and provides highly responsible and complex administrative support to the City Manager.

REPRESENTATIVE DUTIES

The following duties are typical for this classification. Incumbents may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices.

1. Assume full management responsibility for all Economic Development Department services and activities including community vitality and efforts to expand the local economy; plan, organize, direct and coordinate the City's economic development activities.
2. Manage the development and implementation of departmental goals, objectives, and priorities for each assigned service area; recommend and administer policies and procedures.
3. Establish, within City policy, appropriate service and staffing levels; monitor and evaluate the efficiency and effectiveness of service delivery methods and procedures; allocate resources accordingly.
4. Assess and monitor work load, administrative and support systems, and internal reporting relationships; identify opportunities for improvement; direct and implement changes.
5. Plan, direct, coordinate, and implement, through subordinate level staff, the Economic Development Department's work plan; assign projects and programmatic areas of responsibility; review and evaluate work methods and procedures; meet with key staff to identify and resolve problems.
6. Select, train, motivate, and evaluate assigned personnel; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline and termination procedures as allowed by City MOUs and rules.
7. Oversee and participate in the development and administration of the department budget; approve the forecast of funds needed for staffing, equipment, materials, and supplies; approve expenditures and implement budgetary adjustments as appropriate and necessary; prepare cost estimates on special projects.
8. Act as liaison to the Chamber of Commerce and other community groups as directed by the City Manager.
9. Act as a catalyst to introduce new business to Antioch.

**CITY OF ANTIOCH
ECONOMIC DEVELOPMENT DIRECTOR (CONTINUED)**

10. Coordinate the efforts of other departments relative to the City's economic development activities.
11. Coordinate information activities on City programs and oversee a centralized public information program including but not limited to news releases, newsletters and other publications on various City programs.
12. Develop plans for improved communications with the public.
13. Negotiate development agreements related to economic development activities.
14. Develop a municipal marketing plan.
15. Coordinate consultants and City staff in securing funding for transportation and other economic development projects and activities.
16. Provide staff assistance to the City Manager; prepare and present staff reports and other necessary correspondence.
17. Represent the Economic Development Department to other departments, elected officials, and outside agencies; coordinate assigned activities with those of other departments and outside agencies and organizations.
18. Explain, justify, and defend department programs, policies, and activities; negotiate and resolve sensitive and controversial issues.
19. Participate on a variety of boards, commissions, and committees.
20. Attend and participate in professional group meetings; maintain awareness of new trends and developments in the fields of redevelopment and economic development; incorporate new developments as appropriate.
21. Respond to and resolve difficult and sensitive citizen inquiries and complaints.
22. Perform related duties as required.

QUALIFICATIONS

The following generally describes the knowledge and ability required to enter the job and/or be learned within a short period of time in order to successfully perform the assigned duties.

Knowledge of:

- Operations, services, and activities of a comprehensive economic development program.
- Advanced principles and practices of economic development, and long range planning.
- Advanced principles and practices of program development and administration.
- Methods and techniques of public affairs and public relations.
- Principles and practices of municipal budget preparation and administration.
- Principles of supervision, training, and performance evaluation.
- Statistical and financial research methodology.
- Practices and techniques for the development and implementation of economic development, marketing and communication techniques.

- Practices of private sector developers, lenders and financial institutions as they relate to economic development projects and activities.
- Pertinent federal, state, and local laws, codes, and regulations.

Ability to:

- Manage and direct a comprehensive economic development program.
- Develop and administer departmental goals, objectives, and procedures.
- Analyze and assess programs, policies, and operational needs and make appropriate adjustments.
- Identify and respond to sensitive community and organizational issues, concerns, and needs.
- Plan, organize, direct, and coordinate the work of lower level staff.
- Delegate authority and responsibility.
- Select, supervise, train, and evaluate staff.
- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals.
- Research, analyze, and evaluate new service delivery methods and techniques.
- Direct the preparation of designs and plans, field studies, inspection, contract documents and economic analyses.
- Negotiate and administer a variety of agreements and contracts.
- Provide leadership and direction to staff.
- Prepare clear and concise administrative and financial reports.
- Prepare and administer large and complex budgets.
- Interpret and apply applicable federal, state, and local policies, laws, and regulations.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with those contacted in the course of work.

Education and Experience Guidelines

Education/Training:

A Bachelor's degree from an accredited college or university with major course work in public administration, business administration, planning, economics, or a related field.

Experience:

Six years of increasingly responsible economic development experience including three years of management and administrative responsibility.

License or Certificate:

Possession of, an appropriate, valid driver's license.

PHYSICAL DEMANDS AND WORKING ENVIRONMENT

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

Environment: Work is performed primarily in a standard office setting with some travel to different sites; incumbents may be required to work extended hours including evenings and weekends and may be required to travel outside City boundaries to attend meetings.

CITY OF ANTIOCH
ECONOMIC DEVELOPMENT DIRECTOR (*CONTINUED*)

Physical: Primary functions require sufficient physical ability and mobility to work in an office setting; to stand or sit for prolonged periods of time; to occasionally stoop, bend, kneel, crouch, reach, and twist; to lift, carry, push, and/or pull light to moderate amounts of weight; to operate office equipment requiring repetitive hand movement and fine coordination including use of a computer keyboard; and to verbally communicate to exchange information.

FLSA: Exempt

March 1998
Revised: September 2013

This class specification identifies the essential functions typically assigned to positions in this class. Other duties not described may be assigned to employees in order to meet changing business needs or staffing levels but will be reasonably related to an employee's position and qualifications. Other duties outside of an individual's skill level may also be assigned on a short term basis in order to provide job enrichment opportunities or to address emergency situations.