



CITY OF MENDOTA

“Cantaloupe Center Of The World”

ROBERT SILVA
Mayor

ROLANDO CASTRO
Mayor Pro Tem

VICTOR MARTINEZ

JESSE MENDOZA

OSCAR ROSALES

AGENDA
MENDOTA CITY COUNCIL
Regular City Council Meeting
CITY COUNCIL CHAMBERS
643 QUINCE STREET
September 10, 2019
6:00 PM

CRISTIAN GONZALEZ
City Manager

JOHN KINSEY
City Attorney

The Mendota City Council welcomes you to its meetings, which are scheduled for the 2nd and 4th Tuesday of every month. Your interest and participation are encouraged and appreciated. Notice is hereby given that Council may discuss and/or take action on any or all of the items listed on this agenda. **Please turn your cell phones on vibrate/off while in the council chambers.**

Any public writings distributed by the City of Mendota to at least a majority of the City Council regarding any item on this regular meeting agenda will be made available at the front counter at City Hall located at 643 Quince Street Mendota, CA 93640, during normal business hours, 8 AM - 5 PM.

In compliance with the Americans with Disabilities Act, those requiring special assistance to participate at this meeting please contact the City Clerk at (559) 655-3291. Notification of at least forty-eight hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to the meeting.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

FINALIZE THE AGENDA

1. Adjustments to Agenda
2. Adoption of final Agenda

CITIZENS ORAL AND WRITTEN PRESENTATIONS

At this time members of the public may address the City Council on any matter not listed on the agenda involving matters within the jurisdiction of the City Council. Please complete a "request to speak" form and limit your comments to THREE (3) MINUTES. Please give the completed form to City Clerk prior to the start of the meeting. All speakers shall observe proper decorum. The Mendota Municipal Code prohibits the use of boisterous, slanderous, or profane language. All speakers must step to the podium, state their names and addresses for the record. Please watch the time.

APPROVAL OF MINUTES AND NOTICE OF WAIVING OF READING

1. Minutes of the regular City Council meeting of August 27, 2019.
2. Notice of waiving of the reading of all resolutions and/or ordinances introduced and/or adopted under this agenda.

CONSENT CALENDAR

Matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Calendar and will be considered separately.

1. AUGUST 23, 2019 THROUGH SEPTEMBER 4, 2019
WARRANT LIST CHECKS NO. 45762 THRU 45816
TOTAL FOR COUNCIL APPROVAL = \$251,350.01
2. Proposed adoption of **Resolution No. 19-66**, declaring equipment as surplus and authorizing the sale or disposal of such property.
3. Proposed adoption of **Resolution No. 19-67**, awarding the bid for the Black Avenue & 5th Street Reconstruction project to Witbro Inc. DBA Seal Rite Paving and Grading in the amount of \$507,584.80, and retaining Provost & Pritchard Consulting Group and BSK Associates for professional construction phase services.
4. Proposed adoption of **Resolution No. 19-68**, approving a Health Reimbursement Plan between the City of Mendota and Administrative Solutions, Inc. and authorizing the City Manager to execute same.

BUSINESS

1. Council discussion and consideration of **Resolution No. 19-69**, adopting a policy to provide English-Spanish translation services at City Council meetings.
 - a. *Receive report from City Attorney Kinsey*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council consider the adoption of Resolution No. 19-69*
2. Introduction and first reading of **Ordinance No. 19-10**, amending provisions of the Mendota Municipal Code regarding the abatement of abandoned, wrecked, dismantled, and inoperative vehicles.
 - a. *Receive report from City Attorney Kinsey*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens floor to receive any comment from the public*
 - d. *Council provide any input and waive the first reading of Ordinance No. 19-10, and sets the public hearing for the September 24th City Council Meeting*

PUBLIC HEARING

1. Public hearing to consider the proposed adoption of **Resolution No. 19-64**, establishing the amount of the sidewalk vending permit fee and the motorized itinerant vendor permit fee.
 - a. *Receive report from City Manager Gonzalez*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens the public hearing, accepting comments from the public*
 - d. *Mayor closes the public hearing*
 - e. *Council provide any input and consider the adoption of Resolution No. 19-64*

2. Public hearing to consider the proposed adoption of **Resolution No. 19-65**, establishing the amount of the commercial cannabis business permit fee and the commercial cannabis development agreement processing fee.
 - a. *Receive report from City Manager Gonzalez*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens the public hearing, accepting comments from the public*
 - d. *Mayor closes the public hearing*
 - e. *Council provide any input and consider the adoption of Resolution No. 19-65*

3. Public hearing and second reading of **Ordinance No. 19-09**, amending the City's cannabis ordinance to modify the location requirements for commercial cannabis retail businesses.
 - a. *Receive report from City Attorney Kinsey*
 - b. *Inquiries from Council to staff*
 - c. *Mayor opens the public hearing, accepting comments from the public*
 - d. *Mayor closes the public hearing*
 - e. *Council provide any input, waive second reading, and consider the adoption of Ordinance No. 19-09*

DEPARTMENT REPORTS AND INFORMATIONAL ITEMS

1. Animal Control, Code Enforcement, and Police Department
 - a) Monthly Report

2. City Attorney
 - a) Update

3. City Manager


MAYOR AND COUNCIL REPORTS AND INFORMATIONAL ITEMS

1. Council Member(s)
2. Mayor

ADJOURNMENT

CERTIFICATION OF POSTING

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby declare that the foregoing agenda for the Mendota City Council Regular Meeting of September 10, 2019, was posted on the outside bulletin board located at City Hall, 643 Quince Street Friday, September 6, 2019 at 5:15 p.m.



Celeste Cabrera-Garcia, City Clerk



MINUTES OF MENDOTA REGULAR CITY COUNCIL MEETING

Regular Meeting

August 27, 2019

Meeting called to order by Mayor Silva at 6:00 p.m.

Roll Call

Council Members Present: Mayor Robert Silva, Mayor Pro Tem Rolando Castro, Councilors Jesse Mendoza and Oscar Rosales

Council Members Absent: Councilor Victor Martinez

Flag salute led by Mayor Silva

FINALIZE THE AGENDA

1. Adjustments to Agenda.
2. Adoption of final Agenda.

A motion was made by Mayor Pro Tem Castro to adopt the agenda, seconded by Councilor Rosales; unanimously approved (4 ayes, absent: Martinez).

CITIZENS ORAL AND WRITTEN PRESENTATIONS

Kevin Romero – provided an update on the Mendota High School football team.

APPROVAL OF MINUTES AND NOTICE OF WAIVING OF READING

1. Minutes of the regular City Council meeting of August 13, 2019.
2. Notice of waiving of the reading of all resolutions and/or ordinances introduced and/or adopted under this agenda.

A motion was made by Councilor Rosales to approve items 1 and 2, seconded by

Councilor Mendoza; unanimously approved (4 ayes, absent: Martinez).

CONSENT CALENDAR

1. AUGUST 09, 2019 THROUGH AUGUST 22, 2019
WARRANT LIST CHECKS NO. 45703 THRU 45761
TOTAL FOR COUNCIL APPROVAL = \$754,958.95
2. Proposed adoption of **Resolution No. 19-59**, approving an update to the Westamerica Bank signature card.
3. Proposed adoption of **Resolution No. 19-60**, appointing delegates for the League of California Cities' Annual Business Meeting.
4. Proposed adoption of **Resolution No. 19-61**, approving a Medical Expense Reimbursement Plan between the City of Mendota and Administrative Solutions, Inc., and authorizing the City Manager to execute same.
5. Proposed adoption of **Resolution No. 19-62**, approving the modified City of Mendota 401(K) profit sharing plan to exclude non-CalPERS participants, deferring less than 3% from the Employer matching contribution.

A motion was made by Councilor Rosales to adopt items 1 through 5 of the Consent Calendar, seconded by Mayor Pro Tem Castro; unanimously approved (4 ayes, absent: Martinez).

BUSINESS

1. Council discussion and consideration to provide a letter of support for Enrique Noyola of the Mendota Boxing Club.

Mayor Silva introduced the item and City Clerk Cabrera-Garcia stated that Mr. Mark Banuelos previously asked the City Council to provide the Mendota Boxing Club with a letter of support in order to assist Mr. Enrique Noyola to attend the USA Boxing Olympic qualifiers; and Mr. Banuelos and Mr. Noyola were present in the audience.

Mark Banuelos of the Mendota Boxing Club stated that the letter of support is to assist Mr. Noyola with acquiring donations.

Discussion was held on staff preparing the letter.

A motion was made by Councilor Rosales to direct staff to prepare the letter of support for Mr. Enrique Noyola of the Mendota Boxing Club, seconded by Councilor Mendoza; unanimously approved (4 ayes, absent: Martinez).

2. Introduction and first reading of **Ordinance No. 19-09**, amending the City's cannabis ordinance to modify the location requirements for commercial cannabis retail businesses.

Mayor Silva introduced the item and City Attorney Kinsey summarized the report including the modifications that the Council approved to the cannabis ordinance to allow commercial cannabis retail businesses within the City; the status of the cannabis zoning code amendments; the Planning Commission's recommendation to the City Council to modify the location requirements; that the purpose of the proposed ordinance is to reduce the buffer zone to 500 feet; and the various options that the Council has in regards to taking action on the item.

Discussion was held on how the two location buffers affect the amount of properties that are available to house a commercial cannabis retail business.

A motion was made by Councilor Rosales to waive the first reading of Ordinance No. 19-09, and set the public hearing for the September 10th City Council Meeting, seconded by Councilor Mendoza; approved (3 ayes, no: Castro, absent: Martinez).

PUBLIC HEARING

1. Public hearing of **Resolution No. 19-63**, authorizing the placement of special assessments on the 2019/2020 tax roll for the 2019 nuisance abatement costs.

Mayor Silva introduced the item and Chief of Police Andreotti summarized the report including the amount of properties that were forcefully abated.

Discussion was held on whether the weed abatement process is an ongoing process; and which contractor performed the abatements.

At 6:22 p.m. Mayor Silva opened the hearing to the public and, seeing no one present willing to comment, closed it in that same minute.

A motion was made by Councilor Rosales to adopt Resolution No. 19-63, seconded by Councilor Mendoza; unanimously approved (4 ayes, absent: Martinez).

DEPARTMENT REPORTS AND INFORMATIONAL ITEMS

1. Administrative Services
 - a) Monthly Report

Director of Administrative Services Lekumberry summarized her report including the duties she fulfilled within her human resources capacity; one worker's compensation claim; one dog bite appeal hearing; the average number of Senior Center attendees; and special projects.

2. Finance Officer
 - a) Grant Update

Finance Officer Diaz provided her grant update.

Discussion was held on the California Aide to Airports program; potential grants that may support airport improvements; and the status of the Automated Meter Reader grant funds.

3. City Attorney
 - a) Update

City Attorney Kinsey provided a status update for the translation services policy.

4. City Manager

City Manager Gonzalez provided an update on the AMOR project, the Canna-Hub development, and the La Colonia development.

Discussion was held on the status of the Rojas-Pierce Park Expansion project, including adding grass at the sports fields; and residents performing oil changes on the public right of way.

MAYOR AND COUNCIL REPORTS AND INFORMATIONAL ITEMS

1. Council Member(s)

Councilor Rosales thanked the members of the audience for attending the meeting.

Councilor Mendoza commented on the AMOR groundbreaking ceremony.

Mayor Pro Tem Castro thanked staff for repainting a crosswalk, and the police department for their presence around schools during high traffic hours.

2. Mayor

Nothing to report.

CLOSED SESSION

1. Conference regarding real property negotiations pursuant to Government Code §54956.8.
 - a) Addresses:
 - a. 195 Smoot Street, Mendota, CA 93640
 - b. 415 Sorensen Avenue, Mendota, CA 93640

- c. 437 Sorensen Avenue, Mendota, CA 93640
- b) Negotiator: Cristian Gonzalez
- c) Negotiating Party: Mendota Unified School District
- d) Under Negotiation: Terms of payment

At 6:38 p.m. the Council moved into closed session.

At 6:48 p.m. the Council reconvened in open session and City Attorney Kinsey stated that in regards to item 1 of the closed session, there was no reportable action.

ADJOURNMENT

With no more business to be brought before the Council, a motion for adjournment was made at 6:48 p.m. by Mayor Pro Tem Castro, seconded by Councilor Rosales; unanimously approved (4 ayes, absent: Martinez).

Robert Silva, Mayor

ATTEST:

Celeste Cabrera-Garcia, City Clerk

CITY OF MENDOTA
CASH DISBURSEMENTS
8/23/2019 - 9/4/2019
Check# 45762 - 45816

Date	Check #	Amount	Vendor	Department	Description
August 23, 2019	45762	\$23,680.40	AETNA LIFE INSURANCE CO	GENERAL	MEDICAL INSURANCE FOR SEPTEMBER 2019
August 23, 2019	45763	\$1,282.50	THE BUSINESS JOURNAL	STREETS	2X14.35 COLUMN - REQUEST FOR BIDS BLACK AVENUE & 5TH STREET
August 27, 2019	45764	\$54.13	ADT SECURITY SERVICES	GENERAL	SECURITY SERVICES 9/3/19 - 10/2/19 COMMUNITY CENTER
August 27, 2019	45765	\$100.00	OSCAR AGUIRRE	DONATION	DJ & P.A. SERVICES FOR NATIONAL NIGHT OUT 2019
August 27, 2019	45766	\$619.81	AT&T MOBILITY	GENERAL	POLICE DEPARTMENT CELL PHONE SERVICES
August 27, 2019	45767	\$50.00	CITY OF MENDOTA	GENERAL	MENDOTA PD PETTY CASH NATIONAL NIGHT OUT 2019
August 27, 2019	45768	\$1,320.55	MUTUAL OF OMAHA	GENERAL	LIFE AD&D LTD STD FOR SEPTEMBER 2019
August 29, 2019	45769	\$2,500.00	ADMINISTRATIVE SOLUTIONS INC	GENERAL	MEDICAL CHECK RUN 8/27/2019
August 29, 2019	45770	\$1,849.99	ADT SECURITY SERVICES	WATER	NEW ALARM SYSTEM INSTALL FOR WTP 1300 2ND STREET
August 29, 2019	45771	\$300.00	LEAGUE OF CALIFORNIA CITIES	STREETS	2019 LOCAL STREET & ROADS NEEDS ASSESSMENT
August 29, 2019	45772	\$2,000.00	LIEBERT CASSIDY WHITMORE	GENERAL	ERC MEMBERSHIP W/ BASIC SUBS 7/1/19 - 6/30/20
August 29, 2019	45773	\$1,056.39	BARTLEY WAYNE FIELDER	GENERAL-WATER-SEWER	(1) HP PROBOOK 450 G6-15-6" CORE 256GB, 8 GB RAM, & MICROSOFT OFFICE
August 30, 2019	45774	\$260.98	ALEX AUTO DIAGNOSTICS	GENERAL	VEH#94 - (2) BRAKE ROTOR FRONT, DISC, BEARINGS (CSO)
August 30, 2019	45775	\$136.00	ALLIED ELECTRIC	SEWER	(60) 8/4 SO 600 VOLT CORD BLK CUT - WWTP
August 30, 2019	45776	\$837.56	GREGG ANDREOTTI	GENERAL	TRAVEL EXP - FMCPCA TRAINING CONF - 9/17/19 THRU 9/20/19 (POST REIMBURSABLE)
August 30, 2019	45777	\$1,264.56	AUTOMATED OFFICE SYSTEMS	GENERAL-WATER-SEWER	COPIER MAINTENANCE CONTRACT AUGUST 2019 - CITYHALL & POLICE DEPARTMENT
August 30, 2019	45778	\$531.21	BELMONT NURSERY	GENERAL	(120) 12 CM CYCLAMEN LATINIA FLOWERS
August 30, 2019	45779	\$240.95	BSK ASSOCIATES	WATER-SEWER	MONTHLY WASTEWATER (WEEK 2-5) & GENERAL EDT WEEKLY TREATMENT & DISTRIBUTION
August 30, 2019	45780	\$334.00	CELESTE CABRERA	GENERAL-WATER-SEWER	MANAGEMENT EDUCATIONAL REIMBURSEMENT PROGRAM - TUITION FEE FOR MA (FRESNO STATE)
August 30, 2019	45781	\$502.50	CHEMSEARCH	SEWER	(3) PIT BOSS 5 GALLON
August 30, 2019	45782	\$788.43	CORBIN WILLITS SYS INC	GENERAL-WATER-SEWER	RECONFIGURE ACCRUALS 8/6/19 -8/14/19 & ENHANCEMENT & SERVICE FEES FOR MOMS SYSTEM SEPTEMBER 2019
August 30, 2019	45783	\$837.56	KEVIN SMITH	GENERAL	TRAVEL EXP - FMCPCA TRAINING CONF - 9/17/19 THRU 9/20/19 (POST REIMBURSABLE)
September 4, 2019	45784	\$97,576.00	WESTAMERICA BANK	GENERAL	PAYROLL TRANSFER 8/18/19 - 9/1/19
September 4, 2019	45785	\$2,025.00	LORIE ANN ADAMS	GENERAL	(3) PORTFOLIO MANAGEMENT - JUNE, JULY, AUGUST 2019 & UPDATE DELINQUENT ACCOUNTS & (2.5) MEET W/ M. PERSICO RDA HOUSING
September 4, 2019	45786	\$288.93	ADT SECURITY SERVICES	GENERAL-WATER-SEWER	SECURITY SERVICES 9/13/19 - 10/12/19 DMV, EDD, & CITYHALL
September 4, 2019	45787	\$132.00	ALTA LANGUAGE SERVICES INC	GENERAL	LISTENING & SPEAKING TEST - BILINGUAL (PD)

CITY OF MENDOTA
CASH DISBURSEMENTS
8/23/2019 - 9/4/2019
Check# 45762 - 45816

September 4, 2019	45788	\$384.65	AMERIPRIDE SERVICES INC	GENERAL-WATER-SEWER	PUBLIC WORKS UNIFORM WEEK 8/1/19, 8/8/19, 8/15/19, 8/22/19, & 8/29/19
September 4, 2019	45789	\$550.18	AT&T	GENERAL-WATER	CITYWIDE TELEPHONE SERVICES 7/25/19 - 8/24/19
September 4, 2019	45790	\$76.00	ROLANDO CASTRO	GENERAL	EXPENSE REIMBURSEMENT - (2) VALET PARKING LEAGUE OF CALIFORNIA CITIES
September 4, 2019	45791	\$2,881.23	CONSOLIDATED ELECTRICAL DISTRIBUTORS	STREETS	STREET LIGHTS - (2) SOLAR LED AREA LIGHTS & RIGHT ANGLE BRACKET
September 4, 2019	45792	\$154.50	CORELOGIC INFORMATION	GENERAL-WATER-SEWER	REALQUEST SERVICES FOR AUGUST 2019
September 4, 2019	45793	\$297.29	DATAMATIC INC	WATER	MONTHLY SOFTWARE LICENSE & SERVICES MAINTENANCE FEE OCTOBER 2019
September 4, 2019	45794	\$6,443.75	STANTEC CONSULTING SERVICES	SEWER	GROUNDWATER SAMPLING & REPORTING 2ND QUARTER 2019
September 4, 2019	45795	\$108.00	CITY OF FRESNO POLICE DEPARTMENT REGIONAL TRAINING CENTER	GENERAL	CLASS - (2) RANGE FEE MARCH 11-13 2019 (CSO)
September 4, 2019	45796	\$434.00	FRESNO MOBILE RADIO INC	GENERAL	(31) POLICE DEPARTMENT RADIOS AUGUST 2019
September 4, 2019	45797	\$250.00	GLOCK PROFESSIONAL INC	GENERAL	ARMORERS COURSE BAKERSFIELD (PD) 8/6/19
September 4, 2019	45798	\$1,860.00	GONZALEZ TRANSPORT INC	STREETS	FREIGHT CHARGES - (15.5 HR) ASPHALT FROM MADERA TO MENDOTA
September 4, 2019	45799	\$3,189.80	HENDRICK'S COLLISION CENTER INC	GENERAL	FORD FUSION ENERGI - BODY, PAINT, MATERIAL, PARTS & REPAIR (PD)
September 4, 2019	45800	\$144.91	EDWARD JIMENEZ	GENERAL	EXPENSE REIMBURSEMENT - (2) PARKING FEES & FUEL FOR GANG CONFERENCE
September 4, 2019	45801	\$460.00	KERWEST NEWSPAPER	GENERAL	(5.5) ORDINANCE SUMMARY, (7.5) CITY COUNCIL MEETING ORDINANCE 19-08, (10) NOTICE OF PUBLIC HEARING ORDINANCE NO 19-64 & 19-65
September 4, 2019	45802	\$334.00	JENNIFER LEKUMBERRY	GENERAL	EDUCATIONAL REIMBURSEMENT PROGRAM FY 18/19
September 4, 2019	45803	\$300.00	LEXIS NEXIS	GENERAL-WATER-SEWER	SUBSCRIPTION SERVICES FOR AUGUST 2019
September 4, 2019	45804	\$8,100.00	LIGHTHOUSE ELECTRICAL INC	WATER	VFD REPLACEMENT TEST PUMP CONTROL& REPLACE CONTACTORS
September 4, 2019	45805	\$8,751.54	MADERA PUMPS INC	WATER	AG WELL #4 - VIDEO WELL, CLEAN, & REINSTALL PUMP
September 4, 2019	45806	\$508.59	MENDOTA SMOG & REPAIR	GENERAL-WATER-SEWER	VEH#85 - 2019 DODGE CHARGER OIL CHANGE & TIRE ROTATION (PD), 2012 FORD F-250 REPAIR & REPLACE WATER PUMP
September 4, 2019	45807	\$367.50	MID VALLEY DISPOSAL INC	STREETS	ROLL OFF BIN EXCHANGE 10 YARD (QTY 7.35)
September 4, 2019	45808	\$1,724.52	NORTHSTAR CHEMICAL	WATER	(850 GAL) SODIUM HYPOCHLORITE 12.5 MILL A
September 4, 2019	45809	\$899.00	PAPE MACHINERY	WATER-STREETS	JD 310SG - DIAGNOSE LEVER POPS OUT GEAR & REPAIR
September 4, 2019	45810	\$62,242.90	PACIFIC GAS & ELECTRIC	GENERAL-WATER-SEWER-STREETS-AVIATION	CITYWIDE UTILITY SERVICE 7/18/19 - 8/18/19 & WATER DEPARTMENT 7/17/19 - 8/15/19
September 4, 2019	45811	\$1,135.51	R&B COMPANY	WATER	(4) ROMAC MACRO HP RANGE 6.60 - 7.15 / 7.10 - 7.60
September 4, 2019	45812	\$1,347.45	ERNEST PACKING SOLUTIONS	GENERAL-WATER-SEWER	JANITORIAL SUPPLIES - SANITIZER, (2) CAN LINER, (10) GLOVES

CITY OF MENDOTA
 CASH DISBURSEMENTS
 8/23/2019 - 9/4/2019
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September 4, 2019	45813	\$125.00	STATE WATER RESOURCES CONTROL BOARD	SEWER	CERTIFICATION FOR WASTEWATER TREATMENT PLANT OPERATOR GRADE II
September 4, 2019	45814	\$1,075.00	TECH MASTER PEST MANAGEMENT	GENERAL-WATER-SEWER	GENERAL PEST CONTROL SERVICES - DOG POUND, POLICE DEPARTMENT, PONDING BASIN, CITYHALL, WWTP, WTP, & DMV
September 4, 2019	45815	\$6,048.30	TESCO CONTROLS INC	SEWER	WWTP - POWER SUPPLY REPLACEMENT & ANNUAL EXTENDED MAINTENANCE SYSTEM SERVICES EMASS
September 4, 2019	45816	\$586.94	USA BLUEBOOK	WATER-SEWER	(3) HYDRANT WRENCH ADJUSTABLE, (2) RIDGID 18' ALUMINUM PIPE WRENCH, (1) REED STANDING SHUT-OFF TOOL
		\$251,350.01			

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: CELESTE CABRERA-GARCIA, CITY CLERK
VIA: CRISTIAN GONZALEZ, CITY MANAGER
SUBJECT: DISPOSAL OF SURPLUS EQUIPMENT
DATE: SEPTEMBER 10, 2019

ISSUE

Shall the Council approve Resolution No. 19-66, declaring property surplus and authorizing the disposition of such property?

BACKGROUND

The City of Mendota Municipal Code chapter 3.20 allows the sale of any and all personal property which has been deemed excess or unnecessary for city operation. Property is valued based on whatever source material is available, then sold or destroyed.

Attached is resolution No. 19-66, which lists property to be sold (Exhibit A) or destroyed (Exhibit B). Property in Exhibit B is classified to be destroyed generally due to it possibly having confidential information on it, due to it presenting a general liability to the City, or due to the poor condition of the item.

ANALYSIS

Upon approval of the surplus list by the City Council, the City Clerk will advertise the date of the sale by posting a notice in public places and in the Firebaugh-Mendota Journal. The notice will list items with a valuation of one hundred dollars (\$100.00) or greater (which will be sold via sealed bids that will be accepted until October 11th by 5 pm) and that the public may view the items by appointment. Property valued at less than one hundred dollars (\$100.00) will be sold on October 11, 2019 at the Public Works Yard on Marie Street, in a “garage sale” type setup with the valuation amount placed upon or near the item.

At the October 22nd City Council meeting, the Council will then authorize the sale of items with a valuation of one hundred dollars or more to the highest bidder. The Council will also authorize the final disposition of items that are not sold. These items will then eligible to be scrapped, discarded, or sold directly by the city manager to interested persons.

FISCAL IMPACT

Minor revenue from the sale of property to interested persons.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 19-66 authorizing the sale or disposition of personal property that has been deemed surplus.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA DECLARING
SURPLUS EQUIPMENT AND AUTHORIZING
THE SALE OR DISPOSAL OF SUCH PROPERTY**

RESOLUTION NO. 19-66

WHEREAS, California Government Code Section 37350 provides for the ability of cities to dispose of property for the common benefit of the City; and

WHEREAS, the City of Mendota has equipment that is no longer in use; and

WHEREAS, the Mendota Municipal Code (MMC) outlines the process for the disposition of City personal property; and

WHEREAS, the equipment identified in the Surplus Items to be Sold list (attached herein as Exhibit "A" and incorporated herein by this reference) and the Surplus Items to be Destroyed list (attached herein as Exhibit "B" and incorporated herein by this reference) has been identified as equipment that is no longer in use; and

WHEREAS, these items will no longer be needed by the City in its day-to-day operations; and

WHEREAS, the disposal of this property is necessary to maintain organization and preserve storage space within City facilities, and, as such, its disposal is for the common benefit of the City; and

WHEREAS, the City Clerk is directed to publish a notice publishing such information pursuant to California State law and the applicable provisions of the MMC.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Mendota does hereby authorize the City Manager to declare the items listed in attached Exhibits "A" and "B" as surplus and to dispose of it in accordance with Chapter 3.20 of the MMC.

BE IT FURTHER RESOLVED that the City Council of the City of Mendota does hereby direct the City Clerk to publish a notice regarding the City's disposal of the surplus personal property in accordance with California state law and the requirements of Chapter 3.20 of the MMC.

Robert Silva, Mayor

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of September, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Celeste Cabrera-Garcia, City Clerk

Exhibit A

EXHIBIT A
Property to be Sold

Description of item	Model	VIN or Serial Number	Valuation of Item
2017 Ram (wrecked)	1500	VIN: 1C6RR7LM3HS878596	\$5,000.00
1996 Ford (animal control truck)	F250	VIN: 2FTHF26H6TCA56774	\$2,500.00
2003 Ford	F150 XL	VIN: 1FTRF17253NA73696	\$500.00
2002 Ford	F150 XL	VIN: 1FTRT17252NB26377	\$1,000.00
2005 Ford	Crown Victoria	VIN: 2FAFP71W75X126081	\$500.00
2013 Ford	Taurus	VIN: 1FAHP2MT0DG132306	\$1,000.00
2008 Chevrolet	Silverado	VIN: 2GCEK13C981169722	\$1,000.00
2013 Ford	Taurus	VIN: 1FAHP2M83DG158149	\$1,000.00
2006 Freightliner (street sweeper)	M2112	VIN: 1FVACXDC06HV91101	\$5,000.00
Air conditioning unit	Bryant; No. 582ANW042060AAAG	SN: 582ANW042060AAAG	\$200.00
John Deere Backhoe Loader	N/A	SN: TO4O39B345604	\$3,000.00
Flat trailer	N/A	N/A	\$200.00
Vehicle lift	N/A	N/A	\$2,000.00
Privacy fence (14 pieces)	N/A	N/A	\$100.00
Camper shell	N/A	N/A	\$80.00
Office Desk	N/A	N/A	\$25.00
BBQ pit with wheels	N/A	N/A	\$25.00
4 drawer filing cabinet	N/A	N/A	\$3.00
2 drawer filing cabinet	N/A	N/A	\$3.00
HP laptop with charger (no hard drive)	Pavillion dv7; No. Dv7-2173cl	SN: CNF93168PN	\$15.00
Ground compactor	N/A	N/A	\$50.00
Keytronic computer keyboard	K2805	94800218	\$1.00
Lenovo computer mouse	M-00025-O	HS243HD12A9	\$1.00
Newpoint Switcher 2000 Plus	No. P50T	N/A	\$2.00
HP silver flat panel speaker bar	No. SP03A01	N/A	\$1.00
Perma Power computer grade surge suppressor	No. SR10	N/A	\$2.00
HP computer tower (no hard drive)	dx2450 microtower	SN: MXL93O1VP6	\$10.00
HP computer keyboard	No. KU-0316	SN: BAUHPOMVB2IL56	\$1.00
Lenovo computer mouse	No. MO28UOL	SN: 44C6975	\$1.00

Exhibit B

EXHIBIT B
Property to be Destroyed

Description of Item	Model	Serial Number	Value of Item
Acer computer monitor	No. G246H2	MMLWAAA001503027888528	\$0
Dell computer monitor	No. E2216H	CN-OJF444-FCC00-85M-A25B-A04	\$0
HP computer monitor	P621D	26106994A	\$0
Hanns-G computer monitor	HSG1027	825BC3NA02264	\$0
HP computer monitor	HSTND-2181-T	CNT925V4MC	\$0
Samsung computer monitor	920BM	WJ19H9FQ719695J	\$0
HP computer Monitor	P9621D	CNN4112M65	\$0
HP computer monitor	HSTND-2A07	CNC728P4QH	\$0
Acer computer monitor	V248HL	MMLXMAA0014480BAE64214	\$0
NEC office phone	No. DTH-16D-2(BK)TEL	26106994A	\$0

AGENDA ITEM

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: MICHAEL OSBORN, ASSISTANT CITY ENGINEER
VIA: CRISTIAN GONZALEZ, CITY MANAGER
SUBJECT: AWARD OF CONTRACT TO THE LOWEST RESPONSIVE BIDDER
BLACK AVENUE & 5TH STREET RECONSTRUCTION PROJECT
DATE: SEPTEMBER 10, 2019

ISSUE

Should the City Council adopt the attached resolution awarding a construction contract to the lowest responsive bidder and authorizing the City Manager or his designee to execute all documents necessary for the completion of the Project?

BACKGROUND

The reconstruction of a portion of Black Avenue from Rowe to Sorensen and 5th Street, from Oller Street (SR 180) to Quince Street, was identified as a priority public works projects and has received Federal Surface Transportation Block Grant (STBG) funding of \$697,342 for the construction of the project.

In June 2018 Provost & Pritchard Consulting Group was retained to provide survey and engineering design for the Project. BSK Associates was retained to provide geotechnical engineering services for design.

The project was advertised in the Firebaugh-Mendota Journal and construction documents (plans and specifications) have been available to contractors through local Builder's Exchanges since Wednesday, July 17, 2019. After the first bids came in with unsatisfactory results, all bids were rejected and the project was put back out to bid. The project was then advertised in the Business Journal and Builder's Exchanges since August 14, 2019

On Wednesday, September 4, 2019 at 2:00 p.m. the bid opening was held. Five general contractors attended and submitted bids, along with staff and the assistant City Engineer. The five bids were as follows:

CONTRACTOR	AMOUNT
AJ Excavation	\$636,219.00
Avison Construction	\$ 577,753.00
Seal Rite Paving	\$ 507,357.00*
Papich Construction	\$822,189.25

Todd Companies	\$ 572,078.00
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*After checking the arithmetic of the bids, the apparent low bidder's base bid was determined to amount to \$507,584.80.

ANALYSIS

The Engineer's Opinion of Probable Construction Cost for the Project was \$601,200, so the bids received represent a very good value to the City. Staff believes that the project can proceed in accordance with the Construction Documents and is scheduled to be completed early this fall.

This project is scheduled to start on September 16th and be completed by early November. This schedule minimizes the potential for weather delays from rain and relatively low daytime temperatures (highs around 55 degrees) that typically occur starting in late November.

Provost & Pritchard Consulting Group will be retained to provide construction administration and observation services (\$34,600) and BSK Associates will be retained to provide construction testing and observationservices (\$9,585)

FISCAL IMPACT

The approved Fiscal Year 2019/2020 Budget allocated Street Funds from the Gas Tax, Measure C, and Local Transportation Funds (LTF) to finance this Project. The construction contract will be reimbursed with Federal funds up to the authorized amount of \$697,342. The construction administration, observation and testing will utilize local street funds to complete this project and will not be reimbursed by Federal funds.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution No. 19-67, awarding the contract for construction of the Project to the lowest responsive bidder, Witbro Inc. dba Seal Rite Paving and Grading, retaining Provost & Pritchard Consulting Group and BSK Associates for professional construction phase services, and authorizing the City Manager or his designee to execute all documents necessary for the completion of the Project.

CANVASS OF BIDS
 Black Avenue and 5th Street Reconstruction

Bid Opening Date 9/4/2019 Project Manager MLO
 Prevailing Wages Required Yes Project Engineer MLO

APPARENT LOW BIDDER															
Item	Description	Quantity	Unit	ENGINEER'S ESTIMATE		Seal Rite Paving		Todd Companies		Avison Construction		A.J. Excavation		Papich Construction	
				Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
Schedule A:															
1	Mobilization/Demobilization, Bonds, and Insurance	1	LS	\$ 49,300.00	\$ 49,300.00	\$ 5,600.56	\$ 5,600.56	\$38,450.00	\$ 38,450.00	\$ 25,000.00	\$ 25,000.00	\$ 12,000.00	\$ 12,000.00	\$111,065.00	\$ 111,065.00
2	Vehicle and Pedestrian Traffic Control	1	LS	\$ 11,200.00	\$ 11,200.00	\$20,384.00	\$ 20,384.00	\$ 8,000.00	\$ 8,000.00	\$ 5,000.00	\$ 5,000.00	\$ 25,000.00	\$ 25,000.00	\$ 45,200.00	\$ 45,200.00
3	Dust Control	1	LS	\$ 1,800.00	\$ 1,800.00	\$ 5,600.00	\$ 5,600.00	\$ 570.00	\$ 570.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 3,600.00	\$ 3,600.00
4	Storm Water BMP Implementation	1	LS	\$ 2,400.00	\$ 2,400.00	\$ 3,920.00	\$ 3,920.00	\$ 2,500.00	\$ 2,500.00	\$ 500.50	\$ 501	\$ 2,500.00	\$ 2,500	\$ 10,000.00	\$ 10,000.00
5	Demolition	1	LS	\$ 25,000.00	\$ 25,000.00	\$10,878.28	\$ 10,878.28	\$16,800.00	\$ 16,800.00	\$ 19,500.00	\$ 19,500	\$ 35,000.00	\$ 35,000	\$143,000.00	\$ 143,000.00
6	Pavement Grinding (F)	6,370	SY	\$ 2.50	\$ 15,925.00	\$ 6.43	\$ 40,959.10	\$ 3.00	\$ 19,110.00	\$ 5.00	\$ 31,850	\$ 10.00	\$ 63,700	\$ 7.75	\$ 49,368
7	Full Depth Reclamation (F)	6,370	SY	\$ 27.00	\$ 171,990.00	\$ 21.36	\$ 136,063.20	\$ 21.00	\$ 133,770.00	\$ 27.00	\$ 171,990	\$ 20.00	\$ 127,400	\$ 20.40	\$ 129,948
8	Mechanical Stabilization Layer (F)	507	SF	\$ 2.00	\$ 1,014.00	\$ 5.30	\$ 2,687.10	\$ 3.00	\$ 1,521.00	\$ 2.50	\$ 1,268	\$ 12.00	\$ 6,084	\$ 9.00	\$ 4,563
9	Class 2 Aggregate Base (F)	18	TN	\$ 111.50	\$ 2,007.00	\$ 44.80	\$ 806.40	\$ 338.00	\$ 6,084.00	\$ 200.00	\$ 3,600	\$ 700.00	\$ 12,600	\$ 300.00	\$ 5,400
10	Type A HMA Pavement	1,276	TN	\$ 110.00	\$ 140,360.00	\$ 94.32	\$ 120,352.32	\$ 100.00	\$ 127,600.00	\$ 120.00	\$ 153,120	\$ 115.00	\$ 146,740	\$ 110.00	\$ 140,360
11	Concrete Sidewalk	1,060	SF	\$ 17.50	\$ 18,550.00	\$ 8.96	\$ 9,497.60	\$ 16.00	\$ 16,960.00	\$ 18.00	\$ 19,080	\$ 34.00	\$ 36,040	\$ 6.50	\$ 6,890
12	Concrete Curb & Gutter	69	LF	\$ 55.00	\$ 3,795.00	\$ 44.88	\$ 3,096.72	\$ 162.00	\$ 11,178.00	\$ 95.00	\$ 6,555	\$ 67.00	\$ 4,623	\$ 38.70	\$ 2,670
13	Concrete Valley Gutter	370	SF	\$ 20.00	\$ 7,400.00	\$ 13.44	\$ 4,972.80	\$ 35.00	\$ 12,950.00	\$ 24.00	\$ 8,880	\$ 39.00	\$ 14,430	\$ 11.00	\$ 4,070
14	Alley Approach	1	EA	\$ 7,500.00	\$ 7,500.00	\$ 5,275.20	\$ 5,275.20	\$ 7,653.00	\$ 7,653.00	\$ 5,000.00	\$ 5,000	\$ 6,000.00	\$ 6,000	\$ 4,300.00	\$ 4,300
15	Variable Height Concrete Retaining Curb	166	LF	\$ 88.00	\$ 14,608.00	\$ 32.48	\$ 5,391.68	\$ 70.00	\$ 11,620.00	\$ 45.00	\$ 7,470	\$ 55.00	\$ 9,130	\$ 27.00	\$ 4,482
16	Concrete Residential Drive Approach excluding	95	SF	\$ 18.00	\$ 1,710.00	\$ 11.20	\$ 1,064.00	\$ 72.00	\$ 6,840.00	\$ 20.00	\$ 1,900	\$ 56.00	\$ 5,320	\$ 8.75	\$ 831
17	Accessible Curb Ramp	6	EA	\$ 3,950.00	\$ 23,700.00	\$ 1,680.00	\$ 10,080.00	\$ 3,100.00	\$ 18,600.00	\$ 3,000.00	\$ 18,000	\$ 3,100.00	\$ 18,600	\$ 1,325.00	\$ 7,950
18	Adjust Manhole to Finish Grade	4	EA	\$ 1,550.00	\$ 6,200.00	\$ 952.00	\$ 3,808.00	\$ 780.00	\$ 3,120.00	\$ 2,000.00	\$ 8,000	\$ 700.00	\$ 2,800	\$ 2,500.00	\$ 10,000
19	Adjust Valve Box to Finish Grade	5	EA	\$ 1,200.00	\$ 6,000.00	\$ 840.00	\$ 4,200.00	\$ 756.00	\$ 3,780.00	\$ 1,500.00	\$ 7,500	\$ 700.00	\$ 3,500	\$ 2,000.00	\$ 10,000
20	Traffic Signing, Striping and Pavement Markings	1	LS	\$ 66,300.00	\$ 66,300.00	\$68,249.44	\$ 68,249.44	\$23,500.00	\$ 23,500.00	\$ 22,000.00	\$ 22,000	\$ 20,000.00	\$ 20,000	\$ 42,000.00	\$ 42,000
21	Rubber Speed Cushion	1	LS	\$ 4,185.00	\$ 4,185.00	\$11,681.60	\$ 11,681.60	\$11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000	\$ 12,000.00	\$ 12,000	\$ 11,000.00	\$ 11,000
22	Miscellaneous Facilities & Operations	1	LS	\$ 23,300.00	\$ 23,300.00	\$11,200.00	\$ 11,200.00	\$20,000.00	\$ 20,000.00	\$ 15,000.00	\$ 15,000	\$ 25,000.00	\$ 25,000	\$ 10,000.00	\$ 10,000
SUBTOTAL SCHEDULE A				\$	\$ 604,244.00	\$	\$ 485,768.00	\$	\$ 501,606.00	\$	\$ 542,713.00	\$	\$ 589,467.00	\$	\$ 756,697.05
Schedule B:															
23	Demolition	1	LS	\$ 3,210.00	\$ 3,210.00	\$ 5,040.00	\$ 5,040.00	\$37,200.00	\$ 37,200.00	\$ 6,000.00	\$ 6,000	\$ 11,500.00	\$ 11,500	\$ 42,000.00	\$ 42,000
24	Pavement Grinding (F)	160	SY	\$ 2.50	\$ 400.00	\$ 6.43	\$ 1,028.80	\$ 3.00	\$ 480.00	\$ 5.00	\$ 800	\$ 10.00	\$ 1,600	\$ 7.75	\$ 1,240
25	Type A HMA Pavement	40	TN	\$ 110.00	\$ 4,400.00	\$ 94.32	\$ 3,772.80	\$ 100.00	\$ 4,000.00	\$ 120.00	\$ 4,800	\$ 115.00	\$ 4,600	\$ 110.00	\$ 4,400
26	Concrete Sidewalk	480	SF	\$ 17.50	\$ 8,400.00	\$ 8.96	\$ 4,300.80	\$ 16.00	\$ 7,680.00	\$ 18.00	\$ 8,640	\$ 34.00	\$ 16,320	\$ 6.50	\$ 3,120
27	Concrete Curb and Gutter	86	LF	\$ 55.00	\$ 4,730.00	\$ 44.88	\$ 3,859.68	\$ 162.00	\$ 13,932.00	\$ 95.00	\$ 8,170	\$ 67.00	\$ 5,762	\$ 38.70	\$ 3,328
28	Variable Height Concrete Retaining Curb	14	LF	\$ 88.00	\$ 1,232.00	\$ 32.48	\$ 454.72	\$ 70.00	\$ 980.00	\$ 45.00	\$ 630	\$ 55.00	\$ 770	\$ 27.00	\$ 378
29	Accessible Curb Ramp	2	EA	\$ 3,950.00	\$ 7,900.00	\$ 1,680.00	\$ 3,360.00	\$ 3,100.00	\$ 6,200.00	\$ 3,000.00	\$ 6,000	\$ 3,100.00	\$ 6,200	\$ 1,325.00	\$ 2,650
SUBTOTAL SCHEDULE B				\$	\$ 30,272.00	\$	\$ 21,816.80	\$	\$ 70,472.00	\$	\$ 35,040.00	\$	\$ 46,752.00	\$	\$ 57,116.20
SUBTOTAL SCHEDULE A+B				\$	\$ 634,516.00	\$	\$ 507,584.80	\$	\$ 572,078.00	\$	\$ 577,753.00	\$	\$ 636,219.00	\$	\$ 813,813.25
5% DESIGN CONTINGENCY				\$	\$ 31,725.80	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Base Bid				Subtotal	\$ 666,241.80	Subtotal	\$ 507,584.80	Subtotal	\$ 572,078.00	Subtotal	\$ 577,753.00	Subtotal	\$ 636,219.00	Subtotal	\$ 756,697
Notes:															
This project was bid twice. The first round opened on (1) 8/7/19 had 2 bidders, one was non-responsive.															
Bid Completeness															
						X		X		X		X		X	
						X	w/ errors	X		X		X		X	w/errors
						X		X		X		X		X	
						X	missing PRS	X		X		X		X	
						X	Traffic Logix, Tapco	X	Traffic Logix, Tapco	X	Traffic Logix, Tapco	X	c Logix, Blinksigns Sys	?	incomplete
						?	incomplete	X		X		X		?	incomplete
						X		X		X		X		X	
						X		X		X		X		X	
						X		X		X		X		X	
						X		X		X		X		X	
						X		X		X		X		X	
						X		X		X		X		X	
						X		X		X		X		X	
						X	BOND	X	BOND	X	BOND	X	BOND	X	BOND

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA AWARDED
THE BID FOR THE BLACK AVENUE & 5TH
STREET RECONSTRUCTION PROJECT
TO WITBRO INC. DBA SEAL RITE PAVING
AND GRADING IN THE AMOUNT OF
\$507,584.80 AND RETAINING PROVOST
& PRITCHARD CONSULTING GROUP
AND BSK ASSOCIATES FOR PROFESSIONAL
CONSTRUCTION PHASE SERVICES**

RESOLUTION NO. 19-67

WHEREAS, the City of Mendota staff and the City Engineer have determined that Black Avenue, between Rowe Avenue and Sorensen Avenue, and 5th Street, between Oller Street and Quince Street, are streets with pavement in a failed condition and are in need of reconstruction; and

WHEREAS, this project has been listed on the Council-approved SB1 project list as well as the Federal Transportation Improvement Program (FTIP); and

WHEREAS, the section of Black Avenue between Rowe Avenue and Sorensen Avenue is classified as a Minor (Urban) Collector and eligible for Federal funding; and

WHEREAS, the section of 5th Street from Naples Street to Derrick Avenue is classified as a Major Collector and eligible for Federal Funding; and

WHEREAS, the City has received authorization of \$697,342 in total federal funding for construction of this project; and

WHEREAS, Provost & Pritchard Consulting Group along with BSK Associates provided the design and preparation of the construction documents for the project; and

WHEREAS, on August 14, 2019 and August 21, 2019 notice was published in the Business Journal and regional Builder's Exchanges notifying all interested parties to submit bids for the Project; and

WHEREAS, a bid opening was held promptly after the deadline published in the aforementioned notice on September 4, 2019 at 2:00 p.m. in the Council Chambers of the City of Mendota; and

WHEREAS, five companies submitted bids before the deadline, with Witbro Inc. dba Seal Rite Paving and Grading, qualifying as the lowest responsible bidder at \$507,584.80; and

WHEREAS, Provost & Pritchard Consulting Group submitted a contract amendment to provide construction management, administration and observation services for \$34,600; and

WHEREAS, BSK Associates provided the City with a proposal for construction testing and observation services for \$9,585;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Mendota, that the City of Mendota awards the contract for the construction of the Black Avenue & 5th Street Reconstruction Project to Witbro Inc. dba Seal Rite Paving and Grading in the amount of \$507,584.80 and authorizes the City Manager or his designee to execute all documents necessary for the completion of the Project, including retaining the firms of Provost & Pritchard Consulting Group and BSK Associates to provide professional construction phase services.

Robert Silva, Mayor

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of September, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Celeste Cabrera-Garcia, City Clerk

AGENDA ITEM – STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS
FROM: JENNIFER LEKUMBERRY
VIA: CRISTIAN GONZALEZ, CITY MANAGER
SUBJECT: HEALTH REIMBURSEMENT PLAN
DATE: SEPTEMBER 10, 2019

ISSUE

Should the City Council adopt the attached resolution approving the City Manager to execute the Adoption Agreement for the Health Reimbursement Plan with Administrative Solutions, Inc., and all other documentation necessary to effectuate such Health Reimbursement Plan?

BACKGROUND

In 2015, the City of Mendota entered into a Health Reimbursement Plan with Administrative Solutions, Inc. (ASi), for additional health coverage benefits for eligible regular full-time police officers.

ANALYSIS

The City and ASi have been unable to locate an original copy of the Health Reimbursement Plan that was executed in 2015 and as such both the City and ASi have determined it is necessary to obtain signatures on the plan documents to effectuate aforementioned Health Reimbursement Plan. No changes will be made to the Health Reimbursement currently in place that was previously agreed upon in 2015.

FISCAL IMPACT

There is no change to fiscal impact because the terms of this agreement are consistent with the practice in place since 2015 when the City initially entered into this arrangement.

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution approving the City Manager to execute the Adoption Agreement for the Health Reimbursement Plan with Administrative Solutions, Inc., and all other documentation necessary to effectuate such Health Reimbursement Plan.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA APPROVING
A HEALTH REIMBURSEMENT PLAN
BETWEEN THE CITY OF MENDOTA AND
ADMINISTRATIVE SOLUTIONS, INC., AND
AUTHORIZING THE CITY MANAGER
TO EXECUTE SAME**

RESOLUTION NO. 19-68

WHEREAS, in 2015, the City of Mendota (City) previously entered into a Health Reimbursement Plan (Plan) with Administrative Solutions, Inc. (ASi) for additional health coverage benefits; and

WHEREAS, the Basic Plan and Adoption Agreement, attached as part exhibit "A", are intended to qualify as a health reimbursement arrangement that provides benefits that are excludable from gross income under Code section under Code Section 105(b) and shall be administered in accordance with IRS Notice 2002-45 and IRS Revenue Ruling 2002-41; and

WHEREAS, the City and ASi have been unable to locate an original copy of the Plan that was executed in 2015; and

WHEREAS, the City and ASi have determined that in order to continue coverage, a new Plan must be executed by both parties.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Mendota hereby approves the Health Reimbursement Plan, and authorizes the City Manager to execute the Adoption Agreement for the Health Reimbursement Plan with Administrative Solutions, Inc., in substantial form presented as Exhibit "A," and all other documentation necessary to effectuate such Health Reimbursement Plan, subject to such reasonable modifications, revisions, additions and deletions as he may approve prior to execution, said execution to provide conclusive evidence of such approval.

Robert Silva, Mayor

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of September, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Celeste Cabrera-Garcia, City Clerk

Exhibit A



ADMINISTRATIVE SOLUTIONS, INC.

ADMINISTRATIVE SERVICE AGREEMENT

HRA

Health Reimbursement Arrangement

CITY OF MENDOTA

ADMINISTRATIVE SOLUTIONS, INC.
CONSULTING, ENROLLMENT, AND
ADMINISTRATIVE SERVICES AGREEMENT

This agreement specifies the services to be provided to **CITY OF MENDOTA**.

ADMINISTRATOR

Under the agreement, **CITY OF MENDOTA** will function as the Plan Sponsor, and Administrative Solutions, Inc. (ASi) as the Plan Administration Services Provider.

**ADMINISTRATIVE SERVICES TO BE PROVIDED
BY PLAN SERVICE PROVIDER FIRM**

Administrative Solutions, Inc. will provide the following administrative services:

- * Prepare Plan Document, Summary Plan Description, and Adoption Agreement, as necessary, or amend current Plan Documents.
- * Provide reimbursement forms and instructions for filing claims.
- * Provide instructions for access to online portal.
- * Process enrollment/change/termination forms to facilitate the administration of The Plan.
- * Provide each participant with a New Member Informational Packet.
- * Provide forms to **CITY OF MENDOTA**, to use for updating participant enrollments/changes/terminations.
- * Provide reimbursement information to **CITY OF MENDOTA**, as requested.
- * Report data required under any Federal & State compliance program.

On an on-going basis,

- (a) Provide reimbursement checks payable to employees, and or provider
- (b) Provide a claims history report for all claims processed
- (c) Provide statements of participation by plan and participant to **CITY OF MENDOTA**, as requested.
- (d) Prepare plan document amendments/restatements as required (fees may apply).

On an annual basis, ASi will provide claim history and budget analysis reports.

As requested, ASi will provide reports as to utilization. Special reports can also be requested.

RESPONSIBILITIES OF PLAN SPONSOR

CITY OF MENDOTA will be responsible for the following activities:

- * If desired, securing legal review of the Health Reimbursement Arrangement Plan Document and Summary Plan Description from its legal counsel.
- * Forward a copy of the executed Health Reimbursement Arrangement Plan Document, Summary Plan Description, and Business Associate Agreement to ASi.
- * Establish a banking account out of the general assets and maintain a balance sufficient at all times for payment of plan benefits, if necessary. Alternatively, provide the necessary funding in a timely manner to ASi if ASi is handling the claims payments.
- * Report participant additions, terminations, and changes to ASi.
- * Initiate any action required if the plan(s) become discriminatory.
- * Provide management support in planning enrollment, meeting facilities, and scheduling.
- * Provide ASi with data necessary to comply with Federal and State mandates.
- * Provide ASi with a designated HIPAA officer at the company for sending secure, private information that may relate to your employees.

REPORTS AND DATA

All reports and data remain the property of **CITY OF MENDOTA**. On request, ASi will provide, **CITY OF MENDOTA** all documentation used by ASi.

ADMINISTRATIVE SOLUTIONS, INC. TERMS AND CONDITIONS

The undersigned Employer ("Employer") hereby retains Administrative Solutions, Inc. ("ASi ") to provide services for the Employer's Health Reimbursement Arrangement(s) ("Plan") upon and subject to the following terms and conditions:

ASi shall provide, as applicable, administrative services for the Employer's Plan. The various services of ASi and the fee's ("Service Fees") charged therefore are described in the Schedule of Services and Fees ("Schedule") attached hereto and made a part hereof. Where applicable, all Service Fees shall be determined according to the Schedule. ASi shall have the right to modify the Schedule at any time, provided, however, that ASi shall give the Employer notice of the intended modification sixty (60) days prior to the date such modification shall become effective. Either party may cancel this Agreement by giving the other party written notice delivered first class registered mail at least thirty (30) days prior to the date such cancellation shall become effective. All invoices submitted by ASi are due and payable upon receipt. Any amount unpaid beyond thirty (30) days will be subject to a late payment service charge as specified on the invoice for services rendered.

The Employer shall furnish ASi with all information required by ASi to perform its services hereunder. ASi shall rely entirely and conclusively upon such information furnished by the Employer, Employees and Insurance Carriers except to the extent that it may be contrary to the provisions of the Plan or applicable law. ASi shall have no duty to investigate the source or accuracy of such information or to question any action of the Employer, its Agents, selected Insurer or any Participants of the Plan. The Employer hereby agrees that payment of all Fees, Penalties, Interest and other costs levied by the Internal Revenue Service, Department of Labor, or any other governmental agencies resulting from the negligence, neglect or breach of this agreement by Employer are the sole responsibility of the Employer and/or Plan.

Similarly, at times ASi must report information to governmental agencies regarding group plans. As such, ASi will request data and/or documentation from clients. It is the responsibility of our clients to submit this requested information timely and completely. If not, any potential non-compliance penalties/fines will be the responsibility of the employer. In the event of a dispute arising out of this agreement, the prevailing party in that dispute shall be entitled to recover its attorneys' fees.

The Employer hereby agrees that ASi shall not be liable to the Employer, the Plan, any Participants of the Plan or any other person for any damages, costs or expenses resulting from any error in any administration, investment or any matter of the Plan or its Trust resulting from any act, omission, negligence or default of any other Plan Administrator, Insurance Carrier, Insurance Agent, Investment Advisor, or any other Advisors. The Employer further agrees to save, defend, indemnify and hold harmless ASi and its owners, directors, agents and employees from any costs, damages, expenses and/or other losses resulting from the claims of Employer's Plan Participants or Service Providers, including without limitation all costs or attorney's fees and other costs of litigation and/or arbitration. The Employer also agrees that ASi shall not be liable to Employer, Plan, Participant of the Plan, or Service Provider for any losses, damages or other expenses, direct or indirect resulting from the negligence, neglect or breach of this agreement by Employer or Employees of the Employer.

Accepted for Administrative Solutions, Inc.:

Accepted for Employer: CITY OF MENDOTA

Signature

Signature

President

Date

Date



EXHIBIT A

HRA ADMINISTRATION

CITY OF MENDOTA

EFFECTIVE DATE: July 1, 2015

FEE SCHEDULE:

Set-up Fee (one-time charge)	\$300.00 (Waived)
Plan Document Preparation	\$300.00

Monthly Fee

HRA (Debit/Non-Debit, Restricted)	\$15.00/PEPM
Minimum Monthly HRA Fee	\$35.00/Month

Note: Debit cards require a 5% security deposit that is based off the total annual benefit amount. The deposit will be refunded to the employer within 120 days of the Plan termination.

Other Fees

Debit Card Replacement Fee	\$5.00 per set/per request
Plan Takeover-Claims Run In:	No Charge
Annual Fee	\$150
Plan Termination for Claims Run-Out	Standard Administration Fees Apply
Plan Document Restatement (Upon Request)	\$300.00
Plan Document Amendment (Upon Request)	\$250.00
Requested Plan Changes (Outside of Renewal Period)	Quoted Separately

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**ADOPTION AGREEMENT
HEALTH REIMBURSEMENT PLAN**

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a health reimbursement arrangement under Code sections 106 and 105. The Plan shall consist of this Adoption Agreement, its related Basic Plan Document and any related Appendix and Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

COMPANY INFORMATION

1. Name of adopting employer (Plan Sponsor): City of Mendota
2. Address: 643 Quince Street
3. City: Mendota 4.State: California 5. Zip: 93640
6. Phone number: 559-655-3291 7. Fax number: 559-655-4064
8. Plan Sponsor EIN: 94-6000369
9. Plan Sponsor fiscal year end: 06/30
- 10a. Plan Sponsor entity type:
 - i. C Corporation
 - ii. S Corporation
 - iii. Non Profit Organization
 - iv. Partnership
 - v. Limited Liability Company
 - vi. Limited Liability Partnership
 - vii. Sole Proprietorship
 - viii. Union
 - ix. Government Agency
 - x. Other: Governmental Entity or Church
- 10b. If 10a.viii (Union) is selected, enter name of the representative of the parties who established or maintain the Plan:

11. State of organization of Plan Sponsor: California
- 12a. The Plan Sponsor is a member of an affiliated service group:
 Yes No
- 12b. If 12a is "Yes", list all members of the group (other than the Plan Sponsor): _____
- 13a. The Plan Sponsor is a member of a controlled group:
 Yes No
- 13b. If 13a is "Yes", list all members of the group (other than the Plan Sponsor): _____

PLAN INFORMATION

A. GENERAL INFORMATION.

1. Plan Number: 502
2. Plan name: a. City of Mendota
b. _____
3. Effective Date:
 - 3a. Original effective date of Plan: 07/01/2015
 - 3b. Is this a restatement of a previously-adopted plan:
 Yes No
 - 3c. If A.3b is "Yes", effective date of Plan restatement: 08/01/2019.
NOTE: If A.3b is "No", the Effective Date shall be the date specified in A.3a, otherwise the date specified in A.3c; provided, however, that when a provision of the Plan states another effective date, such stated specific effective date shall apply as to that provision.
- 4a. Plan Year means each 12-consecutive month period ending on 06/30 (e.g. December 31). If the Plan Year changes, any special provisions regarding a short Plan Year should be placed in the Addendum to the Adoption Agreement.
- 4b. The Plan has a short plan year:
 Yes No
- 4c. If A.4b is "Yes", the short plan year begins _____ and ends on _____.
5. Is the Plan Subject to ERISA?
 Yes No

B. ELIGIBILITY.

Other Company Benefit Plan

- 1a.** An Employee is eligible to participate in the Plan under the same terms and conditions as under the Company benefit plan(s) specified in **B.1b**:
- i.** Yes - without limitation
 - ii.** Yes - with limitations and modifications described in **B.1c**
 - iii.** No
- 1b.** If **B.1a** is not "No", enter name of other Company benefit plan(s): **Employer Sponsored Health Plan.**
- 1c.** If **B.1a** is " Yes - with limitations and modifications", describe limitations and/or modifications: _____.
- NOTE:** If **B.1a** is not "No", the remainder of Section **B** is disregarded.

Exclusions/Modifications

- If **B.1a** is "No", the term "Eligible Employee" shall not include (Check items **B.2 - B.6a** as appropriate):
- 2.** **Union.** Any Employee who is included in a unit of Employees covered by a collective bargaining agreement, if benefits were the subject of good faith bargaining, and if the collective bargaining agreement does not provide for participation in this Plan.
- 3.** Any **leased employee.**
- 4.** **Non-Resident Alien.** Any Employee who is a non-resident alien who received no earned income (within the meaning of Code section 911(d)(2)) which constitutes income from services performed within the United States (within the meaning of Code section 861(a)(3)).
- 5.** **Part-time.** Any Employee who is expected to work less than _____ hours per week.
- 6a.** **Other.** Other Employees described in **B.6b.**
- 6b.** If **B.1a** is "No", and **B.6a** is selected, describe other Employees excluded from definition of Eligible Employee: _____.
- NOTE:** The Plan may not discriminate in favor of highly compensated employees (within the meaning of Code section 105(h)(5)) as to benefits provided or eligibility to participate.
- 7a.** If **B.1a** is "No", allow immediate participation for all Eligible Employees employed on the date specified in **B.7b**:
 Yes No
- 7b.** If **B.1a** is "No" and **B.7a** is "Yes", all Eligible Employees employed on _____ shall become eligible to participate in the Plan as of such date.
- 8a.** If **B.1a** is "No", indicate whether the Plan will make any other revisions to the term "Eligible Employee":
 Yes No
- 8b.** If **B.1a** is "No" and **B.8a** is "Yes", describe any further modifications to the term "Eligible Employee": _____.

Service Requirements

- 10.** If **B.1a** is "No", minimum age requirement for an Eligible Employee to become eligible to be a Participant in the Plan: _____
- 11.** If **B.1a** is "No", minimum service requirement for an Eligible Employee to become eligible to be a Participant in the Plan:
- i.** None.
 - ii.** Completion of _____ hours of service.
 - iii.** Completion of _____ days of service.
 - iv.** Completion of _____ months of service.
 - v.** Completion of _____ years of service.
- 12a.** If **B.1a** is "No", frequency of entry dates:
- i.** An Eligible Employee shall become a Participant in the Plan as soon as administratively feasible upon meeting the requirements of **B.10** and **B.11**.
 - ii.** first day of each calendar month.
 - iii.** first day of each plan quarter.
 - iv.** first day of the first month and seventh month of the Plan Year.
 - v.** first day of the Plan Year.
- 12b.** If **B.1a** is "No" and **B.12.a.i** (immediate entry) is not selected, an Eligible Employee shall become a Participant in the Plan on the entry date selected in **B.12a** that is:
- i.** coincident with or next following
 - ii.** next following
- the date the requirements of **B.10** and **B.11** are met.
- 13a.** If **B.1a** is "No", indicate whether the Plan will make any other revisions to the eligibility rules specified in **B.10 - B.12**:
 Yes No

13b. If **B.1a** is "No" and **B.13a** is "Yes", describe any further modifications to the eligibility rules specified in **B.10 - B.12**: _____.

Former Employees

15a. Permit Eligible Employees to participate in the Plan after Termination (Section 3.03; See item **C.10** to describe benefits available to former employees):

- i. Yes - all Eligible Employees are eligible to participate in the Plan after Termination.
- ii. Yes - selected Eligible Employees are eligible to participate in the Plan after Termination.
- iii. No.

15b. If **B.15a** is "Yes - selected Eligible Employees are eligible to participate in the Plan after Termination", describe the Employees: _____.

NOTE: The election in **B.15** does not have an effect on COBRA coverage.

C. BENEFITS

Eligible Expenses

1a. Coverage under the Plan for Covered Persons is available for the following Eligible Expenses (Section 4.01):

- i. **All allowable medical expenses.** All medical expenses that are excludable from income under Code section 105(b).
- ii. **Listed medical expenses.** All medical expenses that are listed on an appendix to the Adoption Agreement and that are excludable from income under Code section 105(b).
- iii. **Health plan deductibles.** Only health plan deductible amounts that are otherwise payable by the Participant under a Company-sponsored medical plan covering the Participant.
- iv. **Health plan coinsurance.** Only health plan coinsurance amounts that are otherwise payable by the Participant under a Company-sponsored medical plan covering the Participant.
- v. **Health plan deductibles and coinsurance.** Only health plan deductibles and coinsurance amounts that are otherwise payable by the Participant under a Company-sponsored medical plan covering the Participant.
- vi. **Schedule of expenses.** A schedule of allowable medical expenses under a Company-sponsored medical plan(s) (current or former) as provided in an appendix to the Adoption Agreement.

NOTE: If **C.1a.vi.** is selected, the terms listed in the schedule of expenses shall be defined as provided in the relevant Company-sponsored medical plan.

1b. Are there any other modifications to the definition of Eligible Expenses:

Yes No

1c. If **C.1b** is "Yes", describe modifications to the definition of Eligible Expenses: _____.

NOTE: The modifications listed in **C.1c** may not be inconsistent with expenses that are excludable from income under Code section 105(b).

Covered Person

2a. The definition of Covered Person under the Plan shall include the following persons:

- i. **Participant, spouse and dependents.** The Participant, his or her spouse and all dependents within the meaning of Code section 152 as modified by Code section 105(b), and any child (as defined in section 152(f)(1)) of the Participant until his or her 26th birthday.
- ii. **Persons covered under Company medical plan.** The Participant, his or her spouse and all dependents within the meaning of Code section 152 as modified by Code section 105(b), and any child (as defined in section 152(f)(1)) of the Participant until his or her 26th birthday, but only if such persons are also covered under the Company-sponsored benefit plan specified in **C.2b.**
- iii. **Participants Only.** No spousal or dependent coverage.
- iv. **Other.** The persons described in **C.2c.**

NOTE: The Plan Administrator may extend coverage for children until the end of the calendar year in which a child turns age 26.

2b. If **C.2a** is "Persons covered under Company medical plan", indicate the name of the Company-sponsored benefit plan: _____.

NOTE: If i) the Plan constitutes a group health plan as defined in Treas. Reg. section 54.9801-2 or if the Plan Administrator determines that the Plan is subject to HIPAA portability rules, ii) the Plan is not a grandfathered health plan under the Patient Protection and Affordable Care Act, and iii) children are covered under this Plan, all children up to their 26th birthday must be covered.

2c. If **C.2a** is "Other", indicate the definition of Covered Person: _____.

NOTE: The definition in **C.2c** may not include anyone other than the Participant, his or her spouse and all dependents within the meaning of Code section 152 as modified by Code section 105(b), and any child (as defined in section

152(f)(1)) of the Participant until his or her 26th birthday. If i) the Plan constitutes a group health plan as defined in Treas. Reg. section 54.9801-2 or if the Plan Administrator determines that the Plan is subject to HIPAA portability rules, ii) the Plan is not a grandfathered health plan under the Patient Protection and Affordable Care Act, and iii) children are covered under this Plan, all children up to their 26th birthday must be covered.

Health Reimbursement Account - Maximum Benefit

3a. If **C.1a.vi** is selected are the maximum annual amounts specified in the schedule of benefits?

Yes No

NOTE: If the maximum annual amount credited to a Participant's Health Reimbursement Account depends on the Company-sponsored benefit plan the Participant is enrolled in or the particular type of Eligible Expense, **C.1a.vi** (schedule of expenses) should be selected and **C.3a** should be "Yes" (the maximum annual amounts entered in the schedule of benefits apply to this Plan).

3b. Enter the maximum annual amount that will be credited to a Participant's Health Reimbursement Account in any Plan Year for the applicable coverage category (Section 4.01):

i. One Covered Person (Participant only): **Illustrated in the ASi Schedule of Benefits**

ii. Two Covered Persons (Participant plus one other Covered Person): **Illustrated in the ASi Schedule of Benefits**

iii. More than two Covered Persons (Family coverage): **Illustrated in the ASi Schedule of Benefits**

NOTE: If the Plan only provides for a single coverage level for all Participants, enter that coverage level in **C.3b.i.-C.3b.iii.**

NOTE: The maximum annual amount is determined after any deductibles and coinsurance are calculated. For example, if the HRA pays the last \$750 of a \$1,000 plan deductible (after the Participant pays \$250), **C.3b.i** should be "\$750".

3c. **FSA Failsafe.** Limit the maximum annual benefit to 5 times the value of coverage and exclude long term care services:

Yes No

NOTE: If **C.3c** is "Yes", the Plan is intended to be a flexible spending arrangement under Code section 106(c).

Qualified long term care services as defined in Code section 7702B(c) are not an Eligible Expense under the plan and the maximum amount of reimbursement available must be less than 5 times the value of such coverage.

Health Reimbursement Account - Deductible

4. Enter the annual Health Reimbursement Account deductible in any Plan Year for the applicable coverage category:

a. One Covered Person (Participant only): **Illustrated in the ASi Schedule of Benefits**

b. Two Covered Persons (Participant plus one other Covered Person): **Illustrated in the ASi Schedule of Benefits**

c. More than two Covered Persons (Family coverage): **Illustrated in the ASi Schedule of Benefits**

NOTE: If the Plan only provides for a single deductible for all Participants, enter that coverage level in **C.4a.- C.4c.**

NOTE: If the Participants are also covered by a Company-sponsored medical plan, enter the deductible that applies to this plan (the Health Reimbursement Plan), *not* the deductibles of the Company-sponsored plan. Any expenses covered by a Company-sponsored plan are not an Eligible Expense under this Plan (Section 4.01(c)).

NOTE: If **C.1a.vi** (schedule of benefits) is selected, enter 0 (zero) if no annual deductible applies before the schedule of benefits is implemented.

NOTE: If i) the Plan constitutes a group health plan as defined in Treas. Reg. section 54.9801-2 or if the Plan Administrator determines that the Plan is subject to HIPAA portability rules and ii) the Plan is not a grandfathered health plan under the Patient Protection and Affordable Care Act, then the Plan must provide coverage without cost-sharing requirements for preventative care to the extent required under Treas. Reg. 54.9815-2713T (and any superseding guidance; up to the amount available under a Participant's Health Reimbursement Account).

Health Reimbursement Account - Coinsurance

5. If **C.1a.vi** is not selected, once the HRA deductible is met (if any), indicate the level of coverage provided under the HRA until the annual amount under **C.3** is met: **Illustrated in the ASi Schedule of Benefits** (for example, "50% of coinsurance/copayment amounts" or "100% of Eligible Expenses").

NOTE: If **C.5** is left blank, once the HRA deductible is met (if any), the Plan will provide coverage for 100% of Eligible Expenses until the annual amount under **C.3** is met, unless otherwise provided in the Adoption Agreement.

NOTE: If i) the Plan constitutes a group health plan as defined in Treas. Reg. section 54.9801-2 or if the Plan Administrator determines that the Plan is subject to HIPAA portability rules and ii) the Plan is not a grandfathered health plan under the Patient Protection and Affordable Care Act, then the Plan must provide coverage without cost-sharing requirements for preventative care to the extent required under Treas. Reg. 54.9815-2713T (and any superseding guidance; up to the amount available under a Participant's Health Reimbursement Account).

Health Reimbursement Account - Procedures

6a. The amounts in **C.3** shall be credited to the Participant's Health Reimbursement Account at the following times:

- i. **Beginning of Calendar Year.** The entire amount shall be credited at the beginning of the Calendar Year.
 - ii. **Semi annually.** One half of the amount shall be credited at the beginning of the Plan Year and on the first day of the seventh month of the Plan Year.
 - iii. **Quarterly.** One fourth of the amount shall be credited at the beginning of each plan quarter.
 - iv. **Monthly.** One twelfth of the amount shall be credited at the beginning of each calendar month during the Plan Year.
 - v. **Per payroll period.** Amounts are credited each payroll period in an amount equal to the entire amount divided by the number of payroll periods.
 - vi. **Claims dependent.** Accounts are credited and reimbursements are made as claims are made.
- 6b.** If **C.6a.vi** is not selected and a Participant enters the Plan at a time other than the beginning of a period described in **C.6a**, the amounts credited to the Participant's Health Reimbursement Account for such period shall be reduced to reflect the time of actual participation in the applicable period:
 Yes No
- 6c.** If **C.6a.vi** is not selected and if a change to the number of Covered Persons under **C.2** affects the amount(s) credited to the Health Reimbursement Account at times other than that selected in **C.6a**, contributions to the Participant's Health Reimbursement Account will be prorated to accommodate the change:
 Yes No - only future contributions affected
NOTE: If you select "Yes", this may result in a forfeiture from a Participant's Account, or, if amounts have been credited from a Participant's Account in excess of prorated amounts, future contributions may be discontinued until the correct contribution amount is attained.
- 7a.** The Plan allows a carryover of the balance in a Participant's Health Reimbursement Account to the next Plan Year:
i. Yes.
ii. Yes - but limited to the dollar amount specified in **C.7b**.
iii. Yes - but limited to the multiple specified in **C.7b** of the maximum annual benefit specified in **C.3**.
iv. No.
- 7b.** If **C.7a** is "Yes with limitations", enter the maximum dollar amount (or multiple of the maximum annual amount specified in **C.3**) that may be carried over to the next Plan Year: _____.
NOTE: Enter a percentage if **C.7a.iii** is selected and the multiple is less than 1.

Coordination with Other Plans

- 8.** Describe method to coordinate coverage in the Plan with a Health Care Reimbursement Account ("HCRA") in a Company-sponsored cafeteria plan for expenses that are reimbursable under both this Plan and the cafeteria plan (Section 6.01(e)):
- i. **None.** Plan is not used in conjunction with a Company-sponsored HCRA.
 - ii. **HRA first.** A Participant shall not be entitled to payment/reimbursement under the HCRA until the Participant has received his or her maximum reimbursement under the Plan.
 - iii. **Cafeteria plan first.** A Participant shall not be entitled to payment/reimbursement under this Plan until the Participant has received his or her maximum reimbursement under the HCRA.
- 9a.** Describe method to coordinate coverage in the Plan with Health Savings Accounts (Section 6.01(j)):
- i. **None.** Coverage in the Plan is not limited or the Plan is not used in conjunction with a Health Savings Account.
 - ii. **Permitted Coverage.** Coverage in the Plan is only provided for permitted insurance and other specified coverage (e.g., coverage for accidents, disability, dental care, vision care or preventive care within the meaning of Code section 223(c)(1), Rev. Rul. 2004-45 and Notice 2008-59).
 - iii. **Post Deductible Coverage.** The Plan will not pay or reimburse any medical expense incurred before the minimum annual deductible under Code section 223(c)(2)(A)(i) is satisfied pursuant to Notice 2008-59.
 - iv. **Both Permitted and Post Deductible Coverage.** Until the minimum annual deductible under Code section 223(c)(2)(A)(i) is satisfied, coverage in the Plan is only provided for permitted insurance and other specified coverage (e.g., coverage for accidents, disability, dental care, vision care or preventive care within the meaning of Code section 223(c)(1) and Rev. Rul. 2004-45). The Plan will pay or reimburse all medical expenses otherwise allowed by the Plan incurred after the minimum annual deductible under Code section 223(c)(2)(A)(i) is satisfied.
 - v. **Suspended HRA.** A Participant may elect to forego coverage in the Plan except for permitted insurance and other specified coverage (e.g., coverage for accidents, disability, dental care, vision care or preventive care within the meaning of Code section 223(c)(1) and permitted by Rev. Rul. 2004-45).
- 9b.** If **C.9a** is not "None", the limitations shall apply to:
- i. All Participants.
 - ii. Only Participants who are also eligible to participate in the high deductible health plan.
 - iii. Only Participants who are also enrolled in the high deductible health plan.
- NOTE:** If **C.9a** is "None" or **C.9b** is not "All Participants", eligibility for a Health Savings Account may be limited.

Former Employees

- 10a.** If **B.15a** is "Yes" (Eligible Employees may participate in the Plan after Termination), select what benefits the Employees described in **B.15** are eligible for after Termination:
- i.** Plan Year spend-down. Former employees may spend down the amount remaining in their Account through the end of the Plan Year or 90 days after Termination, whichever is later.
 - ii.** Other. As specified in **C.10b**.
- NOTE:** If **C.10a.i** is selected, no new benefits will apply to Terminated participants. If you want to provide new benefits for Terminated Participants or other spend-down periods, select **C.10a.ii** and indicate what benefits Terminated Participants will receive and any restrictions on Eligible Expenses in **C.10b**.
- 10b.** If **C.10a.ii** is selected, describe any unique Plan features that apply to the Employees described in **B.15**: _____.
- NOTE:** The elections in **C.10** will apply irrespective of whether employees are eligible for or elect COBRA coverage.
NOTE: Unless otherwise specified in **C.10b**, Eligible Expenses, benefits and other Plan provisions will apply in the same manner to former employees as other Plan Participants.

D. PLAN OPERATIONS

Claims

- 1.** Claims for reimbursement for an active Participant must be filed with the Plan Administrator (Section 6.01):
 - i.** within **90** days following the last day of each Plan Year.
 - ii.** by _____.
- 2a.** The Plan provides for an earlier deadline for claims submission for Terminated Participants:
 Yes No
- 2b.** If **D.2a** is Yes, claims for reimbursement for a Terminated Participant must be filed with the Plan Administrator (Section 6.01):
 - i.** within **90** days following Termination of employment.
 - ii.** by _____.
- 3.** Indicate whether the Company will provide debit, credit, and/or other stored-value cards (Section 6.01(i)): Yes No

Plan Administrator

- 4a.** Designation of Plan Administrator (Section 7.01):
 - i.** Plan Sponsor
 - ii.** Committee appointed by Plan Sponsor
 - iii.** Other
- 4b.** If **D.4a.iii** is selected, Name of Plan Administrator: _____
- 5a.** Type of indemnification for the Plan Administrator (Section 7.02):
 - i.** None - the Company will not indemnify the Plan Administrator.
 - ii.** Standard as provided in Section 7.02.
 - iii.** Custom.
- 5b.** If **D.5a.iii** (Custom) is selected, indemnification for the Plan Administrator is provided pursuant to an Addendum to the Adoption Agreement.

State Law Rules

- 10a.** If **A.5** is "No" (non-ERISA Plan), is the Plan subject to other state law rules?:
 Yes No
- 10b.** If **A.5** is "No" (non-ERISA Plan) and **D.10a** is "Yes", enter any State law rules that apply to the Plan: _____.

E. EFFECTIVE DATES

Use this Section to provide any effective dates for Plan provisions other than the Effective Date specified in **A.3**.

F. EXECUTION PAGE

Failure to properly fill out the Adoption Agreement may result in the failure of the Plan to achieve its intended tax consequences.

The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #HRA and any related Appendix and Addendum to the Adoption Agreement.

Additional participating employers may be specified in an addendum to the Adoption Agreement.

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same.

The Plan Sponsor caused this Plan to be executed this ____ day of _____, 2019.

CITY OF MENDOTA:

Signature: _____

Print Name: _____

Title/Position: _____

APPENDIX A

The following are available for coverage under this Plan (but only if also excludable from income under Code section 105(b)):
Please reference the ASi Schedule of Benefits.

CITY OF MENDOTA PLAN HIGHLIGHTS

Effective date: City of Mendota (the "Company") established the City of Mendota (the "Plan") effective 07/01/2015. The following highlights describe the Plan as amended and restated effective 08/01/2019.

Eligibility: You are an "Eligible Employee" if you are eligible to participate in the following Company benefit plan: Employer Sponsored Health Plan.

Benefits Health Reimbursement Account. You will be entitled to receive reimbursement from this account for Eligible Expenses incurred by you, your spouse and dependents, if any (Covered Persons). The annual limit on reimbursement is illustrated in the ASi Schedule of Benefits. Note that this limit may increase if there is more than one covered person, see the Summary Plan Description for details.

The annual Plan deductible is illustrated in the ASi Schedule of Benefits. Note that this deductible may increase if there is more than one covered person; see the Summary Plan Description for details. Please also note the deductible listed is for this plan (the Health Reimbursement Account) and NOT the deductible for any other Company-sponsored health plan. Once the deductible is met, the Plan will cover what is illustrated in the ASi Schedule of Benefits.

See the Appendix of the Summary Plan Description for details regarding what expenses are eligible for reimbursement under the Plan.

Claims/deadlines: You must submit claims for reimbursement within 90 days after the end of the Plan Year. There may be an earlier deadline if you terminate employment with the Company.

Note: These plan highlights are intended to be a very concise overview of plan features. For a detailed description of plan features, please review the Summary Plan Description or contact the Plan Administrator for more information. The plan features described in these plan highlights are subject to change and in the event of a discrepancy between the legal plan document and these highlights (or any other summary of plan features), the Plan document shall control.

**HEALTH REIMBURSEMENT PLAN
BASIC PLAN DOCUMENT**

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HEALTH REIMBURSEMENT PLAN
BASIC PLAN DOCUMENT
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ARTICLE 1
INTRODUCTION

Section 1.01 PLAN

This document ("Basic Plan Document") and its related Adoption Agreement are intended to qualify as a health reimbursement arrangement that provides benefits that are excludable from gross income under Code section 105(b) and shall be administered in accordance with IRS Notice 2002-45 and IRS Revenue Ruling 2002-41.

Section 1.02 APPLICATION OF PLAN

Except as otherwise specifically provided herein, the provisions of this Plan shall apply to those individuals who are Eligible Employees of the Company on or after the Effective Date. Except as otherwise specifically provided for herein, the rights and benefits, if any, of former Eligible Employees of the Company whose employment terminated prior to the Effective Date, shall be determined under the provisions of the Plan, as in effect from time to time prior to that date.

ARTICLE 2
DEFINITIONS

"Adoption Agreement" means the document executed in conjunction with this Basic Plan Document that contains the optional features selected by the Plan Sponsor.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" means the Plan Sponsor and any other entity that has adopted the Plan with the approval of the Plan Sponsor.

"Covered Person" shall have the meaning set forth in the Adoption Agreement.

"Effective Date" shall have the meaning set forth in the Adoption Agreement.

"Eligible Employee" means any Employee employed by the Company, subject to the modifications and exclusions described in the Adoption Agreement. If an individual is subsequently reclassified as, or determined to be, an Employee by a court, the Internal Revenue Service or any other governmental agency or authority, or if the Company is required to reclassify such individual an Employee as a result of such reclassification determination (including any reclassification by the Company in settlement of any claim or action relating to such individual's employment status), such individual shall not become an Eligible Employee by reason of such reclassification or determination.

An individual who becomes employed by the Employer in a transaction between the Employer and another entity that is a stock or asset acquisition, merger, or other similar transaction involving a change in the employer of the employees of the trade or business shall not become eligible to participate in the Plan until the Plan Sponsor specifically authorizes such participation.

"Eligible Expenses" shall have the meaning set forth in the Adoption Agreement.

"Employee" means any individual who is employed by the Employer. The term "Employee" shall not include: (i) a self-employed individual (including a partner) as defined in Code section 401(c), or (ii) any person who owns (or is considered as owning within the meaning of Code section 318) more than 2 percent of the outstanding stock of an S corporation.

"Employer" means the Company or any other employer required to be aggregated with the Company under Code sections 414(b), (c), (m) or (o); provided, however, that "Employer" shall not include any entity or unincorporated trade or business prior to the date on which such entity, trade or business satisfies the affiliation or control tests described above.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"FMLA" means the Family and Medical Leave Act of 1993, as amended from time to time.

"Health Reimbursement Account" means the balance of a hypothetical account established pursuant to Section 4.01 for each Participant as of the applicable date and such other account(s) or subaccount(s) as the Plan Administrator, in its discretion, deems appropriate.

"Participant" means an Eligible Employee who participates in the Plan in accordance with Articles 3 and 4.

"Plan Administrator" means the person(s) designated pursuant to the Adoption Agreement and Section 7.01.

"Plan Sponsor" means the entity described in the Adoption Agreement.

"Plan Year" means the 12-consecutive month period described in the Adoption Agreement.

"Termination" and "Termination of Employment" means any absence from service that ends the employment of the Employee with the Company.

ARTICLE 3
PARTICIPATION

Section 3.01 PARTICIPATION

Each Eligible Employee as of the Effective Date who was eligible to participate in the Plan immediately prior to the Effective Date shall be a Participant eligible to participate in the Plan pursuant to Article 4 on the Effective Date. Each other Eligible Employee who was not a Participant in the Plan prior to the Effective Date shall become a Participant eligible to participate pursuant to Article 4 on the date specified in the Adoption Agreement; provided that he is an Eligible Employee on such date.

Section 3.02 TRANSFERS

If a change in job classification or a transfer results in an individual no longer qualifying as an Eligible Employee, such Employee shall cease to be a Participant for purposes of Article 4 (or shall not become eligible to become a Participant) as of the effective date of such change of job classification or transfer. Should such Employee again qualify as an Eligible Employee or if an Employee who was not previously an Eligible Employee becomes an Eligible Employee, he shall become a Participant on the first entry date following the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3.

Section 3.03 TERMINATION AND REHIRES

If an Employee has a Termination of Employment, such Employee shall not become eligible to become a Participant as of his Termination of Employment. In addition, unless otherwise specified in the Adoption Agreement, if an Employee has a Termination of Employment, such Employee shall cease to be a Participant for purposes of Article 4 as of his Termination of Employment. If the Adoption Agreement permits Eligible Employees to participate in the Plan after Termination, former employees will continue to be eligible to participate in the Plan until such time and with the benefits specified in the Adoption Agreement.

An individual who has satisfied the applicable eligibility requirements set forth in Article 3 as of his Termination date, and who is subsequently reemployed by the Company as an Eligible Employee, shall resume or become a Participant on the first entry date following his rehire date. An individual who has not so qualified for participation on his Termination date, and who is subsequently reemployed by the Company as an Eligible Employee, shall be eligible to participate on the first entry date following the later of the effective date of such reemployment or the date the individual meets the eligibility requirements of this Article 3.

Section 3.04 PROCEDURES FOR ADMISSION

The Plan Administrator shall prescribe such forms and may require such data from Participants as are reasonably required to enroll a Participant in the Plan or to effectuate any Participant elections. The Plan Administrator may impose other limitations and/or conditions with respect to participation in the Plan on Eligible Employees who commence or recommence participation in the Plan pursuant to Sections 3.02 and 3.03.

ARTICLE 4
ACCOUNTS

Section 4.01 HEALTH REIMBURSEMENT ACCOUNTS

(a) Credits. Each Participant's Health Reimbursement Account shall be credited each Plan Year with the maximum annual amount specified in the Adoption Agreement for each coverage level, unless the Adoption Agreement provides that a portion of such annual amount shall be credited periodically throughout the Plan Year.

(b) Debits. Each Participant's Health Reimbursement Account shall be debited for Eligible Expenses described in Subsection (c).

(c) Eligible Expenses. A Participant may be reimbursed from his or her Health Reimbursement Account for Eligible Expenses incurred by Covered Persons provided such expenses are (i) incurred in the Plan Year, (ii) incurred while the Participant participates in the Plan, (iii) not attributable to a deduction allowed under Code section 213 for any prior taxable year, and (iv) not covered, paid or reimbursed from any other source. For purposes of Code section 105(b), dependents shall also include students who have not attained the age of 24 for whom coverage is required under Code section 9813; provided, that treatment as a dependent due to a medically necessary leave of absence under Code section 9813 shall not extend beyond a period of one year.

Section 4.02 FORFEITURES/TRANSFERS

(a) Forfeitures. Except as provided in Subsection (b) and (c), any balance remaining in a Participant's Health Reimbursement Account after the end of any Plan Year shall be forfeited and shall remain the property of the Company. Except as expressly provided herein, any balance remaining in a Participant's Account on his date of Termination shall be forfeited and shall remain the property of the Company. However, no forfeiture (or carryover permitted in Subsection (b)) shall occur until all payments and reimbursements hereunder have been made on claims submitted within the time period specified in Section 6.01(b).

(b) Carryovers. To the extent permitted in the Adoption Agreement and subject to any conditions and/or limitations in the Adoption Agreement, the unused balance in a Participant's Health Reimbursement Account remaining at the end of a Plan Year may be carried over to the immediately following Plan Year.

(c) Change in status. If provided in the Adoption Agreement, a reduction in the number of Covered Persons may result in a forfeiture of prorated amounts from the Participant's Health Reimbursement Account. In addition, future contributions to the Participant's Health Reimbursement Account may be discontinued until the correct prorated amount is attained.

Section 4.03 CONTINUATION RIGHTS

(a) Leave of Absence/FMLA/USERRA. If the Plan is subject to FMLA or the Plan Administrator determines that the Plan is subject to FMLA, the Plan Administrator shall permit a Participant taking unpaid leave under the FMLA to continue medical benefits as required by such applicable law. Any Participant on FMLA leave who revoked coverage shall be reinstated to the extent required by applicable law. The Plan Administrator shall permit Participants to continue to receive benefits as required under the Uniformed Services Employment and Reemployment Rights Act and shall provide such reinstatement rights as required by such law. The Plan Administrator shall also permit Participants to continue benefit elections as required under any other applicable state law to the extent that such law is not pre-empted by federal law.

(b) COBRA. If the Plan is subject to COBRA (Code section 4980B and other applicable state law) or the Plan Administrator determines that the Plan is subject to COBRA, a Participant shall be entitled to continuation coverage with respect to his or her Health Reimbursement Account as prescribed in Code Section 4980B (and the regulations thereunder) or such applicable state statutes.

ARTICLE 5
NONDISCRIMINATION

Section 5.01 NONDISCRIMINATION

(a) The Plan may not discriminate in favor of highly compensated employees (within the meaning of Code section 105(h)(5)) as to benefits provided or eligibility to participate with respect to the Health Reimbursement Account.

(b) Adjustment of Eligibility/Benefits. If the Plan Administrator determines that the Plan may fail to satisfy any nondiscrimination requirement or any limitation imposed by the Code, the Plan Administrator may modify any eligibility requirement or benefit amount under the Plan in order to assure compliance with such requirements or limitations. Any act taken by the Plan Administrator under this Subsection shall be carried out in a uniform and non-discriminatory manner.

ARTICLE 6
REIMBURSEMENTS

Section 6.01 PROCEDURES FOR REIMBURSEMENT

(a) Benefits Provided by Insurance. All claims for benefits that are provided under insurance contracts shall be made by the Participant to the insurance company issuing such contract.

(b) Timing of Claims. Reimbursements and/or payments shall only be made for expenses incurred in the applicable Plan Year while the Participant participates in the Plan. Except as otherwise expressly provided herein, no reimbursement and/or payment shall be made for any expenses relating to services rendered before participation or after Termination of Employment for any reason. All claims for reimbursement and/or payment must be made within the time periods specified in the Adoption Agreement.

(c) Documentation. A Participant or any other person entitled to benefits from the Plan (a "Claimant") may apply for such benefits by completing and filing a claim with the Plan Administrator. Any such claim shall include all information and evidence that the Plan Administrator deems necessary to properly evaluate the merit of and to make any necessary determinations on a claim for benefits. The Plan Administrator may request any additional information necessary to evaluate the claim.

(d) Payment. To the extent that the Plan Administrator approves the claim, the Company shall: (i) reimburse the Claimant, or (ii) at the option of the Plan Administrator, pay the service provider directly for any amounts payable from the Health Reimbursement Account. The Plan Administrator shall establish a schedule, not less frequently than annually, for the payment of claims. The Plan Administrator may provide that payments/reimbursements of less than certain amount may be carried forward and aggregated with future claims until the reimbursable amount is greater than such minimum, provided, however, that the entire amount of payments/reimbursements outstanding at the end of the Plan Year shall be reimbursed without regard to the minimum payment amount.

(e) Coordination with Cafeteria Plan. A Participant shall not be entitled to payment/reimbursement under a health care reimbursement account in a cafeteria plan sponsored by the Company to the extent the expense is reimbursable under this Plan. Notwithstanding the foregoing, the Adoption Agreement may provide that a Participant shall be entitled to payment/reimbursement under a health care reimbursement account in the cafeteria plan if before the cafeteria plan year begins, the Adoption Agreement specifies that coverage under this Plan is available only after the Participant has received his or her maximum reimbursement under a health care reimbursement account in the cafeteria plan.

(f) Death. If a Participant dies, his beneficiaries may submit claims for Eligible Expenses for the portion of the Plan Year preceding the date of the Participant's death. A Participant may designate a specific beneficiary provided that such beneficiary is the Participant's spouse or one or more of the Participant's dependents. If no beneficiary is specified, the Plan Administrator may pay any amount due hereunder to the Participant's spouse or, if there is no spouse, to the Participant's dependents in equal shares. Such payment shall fully discharge the Plan Administrator and the Company from further liability on account thereof.

(g) Form of Claim/Notice. All claims and notices shall be made in written form unless the Plan Administrator provides procedures for such claims and notices to be made in electronic and/or telephonic format to the extent that such alternative format is permitted under applicable law.

(h) Refunds/Indemnification. If the Plan Administrator determines that any Claimant has directly or indirectly received excess payments/reimbursements or has received payments/reimbursements that are taxable to the Claimant, the Plan Administrator shall notify the Claimant and the Claimant shall repay such excess amount (or at the option of the Plan Administrator, the Claimant shall repay the amount that should have been withheld or paid as payroll or withholding taxes) as soon as possible, but in no event later than 30 days after the date of notification. A Claimant shall indemnify and reimburse the Company for any liability the Company may incur for making such payments, including but not limited to failure to withhold or pay payroll or withholding taxes from such payments or

reimbursements. If the Claimant fails to timely repay an excess amount and/or make sufficient indemnification, the Plan Administrator may: (i) to the extent permitted by applicable law, offset the Claimant's salary or wages, and/or (ii) offset other benefits payable hereunder.

(i) Debit, Credit or Other Stored Value Cards. To the extent provided in the Adoption Agreement, the Company may enter into an agreement with a financial institution to provide a Participant with a debit, credit or other stored value card to provide immediate payment of reimbursements available under Section 4.01 provided that the use of such card complies with IRS Revenue Ruling 2003-43 (to the extent not superseded by IRS Notice 2006-69), IRS Notice 2006-69, IRS Notice 2007-2, IRS Notice 2008-104, IRS Notice 2010-59, IRS Notice 2011-5 and any superseding guidance. A Participant may obtain benefits under Section 4.01 without the use of the card.

(j) HSA Coordination. Except as otherwise provided in the Adoption Agreement, benefits under this Plan shall not be coordinated with coverage in a high deductible health plan to facilitate participation in Health Savings Accounts.

(k) Plan Administrator Procedures. The Plan Administrator may establish procedures regarding the documentation to be submitted in a claim for reimbursement and/or payment and may also establish any other procedures regarding claims for reimbursement and/or payment provided that the procedures do not violate ERISA section 503 if the Adoption Agreement indicates the plan is subject to ERISA. Such procedures may include, without limitation, requirements to submit claims periodically throughout the Plan Year.

Section 6.02 CLAIMS PROCEDURE

(a) A request for benefits is a "claim" subject to this Section only if it is filed by the Participant or the Participant's authorized representative in accordance with the Plan's claim filing guidelines. In general, claims must be filed in writing. Any claim that does not relate to a specific benefit under the Plan (for example, a general eligibility claim or a dispute involving a mid-year election change) must be filed with the Plan Administrator. A request for prior approval of a benefit or service where prior approval is not required under the Plan is not a "claim" under these rules. Similarly, a casual inquiry about benefits or the circumstances under which benefits might be paid under the Plan is not a "claim" under these rules, unless it is determined that your inquiry is an attempt to file a claim. If a claim is received, but there is not enough information to process the claim, the Participant will be given an opportunity to provide the missing information. Participants may designate an authorized representative if written notice of such designation is provided.

(b) This Section 6.02(b) shall apply for any claim for benefits under the Health Reimbursement Account.

(1) Timing of Notice of Denied Claim. The Plan Administrator shall notify the Claimant of any adverse benefit determination within a reasonable period of time, but not later than 30 days after receipt of the claim. This period may be extended one time by the Plan for up to 15 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, prior to the expiration of the initial 30-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If such an extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension shall specifically describe the required information, and the Claimant shall be afforded at least 45 days from receipt of the notice within which to provide the specified information.

(2) Content of Notice of Denied Claim. If a claim is wholly or partially denied, the Plan Administrator shall provide the Claimant with a notice identifying (A) the reason or reasons for such denial, (B) the pertinent Plan provisions on which the denial is based, (C) any material or information needed to grant the claim and an explanation of why the additional information is necessary, (D) an explanation of the steps that the Claimant must take if he wishes to appeal the denial including a statement that the Claimant may bring a civil action under ERISA, and (E): (I) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Claimant upon request; or (II)

if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(3) **Appeal of Denied Claim.** If a Claimant wishes to appeal the denial of a claim, he shall file an appeal with the Plan Administrator on or before the 180th day after he receives the Plan Administrator's notice that the claim has been wholly or partially denied. The appeal shall identify both the grounds and specific Plan provisions upon which the appeal is based. The Claimant shall be provided, upon request and free of charge, documents and other information relevant to his claim. An appeal may also include any comments, statements or documents that the Claimant may desire to provide. The Plan Administrator shall consider the merits of the Claimant's presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator may deem relevant. In considering the appeal, the Plan Administrator shall:

(A) Provide for a review that does not afford deference to the initial adverse benefit determination and that is conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual;

(B) Provide that, in deciding an appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the appropriate named fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;

(C) Provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(D) Provide that the health care professional engaged for purposes of a consultation under Subsection (B) shall be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator shall notify the Claimant of the Plan's benefit determination on review within 60 days after receipt by the Plan of the Claimant's request for review of an adverse benefit determination. The Claimant shall lose the right to appeal if the appeal is not timely made.

(4) **Denial of Appeal.** If an appeal is wholly or partially denied, the Plan Administrator shall provide the Claimant with a notice identifying (1) the reason or reasons for such denial, (2) the pertinent Plan provisions on which the denial is based, (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits, and (4) a statement describing the Claimant's right to bring an action under section 502(a) of ERISA. The determination rendered by the Plan Administrator shall be binding upon all parties.

(5) **Exhaustion of Remedies.** Before a suit can be filed in federal court, claims must exhaust internal remedies.

(c) **Additional Internal and External Claims Procedures.**

(1) **Applicability.** This Section shall apply if (A) the Plan constitutes a group health plan as defined in Treas. Reg. section 54.9801-2 or if the Plan Administrator determines that the Plan is subject to HIPAA portability rules and (B) the Plan is not a grandfathered health plan under the Patient Protection and Affordable Care Act.

(2) Effective Date. This Section shall be effective the later of (A) the first plan year beginning after September 23, 2010 or (B) the date the Plan is no longer a grandfathered health plan under the Patient Protection and Affordable Care Act.

(3) Internal Claims Process. The claims requirements under the Plan shall apply as the internal claims process except as provided under DOL Reg. 2590.715-2719 and any superseding guidance.

(A) Adverse Benefit Determination. An adverse benefit determination means an adverse benefit determination as defined in DOL Reg. 2560.503-1, as well as any rescission of coverage, as described in DOL Reg. 2590.715-2712(a)(2).

(B) Full and Fair Review. A Claimant must be allowed to review the file and present evidence and testimony as part of the internal appeals process. Claimants must be provided, free of charge, with any new or additional evidence considered relied upon or generated by the Plan in connection with the claim sufficiently in advance of the final adverse benefit determination to give the Claimant a reasonable opportunity to respond prior to that date. The Plan must also meet the conflict of interest requirements under DOL Reg. 2590.715-2712(b)(2)(D).

(C) Notice. A description of available internal and external claims processes and information regarding how to initiate an appeal must be provided. Notices of adverse benefit determinations must include the information required under DOL Reg. 2590.715-2719(b)(2)(ii)(E) as applicable. The final notice of internal adverse benefit determination must include a discussion of the decision. Notice must be provided in a linguistically appropriate manner as provided under DOL Reg. 2590.715-2719(e). The Plan must disclose the contact information for any applicable office of health insurance consumer assistance or ombudsman established under PHS Act section 2793.

(4) Deemed Exhaustion of Internal Claims Process. If the Plan fails to adhere to the requirements of DOL Reg. 2590.715-2719(b)(2), except as provided under DOL Reg. 2590.715-2719(b)(2)(ii)(F)(2), the claimant may initiate an external review under Section 6.02(c)(5) or may bring an action under section 502(a) of ERISA as provided in DOL Reg. 2590.715-2719(b)(2)(ii)(F) and any superseding guidance.

(5) Federal External Claims Process.

(A) State External Claims Process. If the Adoption Agreement specifies that the Plan is not subject to ERISA and the State external claims process includes at a minimum the consumer protections in the NAIC Uniform Model Act then the plan must comply with the applicable State claims review process.

(B) Federal External Claims Process. The plan must comply with the Federal external claims process of DOL Reg. section 2590.715-2719(d) and any superseding guidance if Subsection (c)(5)(A) above is not applicable.

(d) Notwithstanding anything to the contrary, if the Adoption Agreement specifies that (1) the Plan is not subject to ERISA and (2) the Plan does not constitute a group health plan as defined in Treas. Reg. section 54.9801-2 or the Plan is a grandfathered health plan under the Patient Protection and Affordable Care Act, claims procedures shall be established by the policies and procedures of the Plan Administrator and/or Company and any other applicable law.

Section 6.03 MINOR OR LEGALLY INCOMPETENT PAYEE

If a distribution is to be made to an individual who is either a minor or legally incompetent, the Plan Administrator may direct that such distribution be paid to the legal guardian. If a distribution is to be made to a minor and there is no legal guardian, payment may be made to a parent of such minor or a responsible adult with whom the minor maintains his residence, or to the custodian for such minor under the Uniform Transfer to Minors Act, if such is permitted by the laws of the state in which such minor resides. Such payment shall fully discharge the Plan Administrator and the Company from further liability on account thereof.

Section 6.04 MISSING PAYEE

If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participants or other person after reasonable efforts have been made to identify or locate such person, such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited one year after the date any such payment first became due.

ARTICLE 7
PLAN ADMINISTRATION

Section 7.01 PLAN ADMINISTRATOR

(a) Designation. The Plan Administrator shall be specified in the Adoption Agreement. In the absence of a designation in the Adoption Agreement, the Plan Sponsor shall be the Plan Administrator. If a Committee is designated as the Plan Administrator, the Committee shall consist of one or more individuals who may be Employees appointed by the Plan Sponsor and the Committee shall elect a chairman and may adopt such rules and procedures as it deems desirable. The Committee may also take action with or without formal meetings and may authorize one or more individuals, who may or may not be members of the Committee, to execute documents in its behalf.

(b) Authority and Responsibility of the Plan Administrator. The Plan Administrator shall be the Plan "administrator" as such term is defined in section 3(16) of ERISA (if the Adoption Agreement provides that the Plan is subject to ERISA), and as such shall have total and complete discretionary power and authority:

(i) to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities and inconsistencies therein and to supply omissions thereto. Any construction, interpretation or application of the Plan by the Plan Administrator shall be final, conclusive and binding;

(ii) to determine the amount, form or timing of benefits payable hereunder and the recipient thereof and to resolve any claim for benefits in accordance with Article 6;

(iii) to determine the amount and manner of any allocations hereunder;

(iv) to maintain and preserve records relating to the Plan;

(v) to prepare and furnish all information and notices required under applicable law or the provisions of this Plan;

(vi) to prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published;

(vii) to hire such professional assistants and consultants as it, in its sole discretion, deems necessary or advisable; and shall be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by same;

(viii) to determine all questions of the eligibility of Employees and of the status of rights of Participants;

(ix) to adjust Accounts in order to correct errors or omissions;

(x) to determine the validity of any judicial order;

(xi) to retain records on elections and waivers by Participants;

(xii) to supply such information to any person as may be required;

(xiii) to perform such other functions and duties as are set forth in the Plan that are not specifically given to any other fiduciary or other person.

(c) Procedures. The Plan Administrator may adopt such rules and procedures as it deems necessary, desirable, or appropriate for the administration of the Plan. When making a determination or calculation, the Plan Administrator shall be entitled to rely upon information furnished to it. The Plan Administrator's decisions shall be binding and conclusive as to all parties.

(d) Allocation of Duties and Responsibilities. The Plan Administrator may designate other persons to carry out any of his duties and responsibilities under the Plan.

(e) Compensation. The Plan Administrator shall serve without compensation for its services.

(f) Expenses. All direct expenses of the Plan, the Plan Administrator and any other person in furtherance of their duties hereunder shall be paid or reimbursed by the Company.

(g) Allocation of Fiduciary Duties. A Plan fiduciary shall have only those specific powers, duties, responsibilities and obligations as are explicitly given him under the Plan. It is intended that each fiduciary shall not be responsible for any act or failure to act of another fiduciary. A fiduciary may serve in more than one fiduciary capacity with respect to the Plan.

Section 7.02 INDEMNIFICATION

Unless otherwise provided in the Adoption Agreement, the Company shall indemnify and hold harmless any person serving as the Plan Administrator (and its delegate) from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by such persons in connection with their duties hereunder to the extent not covered by insurance, except when the same is due to such person's own gross negligence, willful misconduct, lack of good faith, or breach of its fiduciary duties under this Plan or ERISA to the extent that the Adoption Agreement provides the Plan is subject to ERISA.

Section 7.03 MEDICAL CHILD SUPPORT ORDERS

In the event the Plan Administrator receives a medical child support order (within the meaning of ERISA section 609(a)(2)(B)), the Plan Administrator shall notify the affected Participant and any alternate recipient identified in the order of the receipt of the order and the Plan's procedures for determining whether such an order is a qualified medical child support order (within the meaning of ERISA section 609(a)(2)(A)). Within a reasonable period the Plan Administrator shall determine whether the order is a qualified medical child support order and shall notify the Participant and alternate recipient of such determination.

If the plan is not subject to ERISA any applicable law related to qualified medical child support orders or National Medical Support Notices shall apply and the Plan Administrator shall follow any required procedures under such law.

Section 7.04 HIPAA PORTABILITY RULES

In the event the Plan constitutes a group health plan as defined in Treas. Reg. section 54.9801-2 or if the Plan Administrator determines that the Plan is subject to HIPAA portability rules, the Plan shall comply with the requirements of Code section 9801 et. Seq. including the requirement to cover children until the attainment of age 26 if the Plan makes dependent coverage of children available.

Section 7.05 THIRD PARTY RECOVERY/REIMBURSEMENT

(a) In General. When a Participant or covered dependent receives Plan benefits which are related to medical expenses that are also payable under Workers' Compensation, any statute, any uninsured or underinsured motorist program, any no fault or school insurance program, any other insurance policy or any other plan of benefits, or when related medical expenses that arise through an act or omission of another person are paid by a third party, whether through legal action, settlement or for any other reason, the Participant shall reimburse the Plan for the related Plan benefits received out of any funds or monies the Participant recovers from any third party.

(b) **Specific Requirements and Plan Rights.** Because the Plan is entitled to reimbursement, the Plan shall be fully subrogated to any and all rights, recovery or causes of actions or claims that a Participant or covered dependent may have against any third party. The Plan is granted a specific and first right of reimbursement from any payment, amount or recovery from a third party. This right to subrogation applies regardless of the manner in which the recovery is structured or worded, and even if the Participant or covered dependent has not been paid or fully reimbursed for all of their damages or expenses.

The Plan's share of the recovery shall not be reduced because the full damages or expenses claimed have not been reimbursed unless the Plan agrees in writing to such reduction. Further, the Plan's right to subrogation or reimbursement will not be affected or reduced by the "make whole" doctrine, the "fund" doctrine, the "common fund" doctrine, comparative/contributory negligence, "collateral source" rule, "attorney's fund" doctrine, regulatory diligence or any other equitable defenses that may affect the Plan's right to subrogation or reimbursement.

The Plan may enforce its subrogation or reimbursement rights by requiring the Participant to assert a claim to any of the benefits to which the Participant or a covered dependent may be entitled. The Plan will not pay attorneys fees or costs associated with the claim or lawsuit without express written authorization from the Company.

If the Plan should become aware that a Participant or covered dependent has received a third party payment, amount or recovery and not reported such amount, the Plan, in its sole discretion, may suspend all further benefits payments related to the Participant and covered dependents until the reimbursable portion is returned to the Plan or offset against amounts that would otherwise be paid to or on behalf of the Participant or covered dependents.

(c) **Participant Duties and Actions.** By participating in the Plan each Participant and covered dependent consents and agrees that a constructive trust, lien or an equitable lien by agreement in favor of the Plan exists with regard to any settlement or recovery from a third person or party. In accordance with that constructive trust, lien or equitable lien by agreement, each Participant and covered dependent agrees to cooperate with the Plan in reimbursing it for Plan costs and expenses.

Once a Participant or covered dependent has any reason to believe that the Plan may be entitled to recovery from any third party, the Participant must notify the Plan. And, at that time, the Participant (and the Participant's attorney, if applicable) must sign a subrogation/reimbursement agreement that confirms the prior acceptance of the Plan's subrogation rights and the Plan's right to be reimbursed for expenses arising from circumstances that entitle the Participant or covered dependent to any payment, amount or recovery from a third party.

If a Participant fails or refuses to execute the required subrogation/ reimbursement agreement, the Plan may deny payment of any benefits to the Participant or covered dependent until the agreement is signed. Alternatively, if a Participant fails or refuses to execute the required subrogation/reimbursement agreement and the Plan nevertheless pays benefits to or on behalf of the Participant or a covered dependent, the Participant's acceptance of such benefits shall constitute agreement to the Plan's right to subrogation or reimbursement.

Each Participant and covered dependent consents and agrees that they shall not assign their rights to settlement or recovery against a third person or party to any other party, including their attorneys, without the Plan's consent. As such, the Plan's reimbursement will not be reduced by attorneys' fees and expenses without express written authorization from the Plan.

ARTICLE 8
AMENDMENT AND TERMINATION

Section 8.01 AMENDMENT

The provisions of the Plan may be amended in writing at any time and from time to time by the Plan Sponsor.

Section 8.02 TERMINATION

(a) It is the intention of the Plan Sponsor that this Plan will be permanent. However, the Plan Sponsor reserves the right to terminate the Plan at any time for any reason.

(b) Each entity constituting the Company reserves the right to terminate its participation in this Plan. Each such entity constituting the Company shall be deemed to terminate its participation in the Plan if: (i) it is a party to a merger in which it is not the surviving entity and the surviving entity is not an affiliate of another entity constituting the Company, or (ii) it sells all or substantially all of its assets to an entity that is not an affiliate of another entity constituting the Company.

ARTICLE 9
MISCELLANEOUS

Section 9.01 NONALIENATION OF BENEFITS

No Participant or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan.

Section 9.02 NO RIGHT TO EMPLOYMENT

Nothing contained in this Plan shall be construed as a contract of employment between the Company and the Participant, or as a right of any Employee to continue in the employment of the Company, or as a limitation of the right of the Company to discharge any of its Employees, with or without cause.

Section 9.03 NO FUNDING REQUIRED

Except as otherwise required by law:

(a) Any amount contributed by a Participant and/or the Company to provide benefits hereunder shall remain part of the general assets of the Company and all payments of benefits under the Plan shall be made solely out of the general assets of the Company.

(b) The Company shall have no obligation to set aside any funds, establish a trust, or segregate any amounts for the purpose of making any benefit payments under this Plan. However, the Company may in its sole discretion, set aside funds, establish a trust, or segregate amounts for the purpose of making any benefit payments under this Plan.

(c) No person shall have any rights to, or interest in, any Account other than as expressly authorized in the Plan.

Section 9.04 GOVERNING LAW

(a) The Plan shall be construed in accordance with and governed by the laws of the state or commonwealth of organization of the Plan Sponsor to the extent not preempted by Federal law.

(b) The Plan hereby incorporates by reference any provisions required by state law to the extent not preempted by Federal law.

Section 9.05 TAX EFFECT

The Company does not represent or guarantee that any particular federal, state or local income, payroll, personal property or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation.

Section 9.06 SEVERABILITY OF PROVISIONS

If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

Section 9.07 HEADINGS AND CAPTIONS

The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

Section 9.08 GENDER AND NUMBER

Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

ARTICLE 10
HIPAA PRIVACY AND SECURITY COMPLIANCE

This Article 10 shall only apply in the event that the Plan constitutes a group health plan as defined in section 2791(a)(2) of the Public Health Service Act or if the Plan Administrator determines that the Plan is subject to the HIPAA privacy and security rules. The Plan will comply with HIPAA as set forth below.

Section 10.01 Definitions. For purposes of this Article 10, the following terms have the following meanings:

(a) “Business Associate” means any outside vendor who performs a function or activity on behalf the Plan which involves the creation, use or disclosure of PHI, and includes any subcontractor to whom a Business Associate delegates its obligations.

(b) “Group Health Benefits” means the medical benefits, dental benefits, vision benefits and, if applicable, employee assistance program benefits offered under the Plan.

(c) “Individual” means the Participant or the Participant’s covered dependents enrolled in any of the Group Health Benefits under the Plan.

(d) “Notice of Privacy Practices” means a notice explaining the uses and disclosures of PHI that may be made by the Plan, the covered Individuals’ rights under the Plan with respect to PHI, and the Plan’s legal duties with respect to PHI.

(e) “Plan Administration Functions” means the administration functions performed by the Plan Sponsor on behalf of the Plan. Plan Administration Functions do not include functions performed by the Plan Sponsor in connection with any other benefit plan of the Plan Sponsor.

(f) “Protected Health Information (“PHI”)” means information about an Individual, including genetic information, (whether oral or recorded in any form or medium) that:

(1) is created or received by the Plan or the Plan Sponsor;

(2) relates to the past, present or future physical or mental health or condition of the Individual, the provision of health care to the Individual, or the past, present or future payment for the provision of health care to the Individual; and

(3) identifies the Individual or with respect to which there is a reasonable basis to believe the information may be used to identify the Individual.

PHI includes Protected Health Information that is transmitted by or maintained in electronic media.

(g) “Summary Health Information “ means information summarizing the claims history, claims expenses, or types of claims experienced by an Individual, and from which the following information has been removed:

(1) names;

(2) any geographic information which is more specific than a five digit zip code;

(3) all elements of dates relating to a covered Individual (e.g., birth date) or any medical treatment (e.g., admission date) except the year; all ages for a covered Individual if the Individual is over age 89 and all elements of dates, including the year, indicative of such age (except that ages and elements may be aggregated into a single category of age 90 and older);

(4) other identifying numbers, such as, Social Security, telephone, fax, or medical record numbers, e-mail addresses, VIN, or serial numbers;

(5) facial photographs or biometric identifiers (e.g., finger prints); and

(6) any other unique identifying number, characteristic, or code.

Section 10.02 HIPAA Privacy Compliance. The Plan's HIPAA privacy compliance rules ("Privacy Rule") are as follows:

(a) Permitted Use or Disclosure of PHI by Plan Sponsor. Any disclosure to and use by the Plan Sponsor of any PHI will be subject to and consistent with this Section.

(1) The Plan and health insurance issuer, HMO, or Business Associate servicing the Plan may disclose PHI to the Plan Sponsor to permit the Plan Sponsor to carry out Plan Administration Functions, including but not limited to the following purposes:

(A) to provide and conduct Plan Administrative Functions related to payment and health care operations for and on behalf of the Plan;

(B) for auditing claims payments made by the Plan;

(C) to request proposals for services to be provided to or on behalf of the Plan; and

(D) to investigate fraud or other unlawful acts related to the Plan and committed or reasonably suspected of having been committed by a Plan participant.

(2) The uses described above in (1) are permissible only if the Notice of Privacy Practices distributed to covered Individuals in accordance with the Privacy Rule states that PHI may be disclosed to the Plan Sponsor.

(3) The Plan or a health insurance issuer or HMO may disclose to the Plan Sponsor information regarding whether an Individual is participating in the Plan, or is enrolled in or has disenrolled from a health insurance issuer or HMO offered by the Plan.

(b) Restrictions on Plan Sponsor's Use and Disclosure of PHI.

(1) The Plan Sponsor will not use or further disclose PHI, except as permitted or required by the Plan or as required by law.

(2) The Plan Sponsor will ensure that any agent, including any subcontractor, to whom it provides PHI agrees to the restrictions and conditions of this Section.

(3) The Plan Sponsor will not, and will not permit a health insurance issuer or HMO to, use or disclose PHI for employment-related actions or decisions, or in connection with any other benefit or employee benefit plan of the Plan Sponsor.

(4) The Plan Sponsor will report to the Plan any use or disclosure of PHI that is inconsistent with the uses and disclosures allowed under this Section promptly upon learning of such inconsistent use or disclosure.

(5) The Plan Sponsor will make a covered Individual's PHI available to the covered Individual in accordance with the Privacy Rule.

(6) The Plan Sponsor will make PHI available for amendment and will, upon notice, amend PHI in accordance with the Privacy Rule.

(7) The Plan Sponsor will track certain PHI disclosures it makes so that it can make available the information required for the Plan to provide an accounting of disclosures in accordance with the Privacy Rule.

(8) The Plan Sponsor will make its internal practices, books, and records, relating to its use and disclosure of PHI received from the Plan to the Secretary of the U.S. Department of Health and Human Services to determine the Plan's compliance with the Privacy Rule.

(9) The Plan Sponsor will, if feasible, return or destroy all PHI, in whatever form or medium (including in any electronic medium under the Plan Sponsor's custody or control) received from the Plan, including all copies of and any data or compilations derived from and allowing identification of any Individual who is the subject of the PHI, when that PHI is no longer needed for the Plan Administration Functions for which the disclosure was made. If it is not feasible to return or destroy all such PHI, the Plan Sponsor will limit the use or disclosure of any PHI it cannot feasibly return or destroy to those purposes that make the return or destruction of the information infeasible.

(10) When using or disclosing PHI or when requesting PHI from another party, the Plan sponsor must make reasonable efforts to limit PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure, and limit any request for PHI to the minimum necessary to satisfy the purpose of the request.

(11) The Plan Sponsor will not use any genetic information for any underwriting purposes.

(c) Adequate Separation between the Plan Sponsor and the Plan.

(1) Only those employees of the Plan Sponsor, as outlined in the Plan's HIPAA Policies and Procedures, may be given access to PHI received from the Plan or a health insurance issuer, HMO or Business Associate servicing the Plan.

(2) The members of the classes of employees identified in the Plan's HIPAA Policies and Procedures will have access to PHI only to perform the Plan Administration Functions that the Plan Sponsor provides for the Plan.

(3) The Plan Sponsor will promptly report to the Plan any use or disclosure of PHI in breach, violation of, or noncompliance with, the provisions of this Section of the Plan, as required under this Section, and will cooperate with the Plan to correct the breach, violation or noncompliance, will impose appropriate disciplinary action or sanctions, including termination of employment, on each employee who is responsible for the breach, violation or noncompliance, and will mitigate any deleterious effect of the breach, violation or noncompliance on any Individual covered under the Plan, the privacy of whose PHI may have been compromised by the breach, violation or noncompliance. Regardless of whether a person is disciplined or terminated pursuant to this section, the

Plan reserves the right to direct that the Plan Sponsor, and upon receipt of such direction the Plan Sponsor shall, modify or revoke any person's access to or use of PHI.

(d) Purpose of Disclosure of Summary Health Information to Plan Sponsor.

(1) The Plan and any health insurance issuer or HMO may disclose Summary Health Information to the Plan Sponsor if the Plan Sponsor requests the Summary Health Information for the purpose of obtaining premium bids from health plans for providing health insurance coverage under the Plan.

(2) The Plan and any health insurance issuer or HMO may disclose Summary Health Information to the Plan Sponsor if the Plan Sponsor requests the Summary Health Information for the purpose of modifying, amending, or terminating the Plan.

(e) Plan Sponsor Certification. The Plan Sponsor will provide the Plan with a certification stating that the Plan has been amended to incorporate the terms of this Article and that the Plan Sponsor agrees to abide by these terms. The Plan Sponsor will also provide the certification upon request to its health insurance issuers, HMOs and Business Associates of the Plan.

(f) Rights of Individuals.

(1) Notice of Privacy Practices. The Plan Sponsor will provide a Notice of Privacy Practices to the Participant in accordance with HIPAA.

(2) Right to Request Restrictions. Each Individual has the right to request that the Plan restrict its uses and disclosures of the Individual's PHI.

(3) Right to Access. Each Individual has the right to obtain and inspect its PHI held by the Plan.

(4) Right to Amend. Each Individual has the right to ask the Plan to amend its PHI.

(5) Right to an Accounting. Each Individual has the right to request an accounting of disclosures of PHI made by the Plan for purposes other than treatment, payment or health care operations.

Section 10.03 HIPAA Security Compliance. To ensure the Plan's compliance with HIPAA's privacy compliance rules ("Security Rule"), the Plan Sponsor will:

(a) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the Plan;

(b) Ensure that the adequate separation required by the HIPAA Security Rule is supported by reasonable and appropriate security measures;

(c) Ensure that any agent, including a subcontractor, to whom it provides this information agrees to implement reasonable and appropriate security measures to protect the information; and

(d) Report to the Plan any security incident of which it becomes aware.

CITY OF MENDOTA

SUMMARY PLAN DESCRIPTION

Original Effective Date: July 1, 2015

Restatement Effective Date: August 1, 2019

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CITY OF MENDOTA
SUMMARY PLAN DESCRIPTION

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INTRODUCTION

City of Mendota (the "Company") established the City of Mendota (the "Plan") effective 07/01/2015. This Summary Plan Description describes the Plan as amended and restated effective 08/01/2019.

This revised Summary Plan Description supersedes all previous Summary Plan Descriptions. Although the purpose of this document is to summarize the more significant provisions of the Plan, the Plan document will prevail in the event of any inconsistency.

ELIGIBILITY FOR PARTICIPATION

Eligible Employee

You are an "Eligible Employee" if you are eligible to receive benefits from the Employer Sponsored Health Plan. However, you are not an Eligible Employee if you are a self-employed individual (including a partner), or a person who owns (or is deemed to own) more than 2 percent of the outstanding stock of an S corporation.

You will stop being a participant eligible to receive benefits from the Plan on the date you are no longer an Eligible Employee or the date you terminate employment with the Company.

HEALTH REIMBURSEMENT BENEFITS

Health Reimbursement Account

When you become eligible to participate in the Plan, the Plan will establish a health reimbursement account in your name. You will be entitled to receive reimbursement from this account for Eligible Expenses incurred by you, your spouse and dependents, if any (Covered Persons). A dependent is generally someone who you may claim as a dependent on your federal tax return and also includes a child who is under the age of 27 through the end of the calendar year. You may receive reimbursement for Eligible Expenses incurred at a time when you are actively participating in the Plan. The amount of reimbursement for Eligible Expenses is limited to the remaining balance in your account.

Limits on Reimbursement

The annual limit on reimbursement is illustrated in the ASi Schedule of Benefits.

The entire amount of the limit specified above will be credited to your account at the beginning of the Plan Year.

Any amounts remaining in your account at the end of the Plan Year and any balance remaining in your account on the date you terminate employment with the Company will be forfeited after all claims are paid.

Deductible

The annual Plan deductible is illustrated in the ASi Schedule of Benefits.

You must meet the annual deductible above before your Plan will reimburse for Eligible Expenses. Please note that the deductible above is for this plan (the Health Reimbursement Account) and NOT the deductible(s) for Company-sponsored health plan(s).

Once the deductible is met, the plan will cover what is illustrated in the ASi Schedule of Benefits.

Eligible Expenses

During the time you are eligible to participate in the Plan, the Plan will reimburse all medical expenses for Covered Persons that are listed on the Eligible Expenses Appendix. The Plan will not reimburse you for the cost of medicines or drugs unless such medicine or drug is a prescribed drug (determined without regard to whether such drug is available without a prescription) or is insulin. You will not be reimbursed for any expenses that are (i) not incurred in the Plan Year, (ii) incurred before or after you are eligible to participate in the Plan, (iii) attributable to a tax deduction you take in a prior taxable year, or (iv) covered, paid or reimbursed from any other source.

Coordination with Other Plans

All claims for benefits that are covered by an insurance policy must be made to the insurance company issuing such insurance policy.

Limits on Certain Employees

If you are a highly paid employee or an owner of the Company, federal law may impose limits on your eligibility to participate in the Plan and/or the benefits you may receive from the Plan.

CLAIMS

Deadlines

You must submit claims for reimbursement within 90 days after the end of the Plan Year. However, if you terminate employment you must submit claims for reimbursement within 90 days after your date of termination.

Debit/Credit Cards

The Company will provide you with a debit, credit or other stored-value card for purposes of making purchases that may be reimbursed from your health reimbursement account.

The Plan Administrator will provide you with more information about stored value cards at the time you enroll in the Plan.

Documentation of Claims

Any claim for benefits must include all information and evidence that the Plan Administrator deems necessary to properly evaluate the merits of the claim. The Plan Administrator may request any additional information necessary to evaluate the claim.

Method and Timing of Payment

To the extent that the Plan Administrator approves a claim, the Company may either (i) reimburse you, or (ii) pay the service provider directly. The Plan Administrator will pay claims at least once per year. The Plan Administrator may provide that payments/reimbursements of less than a certain amount will be carried forward and aggregated with future claims until the reimbursable amount is greater than a minimum amount. In any event, the entire amount of payments/reimbursements outstanding at the end of the Plan Year will be reimbursed without regard to the minimum payment amount.

Where to Submit Claims

All claims must be submitted to Administrative Solutions, Inc. at P.O. Box 5809, Fresno, CA 93755. The telephone number is 559-475-5782.

Refunds/Indemnification

You must immediately repay any excess payments/reimbursements. You must reimburse the Company for any liability the Company may incur for making such payments, including but not limited to, failure to withhold or pay payroll or withholding taxes from such payments or reimbursements. If you fail to timely repay an excess amount and/or make adequate indemnification, the Plan Administrator may: (i) to the extent permitted by applicable law, offset your salary or wages, and/or (ii) offset other benefits payable under this Plan.

Beneficiary

If you die, your beneficiaries may submit claims for Eligible Expenses for the portion of the Plan Year preceding the date of your death. You may designate a specific beneficiary for this purpose provided that such beneficiary is your spouse or one or more of your dependents. If no beneficiary is specified, the Plan Administrator may pay any amount due to your spouse or, if there is no spouse, to your dependents in equal shares.

Claim Procedures for Health Benefits

Application for Benefits. You or any other person entitled to benefits from the Plan (a "Claimant") may apply for such benefits by completing and filing a claim with the Plan Administrator. Any such claim must be in writing and must include all information and evidence

that the Plan Administrator deems necessary to properly evaluate the merit of and to make any necessary determinations on a claim for benefits. The Plan Administrator may request any additional information necessary to evaluate the claim.

Timing of Notice of Denied Claim. The Plan Administrator shall notify the Claimant of any adverse benefit determination within a reasonable period of time, but not later than 30 days after receipt of the claim. This period may be extended one time by the Plan for up to 15 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, prior to the expiration of the initial 30-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If such an extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension shall specifically describe the required information, and the Claimant shall be afforded at least 45 days from receipt of the notice within which to provide the specified information.

Content of Notice of Denied Claim. If a claim is wholly or partially denied, the Plan Administrator shall provide the Claimant with a notice identifying (1) the reason or reasons for such denial, (2) the pertinent Plan provisions on which the denial is based, (3) any material or information needed to grant the claim and an explanation of why the additional information is necessary, (4) an explanation of the steps that the Claimant must take if he wishes to appeal the denial including a statement that the Claimant may bring a civil action under ERISA, and (5): (A) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the Claimant upon request; or (B) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

Appeal of Denied Claim. If a Claimant wishes to appeal the denial of a claim, he shall file an appeal with the Plan Administrator on or before the 180th day after he receives the Plan Administrator's notice that the claim has been wholly or partially denied. The appeal shall identify both the grounds and specific Plan provisions upon which the appeal is based. The Claimant shall be provided, upon request and free of charge, documents and other information relevant to his claim. An appeal may also include any comments, statements or documents that the Claimant may desire to provide. The Plan Administrator shall consider the merits of the Claimant's presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator may deem relevant. In considering the appeal, the Plan Administrator shall:

- (1) Provide for a review that does not afford deference to the initial adverse benefit determination and that is conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual;

(2) Provide that, in deciding an appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the appropriate named fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment;

(3) Provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(4) Provide that the health care professional engaged for purposes of a consultation under Subsection (2) shall be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator shall notify the Claimant of the Plan's benefit determination on review within 60 days after receipt by the Plan of the Claimant's request for review of an adverse benefit determination. The Claimant shall lose the right to appeal if the appeal is not timely made.

Denial of Appeal. If an appeal is wholly or partially denied, the Plan Administrator shall provide the Claimant with a notice identifying (1) the reason or reasons for such denial with a discussion of the decision, (2) the pertinent Plan provisions on which the denial is based, (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits, and (4) a statement describing the Claimant's right to bring an action under section 502(a) of ERISA and to the external appeals process. The determination rendered by the Plan Administrator shall be binding upon all parties.

CONTINUATION RIGHTS

Military Service

If you serve in the United States Armed Forces and must miss work as a result of such service, you may be eligible to continue to receive benefits with respect to any qualified military service.

COBRA

Under Federal law, you, your spouse, and your dependents may be entitled to COBRA continuation coverage in certain circumstances. Please see the "COBRA NOTICE" that is attached to the end of this Summary Plan Description for important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The COBRA NOTICE generally explains COBRA continuation coverage and when it may

become available to you. The Plan Administrator will inform you of these rights, if any, when you terminate employment.

YOUR RIGHTS UNDER ERISA

As a participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). This federal law provides that you have the right to:

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration if a 5500 is required to be filed by the plan.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this Summary Plan Description and the documents governing the plan on the rules governing your COBRA continuation coverage rights.

Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage. (Certificates of creditable coverage are no longer required after December 31, 2014.)

In addition, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may

fire you or otherwise discriminate against you in any way to prevent you from obtaining your benefits or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

MISCELLANEOUS

Qualified Medical Child Support Orders

In certain circumstances you may be able to enroll a child in the Plan if the Plan receives a Qualified Medical Child Support Order (QMCSO). You may obtain a copy of the QMCSO procedures from the Plan Administrator, free of charge.

Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your

other coverage ends. If you or your dependents become ineligible for Medicaid or a state child health program (CHIP) or become eligible for premium assistance under Medicaid or a state child health program (CHIP), you must request enrollment within 60 days. In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption.

Women's Health and Cancer Rights Act

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for: All stages of reconstruction of the breast on which the mastectomy was performed; Surgery and reconstruction of the other breast to produce a symmetrical appearance; Protheses; and Treatment of physical complications of the mastectomy, including lymphedemas.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan. If you would like more information on WHCRA benefits, call your Plan Administrator at the number provided at the end of this Summary Plan Description.

Newborns' And Mothers' Health Protection

Group health plans and health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Loss of Benefit

You may lose all or part of your account if the unused balance is forfeited at the end of a Plan Year and if we cannot locate you when your benefit becomes payable to you.

You may not alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which you may expect to receive, contingently or otherwise, under the Plan, except that you may designate a Beneficiary.

Amendment and Termination

The Company may amend, terminate or merge the Plan at any time.

Administrator Discretion

The Plan Administrator has the authority to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities in the Plan and to supply omissions to the Plan. Any construction, interpretation or application of the Plan by the Plan Administrator is final, conclusive and binding.

Taxation

The Company intends that all benefits provided under the Plan will not be taxable to you under federal tax law. However, the Company does not represent or guarantee that any particular federal, state or local income, payroll, personal property or other tax consequence will result from participation in this Plan. You should consult with your professional tax advisor to determine the tax consequences of your participation in this Plan.

Privacy

The Plan is required under federal law to take sufficient steps to protect any individually identifiable health information to the extent that such information must be kept confidential. The Plan Administrator will provide you with more information about the Plan's privacy practices.

ADMINISTRATIVE INFORMATION

1. The Plan Sponsor and Plan Administrator is City of Mendota.
Its address is 643 Quince Street, Mendota, California 93640.
Its telephone number is 559-655-3291.
Its Employer Identification Number is 94-6000369.
2. The Plan is a welfare benefit plan which has been designated by the sponsor as its plan number is 502.
3. The Plan's designated agent for service of legal process is the chief officer of the entity named in number 1. Any legal papers should be delivered to him or her at the address listed in number 1. However, service may also be made upon the Plan Administrator.
4. The Company's fiscal year and the plan year end on 06/30.

Eligible Expenses Appendix

Please reference the ASi Schedule of Benefits.

COBRA NOTICE

Introduction

You're getting this notice because you recently gained coverage under a group health plan (the Plan). This notice has important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. **This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the Plan Administrator.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you're an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

Your hours of employment are reduced, or

Your employment ends for any reason other than your gross misconduct.

If you're the spouse of an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

Your spouse dies;

Your spouse's hours of employment are reduced;

Your spouse's employment ends for any reason other than his or her gross misconduct;

Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or

You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of the following qualifying events:

The parent-employee dies;

- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a "dependent child."

When is COBRA Continuation Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. The employer must notify the Plan Administrator of the following qualifying events:

The end of employment or reduction of hours of employment; Death of the employee; The employee's becoming entitled to Medicare benefits (under Part A, Part B, or both).

For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to the Company at 643 Quince Street, Mendota, California 93640. The Company's telephone number is 559-655-3291.

How is COBRA Continuation Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

Disability extension of 18-month period of COBRA continuation coverage

If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA continuation coverage if the employee or former employee dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

If You Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit www.HealthCare.gov.

Keep Your Plan Informed of Address Changes

To protect your family's rights, let the Plan Administrator know about any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Plan Contact Information

**Jennifer Lekumberry
643 Quince Street
Mendota, California 93640
559-655-3291.**

V-3.00

**CITY OF MENDOTA
FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of City of Mendota (the "Company").

With respect to the amendment and restatement of the City of Mendota (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended and restated in the form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute the Plan on behalf of the Company;

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2019.

AGENDA ITEM

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: NICOLAS R. CARDELA, DEPUTY CITY ATTORNEY

SUBJECT: POLICY REGARDING PROVIDING TRANSLATION SERVICES AT CITY COUNCIL MEETINGS

DATE: SEPTEMBER 10, 2019

ISSUE

Should the City Council implement the attached policy establishing policies and procedures to provide English-Spanish translation services at City Council meetings (Policy), appropriate \$10,000 from the General Fund to implement the Policy, and authorize and direct the City Manager to execute an annual contract with a qualified translation firm to implement the Policy?

BACKGROUND

Recently, the City has received requests that it provide, at its own expense, English-Spanish translation services at City Council meetings. In response to these requests, staff solicited quotes from interpreters and received several proposals, ranging from \$100/hour (with a two hour minimum) up to \$475/hour (with a three hour minimum).

On July 23, 2019, the City Attorney presented to the City Council on various issues concerning the City's existing practices with respect to English-Spanish translation services at City Council meetings and offered recommendations for the development of a formal policy to address the issue in accordance with the applicable law. Subsequently, Council directed staff to determine the amount of funding available to provide English-Spanish translation services and, if sufficient funding was determined to be available, to prepare a policy establishing policies and procedures to govern the provision of English-Spanish translation services at the City's public meetings commensurate with the amount of funding available.

Pursuant to Council's direction, the Policy was required to contain two features. First, it was not to require that such services be provided at every meeting, but only upon request by a member of the public. And second, it was to grant the public a right to request English-Spanish translation services only at City Council meetings, and not other meetings of City public bodies.

ANALYSIS

Pursuant to Council's direction, the City Attorney, in consultation with the Finance Director, determined that approximately \$10,000 was available in the budget to be allocated for English-Spanish translation services. Consequently, staff began drafting the Policy and contacting various translation firms to negotiate an annual contract for translation services.

After extensive negotiations with translation firms, staff issued a proposal to the firms with which it had been in contact for an annual contract on the following terms:

- Translator will ensure availability for every regular City Council meeting (24 meetings per year), and will use best efforts to be available for every special meeting.
- Translator will be paid a minimum of \$3,000 per year for interpreting services (\$250 per meeting x 12 meetings), regardless of how many meetings are actually attended and regardless of each meeting's duration.
- If the translator attends more than 12 meetings, or attends a special meeting, then he or she will be paid \$300 for each such meeting.
- Translator will be paid for written translation services on a per unit basis at a rate of \$50 per page.
- Translator will be reimbursed for actual mileage, at a rate of 58 cents per mile, the standard IRS mileage rate for 2019.

At the time of drafting, two firms have indicated their agreement to an annual contract on the above terms. Under these terms, the maximum potential budget impact of providing oral translation services at every regular meeting of the City Council is \$6,600, assuming that translation services are requested for each of the Council's 24 regular meetings. The minimum budget impact is \$3,000, assuming that requests are made for 12 meetings or less.

As Council's direction was to develop a policy commensurate with the amount of funding available, staff determined that the remainder of available funds (between \$3,400 and \$7,000, depending on the frequency of requests) should be used to provide additional language assistance services, such as translation of written materials before the City Council, oral translation of special meetings of the City Council, and translation of oral meetings and written materials for other City public bodies. However, because the amount of funding available for these purposes is limited based on the frequency with which oral translation is requested for City Council meetings, staff decided that these services should not be available upon request of the public. Instead, these services would be requested by the City Attorney upon a determination that they are required by law. In this way, the policy would ensure that English-Spanish translation services would be available for every regular meeting of the City Council while also giving the City flexibility to provide translation services in other contexts if there is a need to do so.

Accordingly, consistent with Council's direction and available funding, staff developed a policy that establishes the following:

- The City will make professional English-Spanish translation services available for all City Council regular meetings upon timely request by a member of the public, but not for any other meeting of City public bodies unless the City Attorney determines that translation is required by law.

- Members of the public shall be permitted to arrange for a private translator to be present and to provide translation in accordance with this Policy at any meeting of a City public body.
- The City will provide translation of written materials (e.g., agendas, minutes, staff reports) only upon a determination by the City Attorney that translation is required by law.
- The City Clerk will maintain a directory of low-cost and/or free translation services available to Mendota residents and shall provide a copy of the directory to any person who requests it.
- The City Manager, in consultation with the City Attorney, shall regularly review the policy to evaluate its utilization and effectiveness and to consider whether additional or enhanced services can be provided consistent with available funding and the public's needs.

FISCAL IMPACT

See above.

RECOMMENDATION

Staff recommends that Council adopt a resolution (1) adopting the Policy, (2) appropriating \$10,000 from the General Fund to provide translation services in accordance with the Policy, and (3) authorizing and directing the City Manager to execute an annual contract with a qualified translation firm to implement the Policy.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA ADOPTING
A POLICY TO PROVIDE ENGLISH-SPANISH
TRANSLATION SERVICES AT CITY COUNCIL
MEETINGS**

RESOLUTION NO. 19-69

WHEREAS, the City of Mendota (City) is committed to eliminating or reducing Limited English Proficiency (LEP) as a barrier to the public's ability to engage with public officials at meetings of the City's public bodies; and

WHEREAS, recently, the City has received requests from members of the public that it provide, at its own expense, English-Spanish translation services at City Council meetings; and

WHEREAS, on July 23, 2019, the City Attorney presented to the City Council on various issues concerning the City's existing practices with respect to English-Spanish translation services at City Council meetings and offered recommendations for the development of a formal policy to address the issue in accordance with applicable law; and

WHEREAS, the City Council subsequently directed staff to determine the amount of funding available to provide English-Spanish translation services and, if sufficient funding was determined to be available, to prepare a policy establishing policies and procedures to govern the provision of English-Spanish translation services at the City's public meetings commensurate with the amount of funding available; and

WHEREAS, staff has determined that \$10,000 is available in the City's General Fund to be appropriated for the purpose of providing English-Spanish translation services and, in accordance with the City Council's direction, prepared a policy to provide English-Spanish translation services commensurate with the amount of funding available, attached hereto as Exhibit "A" and incorporated herein by this reference (Policy); and

WHEREAS, the Policy contemplates that the City will execute an annual contract with a translation firm to provide English-Spanish translation services.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Mendota, State of California, as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.

2. The City Council hereby adopts the Policy, attached hereto as Exhibit "A," and directs staff to implement the Policy as soon as reasonably practicable after execution of a contract for English-Spanish translation services.
3. The City Council hereby directs staff to appropriate \$10,000 from the General Fund for the purpose of providing English-Spanish translation services in accordance with the Policy.
4. The City Council hereby authorizes and directs the City Manager to negotiate and execute an annual contract with a qualified translation firm on terms commensurate with the amount of funding available for English-Spanish translation services as set forth in the Policy.

Robert Silva, Mayor

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of September, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Celeste Cabrera-Garcia, City Clerk

Exhibit A

CITY OF MENDOTA

POLICY REGARDING ENGLISH-SPANISH TRANSLATION SERVICES AT PUBLIC HEARINGS

I. STATEMENT OF POLICY & PURPOSE

The City of Mendota (City) is committed to eliminating or reducing Limited English Proficiency (LEP) as a barrier to the public's ability to engage with public officials at meetings of the City's public bodies. Therefore, the intent of this Policy is to establish, on a trial basis, policies and procedures to increase public participation of LEP persons at meetings of the City's public bodies, consistent with available funding.

II. TRANSLATION SERVICES GENERALLY

- A. All public meetings of City public bodies shall be conducted primarily in the English language.
- B. The City will make professional English-Spanish translation services available for all City Council regular meetings upon timely request by a member of the public, but not for any other meeting of City public bodies unless the City Attorney determines that translation is required by law.
- C. Members of the public shall be permitted to arrange for a private translator to be present and to provide translation in accordance with this Policy at any meeting of a City public body.
- D. The City will provide translation of written materials (e.g., agendas, minutes, staff reports) only upon a determination by the City Attorney that translation is required by law.
- E. The City Clerk will maintain a directory of low-cost and/or free translation services available to Mendota residents and shall provide a copy of the directory to any person who requests it.
- F. This Policy shall automatically expire one year after its adoption unless the City Council adopts a resolution directing that it be continued.
- G. Prior to expiration, the City Manager, in consultation with the City Attorney, shall review this Policy to evaluate its utilization and effectiveness and to consider whether additional or enhanced services can be provided consistent with available funding and the public's needs.

III. ENGLISH-SPANISH TRANSLATION SERVICES AT CITY COUNCIL MEETINGS

- A. **Professional Translation Services.** Professional English-Spanish translation services shall be available for all City Council regular meetings upon request by a member of the public.
 - 1. Any person who desires professional English-Spanish translation services must submit a request, on a form approved by the City Manager, prior to the close of business the day before the meeting for which translation service is requested.
 - 2. Translators must provide translation through the City's headsets, or other headsets approved by the City Manager, and ensure translation does not disturb the conduct of the meeting.
 - 3. If the requester uses the City's headsets, the requester shall sign an acknowledgement accepting responsibility for any damage to the City's equipment as a result of their use.

- B. **Private Translation Services.** In addition to requesting professional translation services as provided herein, members of the public may arrange to have a private translator present to translate for them.
 - 1. Private translators must provide translation through the City’s headsets, or other headsets approved by the City Manager, and ensure translation does not disturb the conduct of the meeting.
 - 2. If the person arranging for private translation uses the City’s headsets, the requester shall sign an acknowledgement accepting responsibility for any damage to the City’s equipment as a result of their use
- C. Except as otherwise required by law, City staff shall not provide translation services to the public at City Council meetings.

IV. ENGLISH-SPANISH TRANSLATION SERVICES AT OTHER MEETINGS OF CITY PUBLIC BODIES

- A. **Professional Translation Services.** Professional translation services shall not be available at meetings of City public bodies other than City Council meetings unless the City Attorney determines that translation services are required by law.
- B. **Private Translation Services.** Members of the public may arrange to have a private translator present to translate for them.
 - 1. Private translators must provide translation through the City’s headsets, or other headsets approved by the City Manager, and ensure translation does not disturb the conduct of the meeting.
 - 2. If the person arranging for private translation desires to use the City’s headsets, the requester shall be responsible for any damage to the City’s equipment as a result of their use.
- C. Except as otherwise required by law, City staff shall not provide translation services to the public at any meeting of a City public body.

V. ANNUAL REVIEW

- H. Prior to its expiration, the City Manager, in consultation with the City Attorney, shall review this Policy to evaluate its utilization and effectiveness and to consider whether additional or enhanced services can be provided consistent with available funding and the public’s needs.
- A. In conducting such review, the City Manager shall consider the following:
 - 1. The frequency that private and professional translation services are being used at City public meetings;
 - 2. The frequency that professional translation services are requested but not utilized due to the requester failing to attend the meeting for which they requested service;
 - 3. The frequency and manner in which the City’s headsets are used to provide translation services;

4. The effectiveness of providing professional and private translation services with respect to increasing participation in government among LEP persons;
 5. The availability of funding to provide additional professional translations services not already required by this Policy, including, but not limited to, translation services at meetings other than City Council meeting and translation of written materials before City public bodies; and
 6. Whether this Policy should be terminated, continued, or supplemented in light of the above considerations.
- B. After conducting a review of this Policy, and prior to its expiration, the City Manager shall present his or her findings to the City Council.
- C. If the City Council directs that this Policy be continued, the City Manager, in consultation with the City Attorney, shall direct staff to prepare amendments to this Policy to increase language access to the maximum extent practicable in light of the public's needs and the funding available.

A G E N D A I T E M – S T A F F R E P O R T

DATE: September 10, 2019
TO: Honorable Mayor and City Council Members
FROM: Nicolas R. Cardella, Deputy City Attorney
SUBJECT: Ordinance No. 19-10: Amending Provisions of the Mendota Municipal Code Regarding Abatement of Abandoned, Wrecked, Dismantled, and Inoperative Vehicles.

BACKGROUND:

An increasing number of abandoned and inoperable vehicles have been observed throughout the City. The presence of these vehicles is an eye sore and, in some cases, dangerous to public health and safety. Therefore, the City intends to take a more aggressive stance toward the abatement of these vehicles.

California Vehicle Code § 22660 authorizes cities to adopt ordinances establishing procedures for the abatement and removal of abandoned, wrecked, dismantled, or inoperative vehicles as public nuisances. Section 22661 sets forth the requirements for an ordinance adopted under the authority of § 22660.

In November 26, 1986 the City adopted Ordinance No. 86-5, adding provisions to the MMC and establishing procedures for the abatement of abandoned, wrecked, dismantled, or inoperative vehicles. Chapter 10.16 was subsequently amended in 1995 with Ordinance No. 95-07, and again in 2008 with Ordinance No. 08-09.

While Chapter 10.16 substantially complies with state law requirements for vehicle abatement ordinances, some of its provisions omit required language, while others are, at least arguably, constitutionally suspect. Additionally, Chapter 10.16 is unclear regarding when a warrant is needed to conduct an inspection or abatement. Consequently, this Ordinance amends Chapter 10.16 to ensure that its provisions are compliant with state and federal requirements and to clarify the circumstances when a warrant must be obtained.

DISCUSSION:

This Ordinance makes several changes to Chapter 10.16. First, it amends the definition of a “vehicle” to broaden its application to parts of a vehicle. Some provisions in Chapter 10.16 expressly refer to a “vehicle, or parts thereof;” however, others only refer to a “vehicle,” without referencing “parts thereof.” By amending the definition of “vehicle,” this Ordinance clarifies that all provisions in Chapter 10.16 apply, not only to an entire vehicle, but also to any parts of a vehicle that may constitute a public nuisance.

Second, it removes the legislative finding that certain inoperable vehicles necessarily constitute an immediate threat to public health and safety, thereby rendering them subject to summary abatement—that is, abatement without notice, hearing, or warrant. Although it is well-

established that a city is authorized to declare what constitutes a public nuisance, (see, e.g., *City of Claremont v. Kruse* (2009) 177 Cal.App.4th 1153, 1163–64), staff has been unable to locate any authority for the notion that a city is authorized to declare certain nuisances as automatically subject to summary abatement. Further, even if a city is so authorized, a summary abatement performed on the basis of such a finding would be subject to challenge on the ground that, as applied to a particular property owner, it violates the Fourth Amendment’s prohibition against unreasonable searches and seizures. Accordingly, this Ordinance removes the legislative finding declaring certain vehicles as automatically subject to summary abatement and instead requires code enforcement staff to determine, on a case-by-case basis, whether the vehicle presents an immediate threat to public health or safety.

Third, it adds a new provision expressly stating that a warrant must be obtained for any search or seizure performed pursuant to Chapter 10.16 unless exigent circumstances are present, such as when a vehicle presents an immediate threat to public health or safety.

Fourth, it amends the provision setting forth the circumstances when no notice to abate need be provided. In particular, it adds a requirement that the vehicle must be determined by the enforcement officer to be a public nuisance presenting an immediate threat to public health or safety. Previously, such a determination was not required because the legislative finding made that determination categorically in all cases. It also modifies the structure of this section to improve clarity.

Fifth, it adds a clause to ensure compliance with a state law requirement. Currently, the ordinance does not include an exemption for certain vehicles that may be reconstructed or made operable after abatement. Because two exemptions are mandated by § 22661(f) of the Vehicle Code, this Ordinance incorporates those exemptions into the MMC.

Finally, this Ordinance adds a severability provision to Chapter 10.16. The purpose of this addition is to ensure that the entire Chapter is not invalidated solely on the basis that a single provision is held unconstitutional in court.

FISCAL IMPACT:

None.

RECOMMENDATION:

Staff recommends that that City Council move to introduce Ordinance No. 19-10 and give first reading, by title only, with second reading waived.

ATTACHMENTS:

None

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MENDOTA AMMENDING
PROVISIONS OF THE MENDOTA MUNICIPAL
CODE REGARDING ABATEMENT OF
ABANDONED, WRECKED, DISMANTLED,
AND INOPERATIVE VEHICLES**

ORDINANCE NO. 19-10

WHEREAS, the City of Mendota (City) is empowered to protect the health and safety of its citizens; and

WHEREAS, the City has determined the storage of abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof on private or public property, including highways, is a hazard to the health and safety of its citizens; and

WHEREAS, Chapter 10.16 of the Mendota Municipal Code sets forth a procedure for the abatement of abandoned, wrecked, dismantled, or inoperative vehicles pursuant to the authority granted in California Vehicle Code Section 22660; and

WHEREAS, staff has determined that certain amendments to Chapter 10.16 are needed to clarify when an abandoned, wrecked, dismantled, or inoperative vehicle may be abated summarily, and when a warrant is required in connection with a search or seizure performed in connection with an abandoned, wrecked, dismantled, or inoperative vehicle.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Mendota hereby amends the Mendota Municipal Code as follows:

SECTION 1. The Recitals set forth above are incorporated herein and by this reference made an operative part hereof.

SECTION 2. Section 10.16.010 of Title 10, Chapter 10.16 of the Mendota Municipal Code is hereby amended as follows:

10.08.010 - Definitions.

As used in this chapter:

"Highway" means a way or place of whatever nature, publicly maintained and open to the use of the public for purposes of vehicular travel. Highway includes street.

"Owner of the land" means the owner of the land on which the vehicle, or parts thereof, is located, as shown on the last equalized assessment roll.

"Owner of the vehicle" means the last registered owner and legal owner of record.

"Public property" means and includes "highway."

"Vehicle" means a device by which any person or property may be propelled, moved or drawn upon a highway, except a device moved by human power or used exclusively upon stationary rails or tracks, or any parts thereof.

SECTION 3. Section 10.16.020 of Title 10, Chapter 10.16 of the Mendota Municipal Code is hereby amended as follows:

10.16.020 - Abandoned vehicles deemed public nuisance.

The storage of abandoned, wrecked, dismantled or inoperative vehicles or parts thereof on private or public property, including highways, is found to create a condition tending to reduce the value of private property, to promote blight and deterioration, to invite plundering, to create fire hazards, to constitute an attractive nuisance creating a hazard to the health and safety of minors, to create a harborage for rodents and insects and to be injurious to the public health, safety and general welfare. Therefore, the presence of an abandoned, wrecked, dismantled or inoperative vehicle or parts thereof, on private or public property including highways, except as expressly hereinafter permitted, is declared to constitute a public nuisance which may be abated as such in accordance with the provisions of this chapter. ~~In addition, the presence of a vehicle valued at less than two hundred dollars (\$200.00), which is inoperable due to the absence of a motor, transmission or wheels and incapable of being towed is determined to present immediate threat to public health and safety and is declared a public nuisance which may be abated in accordance with the provisions of this chapter, including, but not limited to, Section 10.16.110.~~

SECTION 4. Section 10.16.025 is hereby added to Title 10, Chapter 10.16 of the Mendota Municipal Code as follows:

10.16.025 - Construction with other laws.

Any search or seizure authorized pursuant to this Chapter shall comply with the Fourth Amendment's prohibition against unreasonable searches and seizures. Unless exigent circumstances are present, a warrant must be obtained for any search or seizure that unreasonably interferes with an individual's reasonable expectation of privacy. Exigent circumstances include, but are not limited to, the storage of abandoned, wrecked, dismantled or inoperative vehicle in a manner that constitutes an immediate threat to public health or safety.

SECTION 5. Section 10.16.110 of Title 10, Chapter 10.16 of the Mendota Municipal Code is hereby repealed in its entirety and replaced with the following:

10.16.110 - Vehicles valued at less than two hundred dollars.

- A. No notice of intention to abate as provided for under Section 10.16.090 of this Chapter need be given if:
1. The owner of the property upon which the vehicle is located has signed a release authorizing removal and waiving further interest in the vehicle; and
 2. The vehicle is:
 - i. inoperable due to the absence of a motor, transmission or wheels and incapable of being towed,
 - ii. valued at less than two hundred dollars (\$200.00) by a person specified in California Vehicle Code Section 22855,
 - iii. located upon a parcel that is either zoned for agricultural use or not improved with a residential structure containing one or more dwelling units, and
 - iv. determined by the enforcement officer to be a public nuisance presenting an immediate threat to public health or safety.
- B. In the event a vehicle is abated pursuant to this Section and evidence of registration was recovered or is otherwise available, then, prior to final disposition pursuant to California Vehicle Code Section 22662, notice shall be mailed to the registered and/or legal owners of the vehicle informing them that the City intends to dispose of the vehicle or parts thereof, and that if the vehicle or part thereof is not claimed and removed from the storage yard to which the vehicle has been moved within twelve (12) days after the notice is mailed, final disposition may proceed pursuant to Vehicle Code Section 22662.
- C. Pursuant to California Vehicle Code Section 22661(c), neither the City nor any contractor hired by the City shall be liable for damage caused to a vehicle or parts thereof by removal pursuant to this Section.

SECTION 6. Section 10.16.180 of Title 10, Chapter 10.16 of the Mendota Municipal Code is hereby amended as follows:

10.16.180 - Removal of vehicle.

Five days after adoption of the order declaring nuisance or five days from the date of mailing of notice of the decision if such notice is required by Section 10.16.140, the vehicle or parts thereof may be disposed of by removal to a scrapyard or automobile dismantler's yard to be disposed of pursuant to California Vehicle Code Section 22662. After a vehicle has been removed it shall not thereafter be reconstructed or made operable, unless it is a vehicle that qualifies for either horseless carriage license plates

or historical vehicle license plates, pursuant to California Vehicle Code Section 5004, in which case the vehicle may be reconstructed or made operable.

SECTION 7. Section 10.16.210 is hereby added to Title 10, Chapter 10.16 of the Mendota Municipal Code as follows:

10.16.180 - Severability.

If any section, sentence, clause or phrase of this Chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Chapter. The City Council hereby declares that it would have passed this ordinance and adopted this Chapter and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance, as if such invalid portion thereof had been deleted.

SECTION 9. This ordinance shall take effect thirty (30) days after its passage.

SECTION 10. The Mayor shall sign and the City Clerk shall certify to the passage of this Ordinance and will see that it is published and posted in the manner required by law.

SECTION 11. This Ordinance is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” within the meaning of CEQA, (see 14 C.C.R. § 15378), and because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (See 14 C.C.R. § 15061(b)(3).)

* * * * *

The foregoing ordinance was introduced on the 10th day of September, 2019 and duly passed and adopted by the City Council of the City of Mendota at a regular meeting thereof held on the 24th day of September, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Robert Silva, Mayor

ATTEST:

Celeste Cabrera-Garcia, City Clerk

APPROVED AS TO FORM:

John Kinsey, City Attorney

AGENDA ITEM

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CRISTIAN GONZALEZ, CITY MANAGER

SUBJECT: CONSIDERATION OF APPROVAL OF PROCESSING FEE AND ENFORCEMENT FEE FOR SIDEWALK VENDORS AND AND MOTORIZED ITINERANT VENDORS

DATE: SEPTEMBER 10, 2019

ISSUE

Should the City Council approve new processing and enforcement fees for applicants seeking sidewalk vendor and motorized itinerant vendor permits?

BACKGROUND

Effective this year, the State has implemented new legislation requiring cities to permit and regulate sidewalk food vendors, in the interest of public health and safety. This is a timely issue, as the Mendota Police Department has expressed concern over the number of unregulated sidewalk vendors and other mobile food vendors doing business within the City. Until now, the City has had no way to know who these vendors are, to check their credentials, or to follow up on their compliance with health and safety regulations.

The attached resolution creates new permit fees for sidewalk vendors and motorized itinerant vendors (food coaches) which will help the police and code enforcement departments provide those services. The proposed feeshave been calculated by staff to recapture the estimate costs of processing permit applications, issuing the permits, and then following up with each permit holder several times each year to help assure compliance with health, safety and permit requirements. The staff calculations have been incorporated into a fee study prepared by the City Engineer, with the necessary findings according to the law. That fee study is attached.

ANALYSIS

The City Attorney has prepared an implementing resolution for the Sidewalk Vendors and Motorized Itinerant Vendors, which adopts the fees recommended in the Fee Study. Collection of these fees would generate the revenue needed for staff to carry out the envisioned permit processing and enforcement actions.

FISCAL IMPACT

No negative financial impact. The fees are designed to recover the costs of the planned activities and are planned to be revenue-neutral.

RECOMMENDATION

Staff recommends that the City Council pass and adopt the attached Resolution No. 19-64, establishing the amount of the Sidewalk Vending permit fee and the Motorized Itinerant Vendor permit fee.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA ESTABLISHING
THE AMOUNT OF THE SIDEWALK VENDING
PERMIT FEE AND THE MOTORIZED ITINERANT
VENDOR PERMIT FEE**

RESOLUTION NO. 19-64

WHEREAS, on May 28, 2019, the City Council adopted Ordinance No. 19-05, which amended the Mendota Municipal Code (MMC) to regulate sidewalk vendors and motorized itinerant vendors in accordance with state law;

WHEREAS, the City of Mendota (City) will incur certain costs associated with accepting, processing, and reviewing applications for sidewalk vendor permits and motorized itinerant vendor permits, as well as costs associated with the enforcement of the City's sidewalk vending and motorized itinerant vending regulations, and desires to recover such costs;

WHEREAS, pursuant to the provisions of the California Constitution and the laws of the State of California, the City is authorized to adopt and implement rates, fees, and charges for municipal services and the enforcement of regulatory programs; provided, however, that such rates, fees, and/or charges do not exceed the estimated reasonable cost of providing such services; and

WHEREAS, as amended by Ordinance No. 19-05, Section 5.28.030 of the MMC requires that applicants seeking a sidewalk vendor permit must pay a fee in an amount to be established by resolution of the City Council (Sidewalk Vendor Permit Fee);

WHEREAS, as amended by Ordinance No. 19-05, Section 5.32.020 of the MMC requires that persons applying for a motorized itinerant vendor permit fee must pay a fee in an amount established by resolution of the City Council (Motorized Itinerant Vendor Permit Fee);

WHEREAS, the City Engineer has prepared a fee study, attached hereto as Exhibit "A" and incorporated herein by this reference, that calculates the estimated reasonable costs of issuing permits for sidewalk vendor permits and motorized itinerant vendor permits, and of enforcing the City's regulations for such activities (Fee Study);

WHEREAS, on September 10, 2019 the City held a public hearing at a regularly scheduled meeting of the City Council at which the public had the opportunity to make oral or written presentations regarding the Sidewalk Vendor Permit Fee and the Motorized Itinerant Vendor Fee;

WHEREAS, the City published notice of the public hearing in accordance with Government Code Section 6062a, and made the data upon which the Sidewalk Vendor Permit Fee and the Motorized Itinerant Vendor Fee are based available to the public fourteen days prior to the public hearing;

WHEREAS, the City has complied with all applicable legal requirements for the establishment of the Sidewalk Vendor Permit Fee and the Motorized Itinerant Vendor Permit Fee in the amounts described in the Fee Study;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Mendota, State of California, as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The City Council hereby finds that the amount of the Sidewalk Vendor Permit Fee as set forth in the Fee Study does not exceed the estimated reasonable cost of processing applications and enforcing regulations applicable to sidewalk vendors;
3. The City Council hereby finds that the amount of the Motorized Itinerant Vendor Permit Fee as set forth in the Fee Study does not exceed the estimated reasonable cost of processing applications and enforcing regulations applicable to motorized itinerant vendors;
4. The City hereby establishes the amount of the Sidewalk Vendor Permit Fee pursuant to Section 5.28.030 of the MMC as set forth in the Fee Study.
5. The City hereby establishes the amount of the Motorized Itinerant Vendor Permit Fee pursuant to Section 5.32.020 of the MMC as set forth in the Fee Study.

Robert Silva, Mayor

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of September, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Celeste Cabrera-Garcia, City Clerk

Exhibit A

City of Mendota

Sidewalk Vendor and Motorized Itinerant Vendor Fee Study

August 2019

Prepared for:
City of Mendota

Prepared by:
Provost & Pritchard Consulting Group
286 W Cromwell Ave, Fresno, CA 93711

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Report Prepared for:

Cristian Gonzalez
City Manager

City of Mendota
643 Quince Street
Mendota, CA 93640

Contact:

Cristian Gonzalez, City Manager
(559) 655-3291

Report Prepared by:

Provost & Pritchard Consulting Group

David McGlasson, PE, PLS, City Engineer
Michael Osborn, PE, Assistant City Engineer

Contact:

David McGlasson
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09/04/19

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1 Introduction and Background

The City of Mendota commissioned this study to gather information on the cost of preparing and issuing permits for sidewalk vendors and motorized itinerant vendors, and to consider development of a revised schedule of fees and charges intended to recover all, or a larger portion of, the costs of providing these services.

Having fees that are closely related to the cost of providing services will give City leaders the opportunity to make more informed decisions as they work to meet the budgetary and policy goals of the City.

In general, the “user fees” included in this study are those that the City provides to businesses and citizens where the result of the service is an individual rather than general benefit. In order to be fair to the general population and not confer special benefits on only a small number of individuals, the City charges for such services.

This study evaluates the actual costs of providing the particular services, with the goal of identifying the full cost of providing the service, which is the maximum amount that can legally be charged.

In order to accomplish this goal, a number of objectives were identified. These include ensuring that the calculated maximum fees are fair and reasonable, that the fee is clear and as simple as practical, and that the fee structure correctly follows the City’s processes while creating a nexus between the fees and the service provided.

This study was based information developed in collaboration with City staff, who were instrumental in understanding the time and people required to provide the service addressed. The study did not evaluate the effectiveness or efficiency of any of the City’s processes, but focused on the actual cost of providing service in accordance with existing procedures.

2 User Fee Concepts

This report section looks at some concepts which are important to agency fee-setting in California. Fees are not totally discretionary on the part of the City, but must be set in accordance with specific rules as set forth by the State of California. There is, however, a good deal of latitude within these policies for cities to set fees in a manner that City leaders believe provides maximum benefit to the City, its citizens and customers.

2.1 Fee Concepts Under California Law

The primary source of General Fund revenues for cities are tax revenues, collected by the County and the state and distributed by the state under a variety of names and distribution methodologies. Since there never seems to be enough tax revenue available to meet all of a city's needs or wants, other funding methods have been created over time, including fees, special charges, fines, and grant revenues. Most of these methods generate revenue that is specific to one department or program; they do not typically contribute to the general fund revenues.

While most city services have a citywide benefit, there are a number of services where the benefits are conferred primarily on one individual. It's those services for which the City can charge cost recovery fees in an effort to be fair to the broader population. A key concept is that the cost recovery fee must be closely related to the actual cost of providing the service in question. In other words, a user fee cannot be a "fund raiser" with a broad benefit to the City, but must be set at or below the actual cost of providing the service.

The costs recovered can be very thorough. For example, if issuing a particular permit requires an hour of a clerk's time, the cost is not limited to a one-half-hour share of that person's direct hourly wage. The full salary cost, including all benefits and overhead, can be used. Also, the cost of any review time, inspections, and any other worker's time cost may be included. If any special equipment is required to carry out the service, a fair charge may be made for that equipment. In fact, every amount of labor, benefits, materials, tools and equipment required to carry out the work associated with the fee can be included.

All that said, it is uncommon for a City to set full reimbursement fees for every permit and service it carries out. The decision to set fees for full or partial cost recovery is made by the City Council. This report identifies the full-cost-recovery amount. Determination of the actual fees to be included in a new schedule of fees will be a job done at the direction of the City Council, with the administrative assistance of City Staff.

2.2 Fee Policy Considerations

While in general it may be most advantageous for a city to set fees for full cost recovery, there are several policy subjects worth consideration as the final fee structure is being set:

- Will the number of people requesting a service decline if the fee is set too high? Is that good or bad for the City? While revenue may decline if the cost is believed to be too high, does the City perceive a benefit from having to spend less time providing that particular service?
- Some subsidy of fees can encourage behavior the City would like to see increase, or may allow certain individuals with fewer resources to take advantage of a service they would otherwise have to pass by.
- To avoid overcharging individuals for services which may have a partial public benefit.

3 Fee Study Methodology

This section looks at the methodology applied to calculated costs and from there the maximum permissible fee.

3.1 Average Cost Analysis Methodology

As mentioned above, the purpose of a fee study is to determine the average full cost of providing the services offered by the City, so that City leaders can intelligently establish a fee schedule to recover all or a major part of the cost of providing a service without violating the state law which prohibits charging more than the cost of providing that service.

Cost recovery provides a way to create equity where the provision of certain services doesn't seem equitable; the service benefits a group of people, or an individual, while having no effect on other members of the community. If the service were to be provided without fee, or even with a subsidized fee, the community would be paying all or part of the cost of providing a benefit to individual members of the public. The exaction of user fees tied to full cost recovery eliminates that inequity.

The study methodology looked at several standard factors:

- The amount of labor required to carry out the service
- The cost of the labor being provided, including all benefits and overhead
- The cost of any equipment used to provide the service
- The costs, including taxes, delivery and any other factors, of any materials required

For each department involved in the study, the needs and practices of the department determined the structure of the study. Because even similar applications often require differing amounts of time to process, this approach looks at typical, or average, processing times, so a single fee amount can be applied to similar applications without going through detailed project cost accounting, which would also entail trying to either collect fees in arrears, or to collect a large up-front deposit designed to cover all possible expenses, with any unused deposit being returned when the process is complete. Both of these approaches would require a great deal of additional administrative effort and would add to overall processing costs without bringing substantial value to the City.

4 Proposed Vendor Fees

The City determined that the time involved in processing, issuing and enforcing the sidewalk vendor fee and the motorized itinerant vendor fee were so substantially similar that there was no effective way to make separate calculations. Accordingly, both fees are treated together below and the fees for both permits are recommended to be set at the same levels.

4.1 Processing Time Estimate

The City determined that two departments would be involved in the Sidewalk and Motorized Itinerant Vendor Permit issuance and ongoing enforcement. These will be the Police Department and the administrative staff at City Hall. A review of the expected processes and procedures was held, and estimates of the range of likely processing times was developed. From that range, an average processing time was agreed upon.

This average is believed to be conservative; it may well be that the actual average processing time will be somewhat longer than shown in the tables below, making the recommended fee lower than the maximum that could be justified. Because of the City's lack of experience with these permits, the decision was made to err on the low side of the estimate and to make any necessary correction in the future as experience is gained.

4.2 Determination of Recommended Fee

The City has determined that there are two parts to the Sidewalk and Motorized Itinerant Vendor Permit Fees. The first involves issuance of the permit itself, while the other is tied to the ongoing cost of enforcing compliance with permit conditions. Given the ongoing nature of the compliance cost the City believes it will be most fair to all involved to assess that cost on an annual basis. The costs shown in the tables below are for the initial permit issuance, and for the annual permit compliance enforcement.

Permit Processing

Staff Type	Hours	Hourly Rate	Total
Community Service Officer	0.5	27.63	13.82
Police Officer	0.5	40.22	20.11
Admin Assistant III	1.0	29.52	29.52
Total Fee:			\$63.45

Annual Permit Compliance Enforcement

Staff Type	Hours	Hourly Rate	Total
Community Service Officer	3.0	27.63	82.89
Police Officer	3.0	40.22	120.66
Admin Assistant III	0.5	29.52	14.76
Total Fee:			\$218.31

4.3 Updating Fees in Future Years

Fees will be automatically updated in future years by incrementing in proportion to increases in the Consumer Price Index (CPI). Changes to the fees as a result of CPI increases will be effective each year on July 1.

Additionally, the City may from time to time revisit the staff involved, the labor hours expended and the actual salary rates related to each position classification, as the City's situation changes. Changes in any of these factors may be incorporated into the fee calculation by resolution of the City Council.

AGENDA ITEM

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CRISTIAN GONZALEZ, CITY MANAGER

SUBJECT: CONSIDERATION OF APPROVAL OF A RESOLUTION
ESTABLISHING THE AMOUNT OF THE COMMERCIAL
CANNABIS BUSINESS PERMIT FEE ANDTHE
COMMERCIAL CANNABIS DEVEOPMENTAGREEMENT
PROCESSING FEE

DATE: SEPTEMBER 10, 2019

ISSUE

Should the City Council approve new processing and permit fees for applicants seeking commercial cannabis businesspermits and development agreements?

BACKGROUND

On June 11, 2019, the City Council adopted Ordinance No. 19-06, which established regulations for commercial cannabis businesses operating within the City, including requirements that, prior to commencing any commercial cannabis activity, such businesses must apply for and enter into development agreements with the City and obtain a commercial cannabis business permit.

Processing detailed permits and applications such as these means the City will incur substantial costs. State law allows for the recovery of those costs so long as the costs are reasonably accounted for. State law provides guideline for how these fee recovery calculations must be prepared, the findings that must be made, and how the fees may be implemented.

Staff, the City Attorney and the City Engineer have collaborated on the attached Fee Study, which considers all the tasks involved in permit and application processing and approval of a development agreement. A staffing plan has been developed, and an overall cost structure based on that plan has been used along with the estimated hours required for the work to calculate the fees that will be needed to recover the City's costs. The personnel involved, estimated hours and hourly costs are all presented in the attached Fee Study. The attached resolution creates new application and permit fees for commercial cannabis applicants.

ANALYSIS

The City Attorney has prepared an implementing resolution for the Commercial Cannabis Business Permit Fee and the Commercial Cannabis Development Agreement Processing Fee, which adopts the fees recommended in the Fee Study. Collection of these fees would generate the revenue needed for staff to carry out the envisioned permit and development agreement processing activities.

FISCAL IMPACT

No negative financial impact. The fees are designed to recover the costs of the planned activities and are intended to be revenue-neutral.

RECOMMENDATION

Staff recommends that the City Council pass and adopt the attached Resolution No. 19-65, establishing the amount of the Commercial Cannabis Business Permit Fee and the Commercial Cannabis Development Agreement Processing Fee.

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MENDOTA ESTABLISHING
THE AMOUNT OF THE COMMERCIAL
CANNABIS BUSINESS PERMIT FEE AND
THE COMMERCIAL CANNABIS DEVELOPMENT
AGREEMENT PROCESSING FEE**

RESOLUTION NO. 19-65

WHEREAS, on June 11, 2019, the City Council adopted Ordinance No. 19-06, which amended the Mendota Municipal Code (MMC) to establish regulations for commercial cannabis businesses operating within the City of Mendota (City), including requirements that, prior to commencing any commercial cannabis activity, such businesses apply for and execute a development agreement with the City and obtain a commercial cannabis business permit; and

WHEREAS, the City will incur certain costs associated with accepting, processing, and reviewing applications for development agreements for commercial cannabis activity, as well as costs associated with accepting, processing, and reviewing applications for commercial cannabis business permits and the enforcement of the City's commercial cannabis business regulations, and desires to recover such costs; and

WHEREAS, pursuant to the provisions of the California Constitution and the laws of the State of California, the City is authorized to adopt and implement rates, fees, and charges for municipal services and the enforcement of regulatory programs; provided, however, that such rates, fees, and/or charges do not exceed the estimated reasonable cost of providing such services; and

WHEREAS, as amended by Ordinance No. 19-06, the MMC requires that prior to engaging in any commercial cannabis activity, a commercial cannabis business must apply for a development agreement with the City, which includes payment of a cost recovery fee, and authorizes the City Council to establish the amount of such fee by resolution (Commercial Cannabis Development Agreement Processing Fee); and

WHEREAS, as amended by Ordinance No. 19-06, the MMC requires that prior to engaging in any commercial cannabis activity, a commercial cannabis business must obtain a commercial cannabis business permit, and authorizes the City Council to establish the amount of the fee for such permit by resolution (Commercial Cannabis Business Permit Fee); and

WHEREAS, the City Engineer has prepared a fee study, attached hereto as Exhibit "A" and incorporated herein by this reference, that calculates the estimated reasonable costs of accepting, processing, and reviewing applications for development

agreements for commercial cannabis activity, and of accepting, processing, and reviewing applications commercial cannabis business permits, as well as enforcing the City's regulations for commercial cannabis businesses (Fee Study); and

WHEREAS, on September 10, 2019 the City held a public hearing at a regularly scheduled meeting of the City Council at which the public had the opportunity to make oral or written presentations regarding the amount of the Commercial Cannabis Development Agreement Processing Fee and the Commercial Cannabis Business Permit Fee; and

WHEREAS, the City published notice of the public hearing in accordance with Government Code Section 6062a, and made the data upon which the Commercial Cannabis Development Agreement Processing Fee and the Commercial Cannabis Business Permit Fee are based available to the public fourteen days prior to the public hearing; and

WHEREAS, the City has complied with all applicable legal requirements for the establishment of the Commercial Cannabis Development Agreement Processing Fee and the Commercial Cannabis Business Permit Fee; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Mendota, State of California, as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The City Council hereby finds that the amount of the Commercial Cannabis Business Permit Fee as set forth in the Fee Study does not exceed the estimated reasonable cost of accepting, processing, and reviewing applications for commercial cannabis business permits and enforcing regulations applicable to commercial cannabis businesses operating in the City of Mendota.
3. The City hereby establishes the amount of the Commercial Cannabis Permit Fee pursuant to Section 8.37.240 of the MMC as set forth in the Fee Study.
4. The City Council hereby finds that the amount of the Commercial Cannabis Development Agreement Processing Fee as set forth in the Fee Study does not exceed the estimated reasonable cost of accepting, processing, and reviewing applications for development agreements for commercial cannabis businesses.
5. The City hereby establishes the amount of the Commercial Cannabis Development Agreement Processing Fee pursuant to Section 8.37.070(A)(4) of the MMC as set forth in the Fee Study.

Robert Silva, Mayor

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the City Council at a regular meeting of said Council, held at the Mendota City Hall on the 10th day of September, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Celeste Cabrera-Garcia, City Clerk

Exhibit A

City of Mendota

Cannabis Permit Fee Study

August 2019

Prepared for:
City of Mendota

Prepared by:
Provost & Pritchard Consulting Group
286 W Cromwell Ave, Fresno, CA 93711

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Report Prepared for:

Cristian Gonzalez
City Manager

City of Mendota
643 Quince Street
Mendota, CA 93640

Contact:

Cristian Gonzalez, City Manager
(559) 655-3291

Report Prepared by:

Provost & Pritchard Consulting Group

David McGlasson, PE, PLS, City Engineer
Michael Osborn, PE, Assistant City Engineer

Contact:

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(559) 449-2700
dmcglasson@ppeng.com

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1 Introduction and Background

The City of Mendota commissioned this study to gather information on the cost of preparing and issuing permits for cannabis production, processing, wholesale distribution and retail sale, and to consider development of a revised schedule of fees and charges intended to recover all, or a larger portion of, the costs of providing these services.

Having fees that are closely related to the cost of providing services will give City leaders the opportunity to make more informed decisions as they work to meet the budgetary and policy goals of the City.

In general, the “user fees” included in this study are those that the City provides to businesses and citizens where the result of the service is an individual rather than general benefit. In order to be fair to the general population and not confer special benefits on only a small number of individuals, the City charges for such services.

This study evaluates the actual costs of providing the particular services, with the goal of identifying the full cost of providing the service, which is the maximum amount that can legally be charged.

In order to accomplish this goal, a number of objectives were identified. These include ensuring that the calculated maximum fees are fair and reasonable, that the fee is clear and as simple as practical, and that the fee structure correctly follows the City’s processes while creating a nexus between the fees and the service provided.

This study was based information developed in collaboration with City staff, who were instrumental in understanding the time and people required to provide the service addressed. The study did not evaluate the effectiveness or efficiency of any of the City’s processes, but focused on the actual cost of providing service in accordance with existing procedures.

2 User Fee Concepts

This report section looks at some concepts which are important to agency fee-setting in California. Fees are not totally discretionary on the part of the City, but must be set in accordance with specific rules as set forth by the State of California. There is, however, a good deal of latitude within these policies for cities to set fees in a manner that City leaders believe provides maximum benefit to the City, its citizens and customers.

2.1 Fee Concepts Under California Law

The primary source of General Fund revenues for cities are tax revenues, collected by the County and the state and distributed by the state under a variety of names and distribution methodologies. Since there never seems to be enough tax revenue available to meet all of a city's needs or wants, other funding methods have been created over time, including fees, special charges, fines, and grant revenues. Most of these methods generate revenue that is specific to one department or program; they do not typically contribute to the general fund revenues.

While most city services have a citywide benefit, there are a number of services where the benefits are conferred primarily on one individual. It's those services for which the City can charge cost recovery fees in an effort to be fair to the broader population. A key concept is that the cost recovery fee must be closely related to the actual cost of providing the service in question. In other words, a user fee cannot be a "fund raiser" with a broad benefit to the City, but must be set at or below the actual cost of providing the service.

The costs recovered can be very thorough. For example, if issuing a particular permit requires an hour of a clerk's time, the cost is not limited to a one-half-hour share of that person's direct hourly wage. The full salary cost, including all benefits and overhead, can be used. Also, the cost of any review time, inspections, and any other worker's time cost may be included. If any special equipment is required to carry out the service, a fair charge may be made for that equipment. In fact, every amount of labor, benefits, materials, tools and equipment required to carry out the work associated with the fee can be included.

All that said, it is uncommon for a City to set full reimbursement fees for every permit and service it carries out. The decision to set fees for full or partial cost recovery is made by the City Council. This report identifies the full-cost-recovery amount. Determination of the actual fees to be included in a new schedule of fees will be a job done at the direction of the City Council, with the administrative assistance of City Staff.

2.2 Fee Policy Considerations

While in general it may be most advantageous for a city to set fees for full cost recovery, there are several policy subjects worth consideration as the final fee structure is being set:

- Will the number of people requesting a service decline if the fee is set too high? Is that good or bad for the City? While revenue may decline if the cost is believed to be too high, does the City perceive a benefit from having to spend less time providing that particular service?
- Some subsidy of fees can encourage behavior the City would like to see increase, or may allow certain individuals with fewer resources to take advantage of a service they would otherwise have to pass by.
- To avoid overcharging individuals for services which may have a partial public benefit.

3 Fee Study Methodology

This section looks at the methodology applied to calculated costs and from there the maximum permissible fee.

3.1 Average Cost Analysis Methodology

As mentioned above, the purpose of a fee study is to determine the average full cost of providing the services offered by the City, so that City leaders can intelligently establish a fee schedule to recover all or a major part of the cost of providing a service without violating the state law which prohibits charging more than the cost of providing that service.

Cost recovery provides a way to create equity where the provision of certain services doesn't seem equitable; the service benefits a group of people, or an individual, while having no effect on other members of the community. If the service were to be provided without fee, or even with a subsidized fee, the community would be paying all or part of the cost of providing a benefit to individual members of the public. The exaction of user fees tied to full cost recovery eliminates that inequity.

The study methodology looked at several standard factors:

- The amount of labor required to carry out the service
- The cost of the labor being provided, including all benefits and overhead
- The cost of any equipment used to provide the service
- The costs, including taxes, delivery and any other factors, of any materials required

For each department involved in the study, the needs and practices of the department determined the structure of the study. Because even similar applications often require differing amounts of time to process, this approach looks at typical, or average, processing times, so a single fee amount can be applied to similar applications without going through detailed project cost accounting, which would also entail trying to either collect fees in arrears, or to collect a large up-front deposit designed to cover all possible expenses, with any unused deposit being returned when the process is complete. Both of these approaches would require a great deal of additional administrative effort and would add to overall processing costs without bringing substantial value to the City.

4 Proposed Cannabis Permit Fee

4.1 Processing Time Estimate

The City determined that two departments would be involved in the Cannabis Permit issuance and ongoing enforcement. These will be the Police Department and the administrative staff at City Hall. A review of the expected processes and procedures was held, and estimates of the range of likely processing times was developed. From that range, average processing times were agreed upon.

These averages are believed to be conservative; it may well be that the actual average processing times will be somewhat longer than shown in the tables below, making the recommended fees lower than the maximums that could be justified. Because of the City’s lack of experience with this permit, the decision was made to err on the low side of the estimates and to make any necessary corrections in the future as experience is gained.

4.2 Determination of Recommended Fee

The City has determined that there will be multiple parts to the Cannabis Permit Fee, depending upon the proposed use being applied for. Any use involving wholesale or retail commerce will require the full procedure and all of the steps outlined in this section. Some will be charged under existing City permitting ordinances, while others will be new, established pursuant to this fee study. The steps involved will include:

Development Agreement Application Processing: Initial City screening of an application, for completeness and adequacy, by City staff. Following acceptance of a complete application, the application will be reviewed by a five-member review committee to establish conditions of approval.

Development Agreement Application Processing

Staff Type	Hours	Hourly Rate	Total
City Clerk	5.0	52.04	260.20
Police Officer	5.0	40.22	201.10
City Manager	5.0	93.76	468.80
City Planner	5.0	93.76	468.80
City Engineer	5.0	165.00	825.00
City Attorney	5.0	250.00	1,250.00
Total Fee:			\$3,473.90

Development Agreement: Once conditions of approval are established, the actual development agreement can be prepared. This will be done by staff, the City Planner, the City Engineer and the City Attorney as appropriate, and will be paid based on a deposit paid by the applicant, the amount of which will be determined by the City Manager. The deposit may be increased or decreased during preparation of the Development Agreement if deemed necessary by the City Manager. Cost recovery shall be built into the Development Agreement itself; no specific fees will be charged.

Conditional Use Permit: Applicants will be required to secure a Conditional Use Permit in accordance with established City ordinance and policy. Standard fees will apply.

City Business License: All cannabis-related businesses operating within the City shall obtain a City of Mendota business license, pursuant to existing City ordinance.

Annual Permit Compliance: The City anticipates there will be significant ongoing annual costs of enforcing permit conditions for cannabis permits, which should not be borne by the other citizens of Mendota or other permit holders in general. The estimated costs of ongoing enforcement are shown in the table below. Tasks anticipated include annual compliance checking by the police department; occasional compliance spot checking provided by the police department, City Clerk and City Attorney; citizen interface and questions by City Clerk and City Manager; and annual City Manager review including City Manager and City Attorney.

Annual Cannabis Permit Compliance Enforcement

Staff Type	Hours	Hourly Rate	Total
Police Officer	24.0	40.22	965.28
City Clerk	2.0	52.04	104.08
City Manager	5.0	93.76	468.80
City Attorney	5.0	250.00	1,250.00
Total Fee:			\$2,788.16

4.3 Updating Fees in Future Years

Fees will be automatically updated in future years by incrementing in proportion to increases in the Consumer Price Index (CPI). Changes to the fees as a result of CPI increases will be effective each year on July 1.

Additionally, the City may from time to time revisit the staff involved, the labor hours expended and the actual salary rates related to each position classification, as the City’s situation changes. Changes in any of these factors, for any of the fees listed, may be incorporated into the fee calculation included herein by resolution of the City Council.

AGENDA ITEM

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CRISTIAN GONZALEZ, CITY MANAGER

SUBJECT: PROPOSED AMENDMENTS TO THE MENDOTA CANNABIS ORDINANCE TO MODIFY THE LOCATION REQUIREMENTS FOR COMMERCIAL CANNABIS RETAIL BUSINESSES

DATE: SEPTEMBER 10, 2019

BACKGROUND:

In light of the developments to state laws and regulations regarding commercial cannabis retail businesses, in 2019 the City enacted Ordinance No. 19-06, which amended Chapter 8.36 of the Mendota Municipal Code (MMC) to eliminate the City's ban on cannabis dispensaries, and added Chapter 8.37 to the MMC, which established regulations for the operation of commercial cannabis businesses, including cannabis dispensaries (referred to as "commercial cannabis retail businesses"). Among other things, Ordinance No. 19-06 established location requirements for cannabis retail businesses, including a requirement that no cannabis retail business shall be located within 800 feet of another cannabis retail business, a school, a day care center, or a youth center. This requirement is now codified in Section 8.37.090 of the MMC.

At the same time, the City also initiated proceedings to amend its zoning code to permit commercial cannabis retail businesses in its primary commercial district, the C-3 Zone, as the City's existing Cannabis Overlay District is not located in a commercial use area, and it is believed that commercial cannabis retail is suitable to being located in a commercial use area.

On July 16, 2019, the City Planning Commission considered a proposed ordinance amending the City's Zoning Code to permit a limited number of commercial cannabis retail businesses in the C-3 district subject to a conditional use permit. The Planning Commission recommended approval of the proposed ordinance on the condition that the City amend Section 8.37.090 to provide that no cannabis retail business shall be located within 500 feet of another cannabis retail business, a school, a day care center, or a youth center, rather than 800 feet as originally required when Ordinance No. 19-06 was adopted.

On August 12, 2019 the City Council conducted a public hearing and first reading for Ordinance 19-08. At the conclusion of the public hearing, the City Council voted to accept the Planning Commission's recommendation and directed staff to amend Section 8.37.090 of the MMC to provide that no cannabis retail business shall be located within 500 feet of another cannabis retail business, a school, a day care center, or a youth center.

At the August 27, 2019 City Council meeting, the City Council approved to waive the first reading of Ordinance No. 19-09 and scheduled the public hearing for the August 27th City Council meeting.

DISCUSSION:

In accordance with the Planning Commissions' recommendation and the City Council's direction, this Ordinance No. 19-09 makes only one change to the MMC. It amends Section 8.37.090 to provide that no cannabis retail business shall be located within **500 feet** of another cannabis retail business, a school, a day care center, or a youth center. Currently, Section 8.37.090 provides that no cannabis retail business shall be located within **800 feet** of another cannabis retail business, a school, a day care center, or a youth center.

FISCAL IMPACT:

None

RECOMMENDATION:

Staff recommends that the Mayor perform the public hearing, that the Council conduct the second reading, and that the Council adopt Ordinance No. 19-09.

ATTACHMENTS:

Adopted Resolution No. PC 19-02: A Resolution of the Planning Commission of the City of Mendota recommending Approval of Proposed Zoning Code Amendments to Permit Commercial Cannabis Retail Businesses in the C-3 District subject to a Conditional Use Permit.

Boundary Map (800 Feet)

Boundary Map (500 Feet)

**BEFORE THE PLANNING COMMISSION
OF THE
CITY OF MENDOTA, STATE OF CALIFORNIA**

RESOLUTION NO. PC 19-02

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MENDOTA
RECOMMENDING APPROVAL OF PROPOSED ZONING CODE AMENDMENTS TO
PERMIT COMMERCIAL CANNABIS RETAIL BUSINESSES IN THE C-3 DISTRICT
SUBJECT TO A CONDITIONAL USE PERMIT**

WHEREAS, in 2012, as amended in 2016 and 2017, the City adopted Chapter 8.36 of the Mendota Municipal Code (MMC) pertaining to recreational and medical cannabis activities (Cannabis Ordinance), which banned commercial cannabis cultivation, commercial deliveries of cannabis, and cannabis dispensaries in the City based upon various health, safety and welfare and land use findings relating to cannabis cultivation, dispensing, and consumption, which findings are incorporated herein by reference; and

WHEREAS, in 2017, the City enacted Ordinance No. 17-13, which created the Commercial Cannabis Overlay District to allow the establishment of commercial cannabis businesses involving the cultivation, manufacturing, distribution, and testing of cannabis products in a limited area of the City, but retained the ban on cannabis dispensaries;

WHEREAS, in light of the developments to state laws and regulations regarding commercial cannabis retail businesses, the City Council directed staff to prepare an ordinance permitting commercial cannabis uses and permitting a limited number of commercial cannabis retail businesses in its primary commercial district, the C-3 district, subject to a conditional use permit.

WHEREAS, in 2019, the City enacted Ordinance No. 19-06, which amended Chapter 8.36 of the MMC to eliminate the ban on cannabis dispensaries, and added Chapter 8.37 to the MMC, which established regulations for the operation of commercial cannabis businesses, including cannabis dispensaries, referred to therein as commercial cannabis retail businesses;

WHEREAS, Ordinance No. 19-06 contemplated an amendment to the City's Zoning Code to permit commercial cannabis retail businesses in the C-3 district subject to a conditional use permit;

WHEREAS, pursuant to Section 17.08.040, amendments to the City's Zoning Code which change any property from one district to another, or impose any regulation not heretofore imposed, or remove or modify any such regulations heretofore imposed shall be initiated and adopted by the procedure specified therein;

WHEREAS, the proposed amendments to the Zoning Code, attached hereto as Exhibit "A" and incorporated herein by this reference, remove or modify a regulation

heretofore imposed and are therefore subject to the procedure specified in Section 17.08.040;

WHEREAS, pursuant to Section 17.08.040(G)(3), if the Planning Commission determines that it is appropriate to recommend approval of the proposed amendments to the City Council, it must do so by adopting a resolution to that effect.

WHEREAS, the Planning Commission determines to recommend approval of the proposed amendments with the request that the City Council consider modifications to the location requirements for commercial cannabis retail businesses, including reducing the distance from which such businesses must be located from certain parcels; and


NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of Mendota, State of California, the proposed amendments to the zoning code, attached hereto as Exhibit "A," are hereby recommended for approval by the City Council.



Albert Escobedo, Chairperson

ATTEST:

I, Celeste Cabrera-Garcia, City Clerk of the City of Mendota, do hereby certify that the foregoing resolution was duly adopted and passed by the Planning Commission at a regular meeting of said Commission, held at the Mendota City Hall on the 16th day of July, 2019, by the following vote:

AYES: 5 – Vice-Chairperson Escobedo, Commissioners Alonso, Gutierrez, Leiva, and Romero
NOES: 0
ABSENT: 1 – Chairperson Luna
ABSTAIN: 0

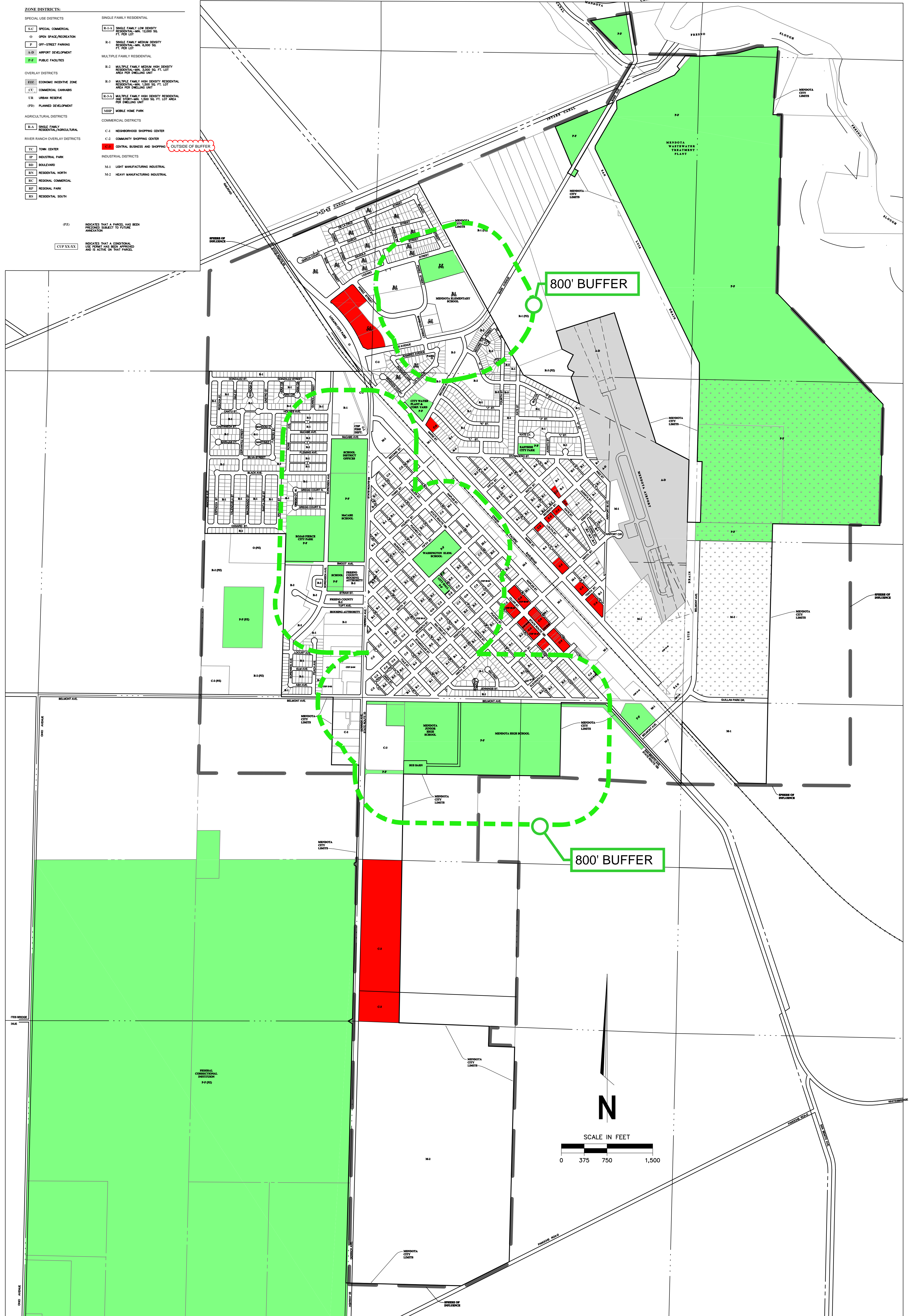

Celeste Cabrera-Garcia, City Clerk



ZONE DISTRICTS:	
SPECIAL USE DISTRICTS	
S-C SPECIAL COMMERCIAL	R-1.1 SINGLE FAMILY LOW DENSITY RESIDENTIAL-100, 1,000 SQ. FT. PER LOT
O OPEN SPACE/RECREATION	R-1 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL-MIN. 6,000 SQ. FT. PER LOT
P OFF-STREET PARKING	MULTIPLE FAMILY RESIDENTIAL
A-D AIRPORT DEVELOPMENT	R-2 MULTIPLE FAMILY MEDIUM-HIGH DENSITY RESIDENTIAL-100, 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
PF PUBLIC FACILITIES	R-3 MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-100, 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
OVERLAY DISTRICTS	
EEZ ECONOMIC INCENTIVE ZONE	R-3.1 MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-100, 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
CC COMMERCIAL CANNABIS	R-3.2 MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-100, 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
UR URBAN RESERVE	R-3.3 MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-100, 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
FPD PLANNED DEVELOPMENT	MPD MOBILE HOME PARK
AGRICULTURAL DISTRICTS	
R-A SINGLE FAMILY RESIDENTIAL/AGRICULTURAL	COMMERCIAL DISTRICTS
RIVER RANCH OVERLAY DISTRICTS	
TC TOWN CENTER	ND NEIGHBORHOOD SHOPPING CENTER
IP INDUSTRIAL PARK	C-1 COMMUNITY SHOPPING CENTER
RD BOWLING	C-2 CENTRAL BUSINESS AND SHOPPING
RS RESIDENTIAL NORTH	INDUSTRIAL DISTRICTS
RSN RESIDENTIAL COMMERCIAL	M-1 LIGHT MANUFACTURING INDUSTRIAL
RP RESIDENTIAL PARK	M-2 HEAVY MANUFACTURING INDUSTRIAL
RSN RESIDENTIAL SOUTH	

(PZ) INDICATES THAT A PARCEL HAS BEEN PREVIOUSLY SUBJECT TO FUTURE ANNEXATION

(CUPXXXX) INDICATES THAT A CONVEYANCE OF THE PROPERTY HAS BEEN PROVIDED AND IS ACTIVE ON THAT PARCEL



CITY OF MENDOTA

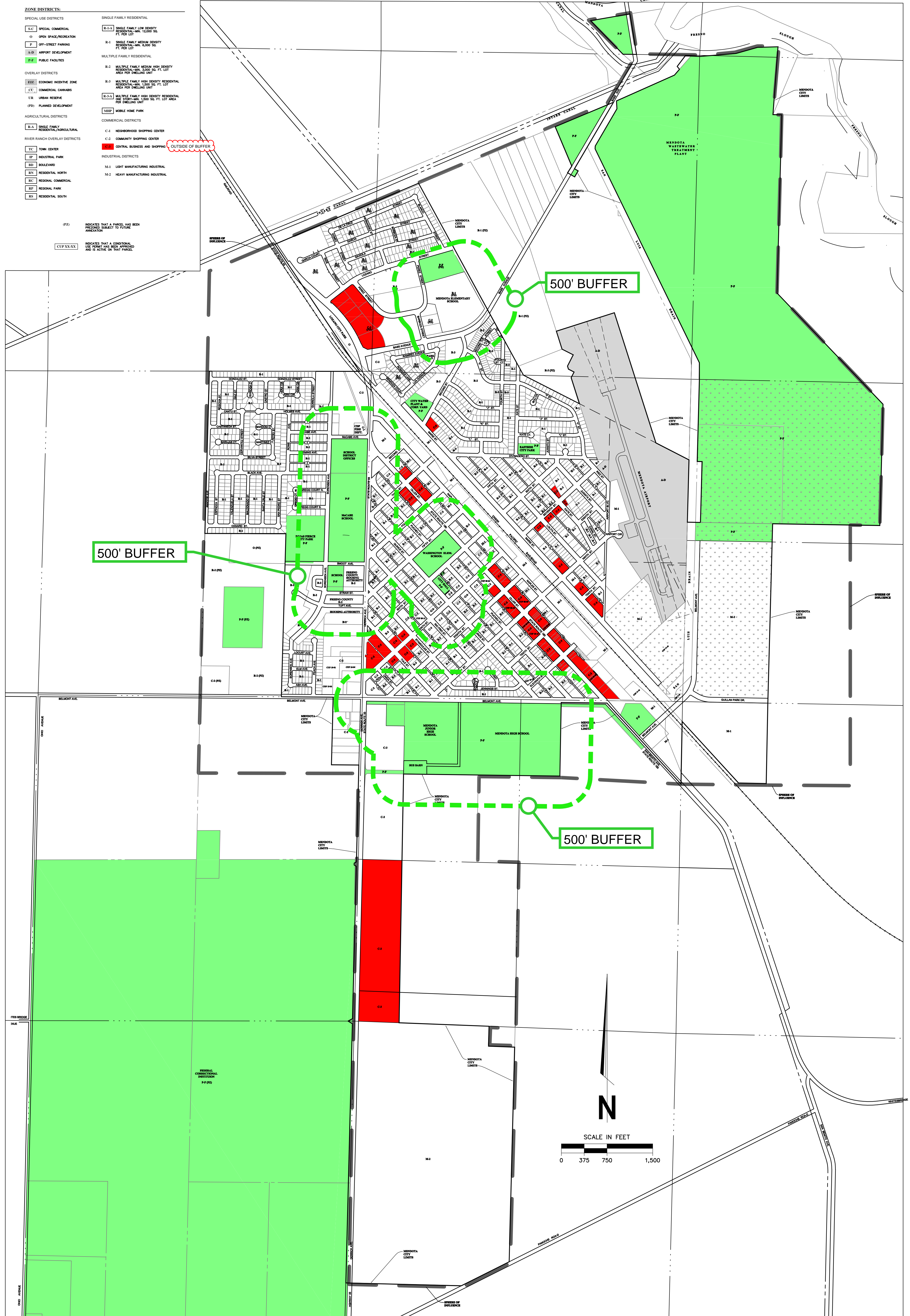
OFFICIAL ZONING MAP

DEPICTING PARCELS ZONED C-3 OUTSIDE OF A 800 FOOT BUFFER FROM SCHOOLS & YOUTH CENTERS

ZONE DISTRICTS:	
SPECIAL USE DISTRICTS	
S-C	SPECIAL COMMERCIAL
O	OPEN SPACE/RECREATION
P	OFF-STREET PARKING
A-D	AIRPORT DEVELOPMENT
P-F	PUBLIC FACILITIES
OVERLAY DISTRICTS	
E-Z	ECONOMIC INCENTIVE ZONE
C-C	COMMERCIAL CANNABIS
U-R	URBAN RESERVE
FD	PLANNED DEVELOPMENT
AGRICULTURAL DISTRICTS	
R-A	SINGLE FAMILY RESIDENTIAL/AGRICULTURAL
RIVER RANCH OVERLAY DISTRICTS	
T-C	TOWN CENTER
IP	INDUSTRIAL PARK
BD	BOWLING
NR	RESIDENTIAL NORTH
CR	REGIONAL COMMERCIAL
RP	REGIONAL PARK
RS	RESIDENTIAL SOUTH
SINGLE FAMILY RESIDENTIAL	
R-1	SINGLE FAMILY LOW DENSITY RESIDENTIAL-MIN. 1,000 SQ. FT. PER LOT
R-1.1	SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL-MIN. 8,000 SQ. FT. PER LOT
MULTIPLE FAMILY RESIDENTIAL	
R-2	MULTIPLE FAMILY MEDIUM-HIGH DENSITY RESIDENTIAL-MIN. 3,000 SQ. FT. LOT AREA PER DWELLING UNIT
R-3	MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-MIN. 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
R-3.1	MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-MIN. 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
R-3.2	MULTIPLE FAMILY HIGH DENSITY RESIDENTIAL-MIN. 1,000 SQ. FT. LOT AREA PER DWELLING UNIT
COMMERCIAL DISTRICTS	
C-1	NEIGHBORHOOD SHOPPING CENTER
C-2	COMMUNITY SHOPPING CENTER
C-3	CENTRAL BUSINESS AND SHOPPING
INDUSTRIAL DISTRICTS	
M-1	LIGHT MANUFACTURING INDUSTRIAL
M-2	HEAVY MANUFACTURING INDUSTRIAL
AGRICULTURAL DISTRICTS	
SH-P	SHORELINE HOME PARK

(PZ) INDICATES THAT A PARCEL HAS BEEN PREVIOUSLY ZONED SUBJECT TO FUTURE AMENDMENT

(CUP XXXX) INDICATES THAT A PARCEL IS ZONED FOR A CONDITIONAL USE THAT HAS BEEN PROVIDED AND IS ACTIVE ON THAT PARCEL



CITY OF MENDOTA

OFFICIAL ZONING MAP

DEPICTING PARCELS ZONED C-3 OUTSIDE OF A 500 FOOT BUFFER FROM SCHOOLS & YOUTH CENTERS

**BEFORE THE CITY COUNCIL
OF THE
CITY OF MENDOTA, COUNTY OF FRESNO**

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MENDOTA AMENDING
THE CITY'S CANNABIS ORDINANCE TO
MODIFY THE LOCATION REQUIREMENTS
FOR COMMERCIAL CANNABIS RETAIL
BUSINESSES**

ORDINANCE NO. 19-09

WHEREAS, in 2019, the City enacted Ordinance No. 19-06, which amended Chapter 8.36 of the Mendota Municipal Code (MMC) to eliminate the ban on cannabis dispensaries, and added Chapter 8.37 to the MMC, which established regulations for the operation of commercial cannabis businesses, including cannabis dispensaries, referred to therein as commercial cannabis retail businesses;

WHEREAS, in light of the developments to state laws and regulations regarding commercial cannabis retail businesses, the City initiated proceedings to amend its zoning code to permit a limited number of commercial cannabis retail businesses in its primary commercial district, the C-3 district, subject to a conditional use permit;

WHEREAS, on July 16, 2019, the City's Planning Commission recommended approval of a proposed ordinance amending the City's zoning code to permit a limited number of commercial cannabis retail businesses in the C-3 district, subject to a conditional use permit, on the condition that the City amend Section 8.37.090 of the MMC to provide that cannabis retail business shall be located at least 500 feet from other cannabis retail businesses, schools, day care centers, and youth centers, rather than at least 800 feet, as originally required in Ordinance No. 19-06;

WHEREAS, on August 12, 2019 the City Council voted to accept the Planning Commission's recommendation and directed staff to amend Section 8.37.090 of the MMC to provide that cannabis retail business shall be located at least 500 feet from other cannabis retail businesses, schools, day care centers, and youth centers, rather than at least 800 feet;

WHEREAS, staff has prepared this Ordinance No. 19-09 to amend Section 8.37.090 of the MMC to provide that cannabis retail business shall be located at least 500 feet from other cannabis retail businesses, schools, day care centers, and youth centers, rather than at least 800 feet.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MENDOTA, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The Recitals set forth above are incorporated herein and by this reference made an operative part hereof.

SECTION 2. Section 3 amends Title 8, Chapter 8.37, Section 8.37.090, Subdivision (B) by modify the distance requirement from 800 feet to 500 feet.

SECTION 3. Title 8, Chapter 8.37, Section 8.37.090 is hereby amended to read as follows:

8.37.090 – Additional Location Requirements for Retail Cannabis Businesses

- A. All cannabis retail businesses must be located on property zoned C-3 (Central Business and Shopping) and must meet all of the requirements for development in that zone.
- B. All properties in which the cannabis retail business is located shall be no closer than ~~eight~~five hundred (~~8~~500) feet from any parcel containing any of the following:
 - 1. A cannabis retail business.
 - 2. A school providing instruction for any grades pre-school through 12 (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12).
 - 3. A day care center licensed by the state Department of Social Services that is in existence at the time a complete commercial cannabis business permit application is submitted.
 - 4. A youth center that is in existence at the time a complete commercial cannabis business permit application is submitted.

SECTION 4. Severability. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance, as if such invalid portion thereof had been deleted.

SECTION 5. The City Council hereby finds and determines that its adoption of this Ordinance is not subject to environmental review under the Public Resources Code, § 21000 *et seq.*, the California Environmental Quality Act (CEQA), because the amendments do not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and therefore are not considered a “project” under CEQA. (Pub. Res. Code, § 21065; 14 Cal. Code Regs., § 15378(a).) Further, the uses permitted as a result of the amendment contained herein may never actually occur and therefore any potential environmental impacts remain wholly speculative. (14 Cal. Code Regs., §15064(d)(3).) Finally, any uses permitted as a result of the amendment contained herein will be subject to environmental review under CEQA prior to the issuance of a

conditional use permit. Accordingly, the City Clerk is hereby directed to file a Notice of Exemption.

SECTION 6.This ordinance shall take effect thirty (30) days after its passage.

SECTION 7.The Mayor shall sign and the City Clerk shall certify to the passage of this Ordinance and will see that it is published and posted in the manner required by law.

* * * * *

The foregoing ordinance was introduced on the 27th day of August, 2019 and duly passed and adopted by the City Council of the City of Mendota at a regular meeting thereof held on the 10th day of September, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Robert Silva, Mayor

ATTEST:

Celeste Cabrera-Garcia, City Clerk

APPROVED AS TO FORM:

John Kinsey, City Attorney

**Animal Control
Monthly Report**

Location	Date	Type	BREED/ DESCRIPTION	Sex	Owner	Impounded Y/N	Dog Dispo & Date	Case Dispo	Offense	Fine
321 BLANCO ST	8/2/2019	ANIMAL COMPLAINT	3 DOGS UNK BREED	N/A	N/A	NO	N/A	UTL	N/A	\$0.00
1548 8TH ST	8/5/2019	ANIMAL COMPLAINT	YORKIE/BLK/BROWN	MALE	MARIA ESPINOZZA	NO	N/A	COMPLETE	N/A	\$0.00
2ND ST & MARIE ST	8/6/2019	ANIMAL COMPLAINT	MULTIPLE DOGS UNK BREED	N/A	N/A	NO	N/A	UTL	N/A	\$0.00
675 PEACH AVE	8/7/2019	ANIMAL COMPLAINT	BLK/ COLOR LONG FUR MIXED CHIHUAHU	N/A	MARILY AMAYARES	NO	N/A	COMPLETE	N/A	\$0.00
1991 8TH ST	8/8/2019	ANIMAL COMPLAINT	2 LITTLE CHIHUAHUAS WHITE W/ BRWN	N/A	N/A	NO	N/A	UTL	N/A	\$0.00
500 BLK KATE ST	8/9/2019	ANIMAL COMPLAINT	PITBULL MIX/WHT/ GREY	MALE	N/A	YES	PUT TO SLEEP 8/14/2019	COMPLETE	1ST	\$0.00
MENDOTA PD	8/9/2019	ANIMAL COMPLAINT	GERMAN SHEP MIX	FEMALE	N/A	YES	PUT TO SLEEP 8/14/2019	COMPLETE	1ST	\$0.00
MENDOTA PD	8/9/2019	ANIMAL COMPLAINT	GERMAN SHEP MIX	MALE	N/A	YES	PUT TO SLEEP 8/14/2019	COMPLETE	1ST	\$0.00
MENDOTA PD	8/9/2019	ANIMAL COMPLAINT	GERMAN SHEP MIX	FEMALE	N/A	YES	PUT TO SLEEP 8/14/2019	COMPLETE	1ST	\$0.00
754 KATE ST	8/9/2019	ANIMAL COMPLAINT	PITBULL IN COLOR	N/A	N/A	YES	RETURNED 8/12/2019	NAT	N/A	\$0.00
PUBLIC WORKS	8/11/2019	ANIMAL COMPLAINT	PITBULL/BLK	MALE	N/A	YES	RETURNED 8/16/2019	COMPLETE	1ST	\$0.00
PUBLIC WORKS	8/11/2019	ANIMAL COMPLAINT	PITBULL/BRW	FEMALE	N/A	YES	RETURNED 8/16/2019	COMPLETE	1ST	\$0.00
MENDOTA JUNIOR HIGH	8/13/2019	ANIMAL COMPLAINT	UNK BREED 1 DOG	N/A	N/A	YES	PUT TO SLEEP 8/17/2019	NAT	N/A	\$0.00
MENDOTA JUNIOR HIGH	8/13/2019	ANIMAL COMPLAINT	TERRIER MIX/ BLK/BRN	MALE	N/A	YES	VET RESCUE	COMPLETE	N/A	\$0.00
MENDOTA JUNIOR HIGH	8/13/2019	ANIMAL COMPLAINT	PITBULL MIX	FEMALE	N/A	YES	PUT TO SLEEP 8/17/2019	COMPLETE	N/A	\$0.00
1599 5TH ST	8/13/2019	ANIMAL COMPLAINT	UNK BREED 3 DOG	N/A	N/A	NO	N/A	UTL	N/A	\$0.00
MENDOTA ELEMENTARY	8/16/2019	ANIMAL COMPLAINT	GERMAN SHEP MIX	FEMALE	N/A	YES	PUT TO SLEEP 8/18/2019	COMPLETE	N/A	\$0.00
605 BASS AVE	8/19/2019	ANIMAL COMPLAINT	CHIHUAHAH BROWN SMALL	N/A	N/A	YES	VET RESCUE	COMPLETE	N/A	\$0.00
QUIROGA/ GONZALEZ	8/19/2019	ANIMAL COMPLAINT	HUSKY	FEMALE	OSCAR GACIA	YES	VET RESCUE	COMPLETE	1ST	\$0.00
50 QUIROGA	8/19/2019	ANIMAL COMPLAINT	UNK BREED/ WHITE DOG	N/A	N/A	NO	N/A	UTL	N/A	\$0.00
QUIROGA/ GONZALEZ	8/19/2019	ANIMAL COMPLAINT	UNK BREED/1DOG/ NO DESCRIPTION	N/A	N/A	YES	AT DOG POUND	NAT	N/A	\$0.00
631 OXNARD ST	8/20/2019	ANIMAL COMPLAINT	UNK BREED/ WHITE/BLK DOG	N/A	N/A	YES	AT DOG POUND	COMPLETE	N/A	\$0.00
DOG POUND	8/26/2019	ANIMAL COMPLAINT	UNK BREED/UNK DESCRIPTION	N/A	N/A	NO	N/A	COMPLETE	N/A	\$0.00
DERRICK & MCCABE	8/29/2019	ANIMAL COMPLAINT	HUSKY/WHITE DOG	N/A	N/A	NO	N/A	COMPLETE	N/A	\$0.00
									Total	\$0.00

**Code Enforcement
Monthly Report**

Address	Type of Case	1st Notice	Deadline	Status	Fine Amount
2099 7TH ST	DETAIL SPECIAL	8/2/2019	N/A	COMPLETE	\$0.00
648 KATE	COMMUNITY CONTACT	8/2/2019	N/A	COMPLETE	\$0.00
MEPD	LOBBY TRAFFIC	8/5/2019	N/A	COMPLETE	\$0.00
CITY HALL 643 QUINCE	COMMUNITY CONTACT	8/5/2019	N/A	COMPLETE	\$0.00
2ND ST & OLLER	PARKING VIOLATION	8/5/2019	N/A	CITED	\$100.00
8TH ST & MARIE ST	VEHICLE CHECK	8/5/2019	8/7/2019	TAG/TOW	\$0.00
HERNANDES ST & LOZANO ST	VEHICLE CHECK	8/5/2019	N/A	CITED	\$50.00
200 BLK ESPINOZA	VEHICLE CHECK	8/5/2019	8/7/2019	TAG/TOW	\$0.00
286 SANTA CRUZ ST	VEHICLE CHECK	8/5/2019	8/7/2019	TAG/TOW	\$0.00
MEPD	LOBBY TRAFFIC	8/8/2019	N/A	COMPLETE	\$0.00
KERMAN	MISC. INVESTIGATION	8/8/2019	N/A	COMPLETE	\$0.00
636 I ST	PARKING VIOLATION	8/9/2019	N/A	CITED	\$50.00
CITY HALL	COMMUNITY CONTACT	8/9/2019	N/A	COMPLETE	\$0.00
MEPD	LOBBY TRAFFIC	8/12/2019	N/A	COMPLETE	\$0.00
1000 2ND ST	VEHICLE CHECK	8/12/2019	8/14/2019	TAG/TOW	\$0.00
748 TULE ST	FOLLOW UP	8/12/2019	N/A	COMPLETE	\$0.00
8TH/ UNIDA	MUNICIPAL CODE	8/12/2019	N/A	CITED	\$150.00
270 ESPINOZA ST	VEHICLE CHECK	8/12/2019	N/A	CITED	\$50.00
305 BLANCO ST	VEHICLE CHECK	8/13/2019	8/15/2019	TAG/TOW	\$0.00
PEREZ ST & LOZANO ST	VEHICLE CHECK	8/13/2019	8/15/2019	TAG/TOW	\$0.00
675 LOZANO	VEHICLE CHECK	8/13/2019	N/A	CITED	\$50.00
685 LOZANO ST	MUNICIPAL CODE	8/13/2019	N/A	WARNING	\$0.00
695 LOZANO	MUNICIPAL CODE	8/13/2019	N/A	WARNING	\$0.00
241 TUFT ST	VEHICLE CHECK	8/13/2019	N/A	CITED	\$50.00
DOLLAR TREE	COMMUNITY CONTACT	8/13/2019	N/A	COMPLETE	\$0.00
441 STRAW	VEHICLE CHECK	8/14/2019	N/A	CITED	\$50.00
FARMERS MARKET	DETAIL SPECIAL	8/14/2019	N/A	COMPLETE	\$0.00
MEPD	LOBBY TRAFFIC	8/15/2019	N/A	COMPLETE	\$0.00
NAPLES/7	VEHICLE CHECK	8/15/2019	8/17/2019	TAG/TOW	\$50.00
578 LOLITA	FOLLOW UP	8/15/2019	N/A	COMPLETE	\$0.00
607 GRACIA ST	MUNICIPAL CODE	8/15/2019	N/A	COMPLETE	\$0.00
2025 6TH ST	FOLLOW UP	8/16/2019	N/A	COMPLETE	\$0.00
567 OLLER ST	FOLLOW UP	8/16/2019	N/A	COMPLETE	\$0.00

**Code Enforcement
Monthly Report**

557 4TH ST	FOLLOW UP	8/16/2019	N/A	COMPLETE	\$0.00
CITY HALL	COMMUNITY CONTACT	8/16/2019	N/A	COMPLETE	\$0.00
KERMAN	MISC. INVESTIGATION	8/19/2019	N/A	COMPLETE	\$0.00
CITY HALL	COMMUNITY CONTACT	8/19/2019	N/A	COMPLETE	\$0.00
600 BLK OXNARD	VEHICLE CHECK	8/20/2019	8/22/2019	TAG/TOW	\$0.00
301 BLANCO ST	FOLLOW UP	8/20/2019	N/A	COMPLETE	\$0.00
800 BLK QUINCE	VEHICLE CHECK	8/20/2019	N/A	CITED	\$50.00
617 SORENSEN	VEHICLE CHECK	8/20/2019	N/A	WARNING	\$0.00
600 BLK PEREZ	VEHICLE CHECK	8/20/2019	N/A	COMPLETE	\$0.00
201 SMOOT AVE	FOLLOW UP	8/20/2019	N/A	NAT	\$0.00
204 TUFT ST	COMMUNITY CONTACT	8/20/2019	N/A	NAT	\$0.00
578 LOLITA ST	MISC. INVESTIGATION	8/20/2019	N/A	REPORT TO FOLLOW	\$0.00
861 TULE ST	VEHICLE CHECK	8/21/2019	N/A	CITED	\$50.00
372 PUCHEU ST	VEHICLE CHECK	8/21/2019	8/23/2019	TAG/TOW	\$0.00
513 CANTU CT	VEHICLE CHECK	8/21/2019	N/A	CITED	\$50.00
131 PETRY ST	VEHICLE CHECK	8/21/2019	8/23/2019	TAG/TOW	\$0.00
220 BLACK AVE	VEHICLE CHECK	8/21/2019	8/23/2019	TAG/TOW	\$0.00
773 JUANITA ST	FOLLOW UP	8/21/2019	N/A	COMPLETE	\$0.00
529 J ST	VEHICLE CHECK	8/21/2019	8/23/2019	TAG/TOW	\$0.00
468 4TH ST	VEHICLE CHECK	8/23/2019	N/A	CITED	\$50.00
519 LOLITA ST	VEHICLE CHECK	8/26/2019	8/28/2019	TAG/TOW	\$0.00
201 SMOOT AVE	VEHICLE CHECK	8/26/2019	N/A	COMPLETE	\$0.00
CITY HALL	ADMINISTRATIVE MEETING	8/27/2019	N/A	COMPLETE	\$0.00
CHOWCHILLA	MISC. INVESTIGATION	8/27/2019	N/A	COMPLETE	\$0.00
CHOWCHILLA	MISC. INVESTIGATION	8/27/2019	N/A	COMPLETE	\$0.00
624 QUINCE	MUNICIPAL CODE	8/29/2019	N/A	COMPLETE	\$0.00
CANTU & SEGOVIA	VEHICLE CHECK	8/30/2019	N/A	CITED	\$50.00
10TH & OLLER	MUNICIPAL CODE	8/30/2019	N/A	COMPLETE	\$0.00
DIVISADERO & N KATE	VEHICLE CHECK	8/30/2019	9/1/2019	TAG/TOW	\$0.00
				Total:	\$850.00



POLICE

M E N D O T A

MEMORANDUM

Date: September 1, 2019
To: Cristian Gonzalez, City Manager
Mendota City Council Members
From: Gregg L. Andreotti, Chief of Police
Subject: Monthly Report for August 2019

Officers conducted two investigations regarding sex registrants who are out of compliance.

An unknown suspect stole the victim's vehicle while it was parked by Gomez and Garcia Streets.

An unknown suspect stole the victim's vehicle while it was parked on Quince Street.

Subject check on Rio Frio discovered an active warrant for his arrest. He was arrested and transported to Jail.

A known auto theft parolee was contacted by Rios and Lozano in violation of his parole status. His agent was contacted and authorized his arrest for violation of parole. He was arrested and transported to Jail.

Subject check by Lolita / 8th resulted in an FI for information.

Subject check on 6th Street discovered an outstanding warrant. He was arrested, cited and released.

A restrained party went to the protected party's residence on Derrick in an attempt to contact her. The restrained party fled prior to officers arriving.

Injury traffic collision at Oller/7th. All parties remained on scene. EMS treated the injured driver and transported her to the hospital.

An unknown suspect entered the victim's unlocked vehicle parked on Rio Frio and stole personal property.

An unknown suspect stole the victim's vehicle while it was parked on 7th Street.

Officers investigated a child custody order violation where the mother was not compiling with the order.

Vehicle stop at Naples/8th discovered the driver was under the influence of alcohol. He was arrested for DUI, cited and released to a sober adult.

Disturbance at a residence on Divisadero discovered the suspect hit the victim and then fled the scene. Officers located the suspect in a vehicle by Oller/8th and took him into custody. He was transported to Jail.

Subject check in an alleyway by Oller discovered he was in possession of an open container of alcohol. He was cited and released.

Subject check by Stamoules/7th discovered a warrant for his arrest. He was arrested and transported to Jail.

A known suspect hit the victim, stole her vehicle and then fled the scene. While officers were investigating they observed the stolen vehicle occupied by another male known to the officers as a parolee. Officers were not able to contact with the parolee who fled the scene.

An unknown suspect stole the victim's vehicle while parked on 9th Street. The victim located the vehicle on Rio Frio Circle and notified officers.

An unknown suspect broke the window to the victim's storage facility on Derrick Avenue.

An unknown suspect swindled the victim out of money posing on the phone as a person who had a warrant for the victim's arrest.

Bicycle stop by Divisadero/Marie discovered an active warrant for the rider's arrest. He was arrested, cited and released.

Disturbance at a residence on Tuft Street. The known suspect hit the victim and other persons in the residence prior to fleeing the scene. Officers searched but were unable to locate him.

A possible known suspect (nickname only) hit the victim and then fled the scene prior to officers arriving.

An unknown suspect damaged a window on the victim's vehicle while it was parked on K Street.

Our CSO was investigating a parked vehicle at Divisadero/Juanita and discovered it had been stolen from out of town and left there. Officers recovered the vehicle.

A contractor reported building materials and a lap top were stolen from a construction site on Marie Street.

An auto theft victim located his stolen vehicle on 7th Street. Offices recovered the vehicle.

An unknown suspect threatened the victim while at a local store on Derrick. The suspect fled prior to officers arriving.

A known suspect stole the victim's cell phone by Lolita/7th and injured the victim afterwards. He was located by officers and arrested. He was transported to Jail.

Officers located the suspect in a prior investigation and took him into custody. He was transported to Jail.

Two unwanted subjects were at a residence on I Street. Officers contacted both and discovered one was a wanted parolee. He was arrested and transported to Jail. The other subject was FI'ed for information.

A known suspect approached the victim by Stamoules/7th and demanded money. He then attempted to stab the victim who was not injured. Officers responded and were able to locate the suspect and take him into custody. The knife was located in his possession. He was transported to Jail.

National Night Out was a success.

Traffic enforcement detain resulted in eight citations

A known suspect started a fire behind a residence on Gonzalez Street. She was later located by officers in a local park and arrested for arson. She was transported to Jail.

A restrained person went to the Derrick Street residence of the protected person in an attempt to contact him. The suspect fled the scene prior to officers arriving.

Traffic enforcement detail resulted in 24 citations.

A citizen turned in for destruction old parts to a firearm he was in possession of.

Non-injury traffic collision on 2nd Street. A citizen backed into a U.S. mail truck.

A wanted subject was located in a vehicle on 9th Street and taken into custody. He was transported to Jail.

Non-injury hit and run on Derrick Street. An unknown suspect hit the victim's car and then fled the scene.

An unwanted subject locked himself into a bathroom at a local restaurant on Oller. He refused to exit and was deemed a trespasser by the manager. Cal Fire removed the lock on the door and officers entered the restroom. The subject resisted, but was overpowered and taken into custody. He was transported to Jail.

The victim reported two unknown suspects stole property from his front yard on Straw Street and then fled the area.

Subject check on Stamoules discovered the subject was wanted on an outstanding warrant and was in possession of Methamphetamine. He was arrested, cited and released.

Two subjects were checked on 7th and discovered to be in possession of open containers of alcohol. They were cited and released.

Three subjects were contacted on 7th and found to be in possession of open containers of alcohol. They were cited and released.

A known wanted subject was discovered at a residence on 2nd Street and taken into custody. He was transported to Jail.

Non-injury traffic collision. An unknown suspect hit the victim's car while it was parked on Perez Street.

Subject check on Oller Street discovered he was wanted on an outstanding warrant. He was arrested, cited and released.

Vehicle stop at 9th/Marie discovered the driver was intoxicated. He was arrested for DUI, cited and released to a sober adult.

Officers made contact at two residences emitting loud music; warnings given to responsible parties.

Vehicle stop by 9th/Oller found the driver was wanted on an active warrant. He was arrested, cited and released.

Vehicle stop by Oller/9th discovered the driver was wanted on an outstanding warrant. He was arrested, cited and released.

Non-injury traffic collision. An unknown suspect damaged the victim's vehicle while it was parked on I Street and then fled the scene.

Unwanted & intoxicated subject was causing a disturbance at a local business on 7th Street. Officers located the subject, discovered he was intoxicated and trespassing. He was arrested and transported to Jail.

An unknown suspect stole tools and other property from her vehicle while it was parked on Quince Street.

Traffic enforcement detail resulted in 13 citations

Hit and run occurred at Derrick/McCabe. Officers located the fleeing driver who was found to be under the influence of alcohol. He was arrested for DUI and leaving the scene of a traffic collision. He was transported to Jail.

Subject check by Oller/5th located a meth pipe in his possession. He was arrested, cited and released.

Prior disturbance reported to officers at the Police Department discovered the known suspect hit the victim and then fled the scene of occurrence.

Disturbance at a location on Kate Street resulted in a known suspect hitting the victim. The suspect fled prior to officers arriving.

Report of a missing child. He was located and reunited with his mother.

A wanted subject turned himself in at the Police Department. He was arrested and transported to Jail.

Vehicle stop at L Street/4th discovered the driver was intoxicated. He was arrested for DUI, cited and released to a sober adult family member.

Subject check on Derrick discovered he was in possession of an open container of alcohol. He was cited and released.

An unknown suspect stole the victim's vehicle while it was parked on Kate Street.

Traffic enforcement detail resulted in eight citations

A vehicle stolen from Firebaugh was recovered on Oller Street.

A non-injury traffic collision by Bass/Hyw 33 officers discovered the driver causing was wanted on outstanding warrants and intoxicated. He was arrested on the warrants and for DUI. He was cited and released to a sober adult.

Vehicle stop by Pucheu /11th discovered the driver was intoxicated. He was arrested for DUI, cited and released to a sober adult.

Non-injury traffic collision on Oller. All parties remained on scene.

An unknown suspect hit the victim's vehicle while it was parked on Smoot and then fled the scene.

Disturbance at a residence on Black Street resulted in a known suspect hitting the victim. The suspect fled prior to officers arriving.

Officers assisted Parole Agents with contacting a parolee on Marie Street. He was found to be under the influence of a controlled substance and arrested. He was transported to Jail.

Vehicle stop on 6th Street discovered the vehicle was stolen from Fresno. The two occupants were arrested, interviewed and then transported to Jail.

Non-injury traffic collision at Lolita/9th. Both parties remained on scene.

Subject check on I Street discovered an active warrant. She was arrested, cited and released.

An unknown suspect entered the victim's back yard on Rio Frio and stole property.

A known suspect threatened the victim on Divisadero after the victim's dog bit his hand. The suspect was located and transported to CRMC for treatment of his injury. Investigation is ongoing.

Subject check of two on 7th Street resulted in FI's for information.

A known wanted subject was located and arrested on outstanding charges. He was transported to Jail.

An unknown suspect vandalized the victim's vehicle while it was parked on Gaxiola Street.

Officers responded to a local health care service and contacted the victim of a battery. The victim identified the suspect who caused the injury on a prior date. The suspect was arrested the next day and transported to Jail.

A suspect was observed stealing packages from a porch on Pucheu Street. The suspect was recognized by the reporting party, but his name is unknown. The investigation is ongoing.

Traffic collision into a City fire hydrant by Perez/Lozano Street. Driver remained on scene. Public Works notified.

Disturbance at a residence on Lozano Street resulted in the suspect hitting the victim. Witnesses to the incident intervened and took the victim into another residence. Officers arrived and took the combative suspect into custody. After he was placed into a patrol vehicle he slipped his arms in front of him and then attempted to kick out a window. Officers removed the suspect who resisted and attempted to flee, during which time an officer received a muscle injury to an upper leg. The suspect was subdued and transported to Jail.

Disturbance at a residence on Kate discovered a known suspect hit the victim and then fled the scene.

Officers recovered a stolen vehicle on Tuft Street.

Subject check discovered he was wanted on an active warrant. He was arrested, cited and released.

Burglary to a local store on Oller Avenue. The suspect gained access via an exterior closet then entered the attic to the business area ceiling. He then entered the store. Video surveillance captured images of the suspect. His identity is unknown and the investigation is continuing.

Subject check at Oller/6th resulted in an FI for information.

A suspicious subject attempted to follow girls into the female restroom at a local park. Officers located the subject and took him into custody. During the investigation he was found to be on active parole. He was transported to Jail and his parole officer was notified for a violation.

Officers responded to alarm activation at City Hall. No damage was noted and the building was found secured. During their check of the area Officers contacted a subject on City property. He was FI'ed for information.

A separate subject check by Quince/5th Street of a known gang associate resulted in an FI for information.

An unknown suspect stole the victim's purse from her unlocked vehicle while it was parked on I Street.

Vehicle stop by Oller/Belmont discovered the driver was wanted on an outstanding warrant. He was uncooperative during the contact and arrested on the warrant. He was transported to Jail.

Subject check of three by Oller/4th discovered two were intoxicated and the third was in possession of an open container of alcohol. Two were arrested and transported to Jail. The third FI'ed for information cited and released.

Vehicle stop by Belmont/Pucheu resulted in a FI for information.

Subject check in the parking lot of a local fast food business on Derrick discovered he was wanted on an active warrant. He was arrested, cited and released.

Subject check in a local mini mart parking lot discovered he was a wanted parolee. He was arrested and transported to Jail.

Non-injury hit and run at Bass/2nd Street. The unknown suspect driving a white single cab pickup hit the victim's vehicle and the fled west on Bass Avenue. Officers searched the area but were unable to locate the suspect vehicle.

Subject check behind City Hall located methamphetamine in his possession. He was arrested, cited and released.

Officers contacted a subject who entered the police department lobby and surrendered a meth pipe as he requested to become a police officer. He was found to be under the influence of methamphetamine, arrested and transported to CRMC for evaluation prior to Jail.

Subject check by Quince/7th discovered he was in possession of an open container of alcohol. He was cited and released.

Officers responded to the report of a rifle brandishing on Perez Street by a known suspect. Officers were able to locate the suspect vehicle and conducted a vehicle stop by Lozano/Perez. Officers located a BB rifle that appeared to be a replica rifle. The suspect was arrested and transported to Jail.

A known suspect damaged two of the victim's vehicles while on Kate Street.

Subject check of an intoxicated person on a children's ride by a local business on Derrick. He was also found to be wanted on outstanding warrants. He was arrested and transported to Jail.

Non-injury traffic collision at Quince/7th. Both parties remained on scene.

An unknown suspect damaged the window to the victim's residence on Pucheu Street.

Vehicle stop by Hwy 180/Guillen Parkway discovered the driver was intoxicated. He was arrested for DUI, cited and released.

Non-injury hit and run on McCabe Street. An unknown suspect hit the victim's vehicle while it was parked.

Subject check at a local park on Sorensen resulted in an FI.

Spend handgun cartridges were located in the parking lot of a local health center. No damage noted.

Subject check in the parking lot of a local fast food restaurant on Derrick. He was found to be intoxicated, arrested, cited and released to a sober adult.

Muni code violation at a residence by 6th/Lolita discovered the responsible party was on probation. A search of the residence discovered methamphetamine packaged for sales and meth pipes. The suspect admitted to selling drugs. She was arrested and transported to Jail.

A known suspect entered the victim's residence on Black Street, argued with the victim and then stole victim's property prior to fleeing the residence.

A possible known suspect stole a vehicle from the storage lot of a local tow service on Oller. The suspect description matched that of the driver of the vehicle when it was towed.

A subject check discovered he was wanted on an active warrant. He was arrested, cited and released.

Officers located a stolen vehicle parked on Arnaudon and set up surveillance. Officers observed the vehicle leave the location and then conducted a vehicle stop at Belmont/Iowa. The driver was arrested and eventually transported to Jail.

A subject attempted to evade officers by 6th/Lolita. Upon contact he attempted to discard a meth pipe and bindles of methamphetamine. He was arrested and his parole officer was notified. He was eventually transported to Jail.

A consent search of the residence related to the above case (6th/Lolita) resulted in officers locating one ounce of methamphetamine prior to it being prepared for sales. The suspect was arrested for possession for sales and transported to Jail.

Non-injury traffic collision at Marie/9th. Both parties remained on scene.

Officers responded to a report of a vehicle vs bicycle traffic collision at Oller/7th only to discover all parties left the scene. Officers contacted the bicyclist who was uncooperative and refuse to give details. The motorist called officers later to report the bicyclist hit him. Witness's statements confirmed this account.

A possible known suspect stole money from the victim's residence on Tule Street. Video surveillance captured only one person during the time of the theft. The possible suspect denied involvement.

Disturbance at a residence by Stamoules/8th resulted in the victim being injured by the suspect. Suspect fled to an unknown location in Fresno where he is hiding out from police and parole.

Subject check on the campus of a local school. He was FI'ed and released.

Possible theft of funds by a person who made a deposit into a bank account and then cashed the check at a local mini mart.

Vehicle check discovered the vehicle license plate had a current year sticker, but the registration was expired in 2015. The driver was arrested, cited and released.

Traffic enforcement detail resulted in nine citations.

The restrained person went to the protected person's residence on Lolita in an attempt to contact him. Officers located him in the backyard of the protected person's residence. He was arrested and transported to Jail.

Subject check by Oller/8th discovered warrants for his arrest. He was arrested, cited and released.

Morning school time traffic enforcement resulted in 14 citations

Officers observed a wanted felon exit a location on Stamoules. When the subject was approached he fled on foot. When apprehended he was found in possession of methamphetamine and a meth pipe. He was transported to Jail.

Subject check on one resulted in an FI for information.

While on a follow up investigation at a residence by 6th/Lolita, officers contacted a known wanted felon. He was arrested and transported to Jail.

Subject check by a local market on 7th Street discovered he was in possession of an open container of alcohol. He was cited and released.

Vehicle stop discovered a passenger was in possession of a meth pipe. He was arrested, cited and released.

A restrained person was discovered in the back yard of the protected person's residence. He was contacted by officers, arrested and transported to Jail.

Subject check by Oller/8th located an active warrant for her arrest. She was arrested, cited and released.

Morning school time traffic enforcement resulted in 8 citations.

Subject check of a known wanted parolee by Fifth/Quince. As officers approached he fled on foot. Assisting officers intercepted him at 6th/Quince where he was taken into custody. He was later transported to Jail.

Subject check by Oller/4th discovered he was intoxicated. He was arrested and transported to Jail.

Officers conducted a vehicle stop by Tule/9th Street of a vehicle wanted in connection to a Fresno Police Department investigation. The driver was identified as the wanted suspect. He and the vehicle were detained and turned over to FPD Detectives who responded to Mendota.

An unknown suspect attempted to steal car parts from the victim's vehicle while it was parked on 3rd Street.

A known suspect was witnessed damaging vehicles on Tuft Street. He fled the area but was eventually located by family members and made available to officers. He was arrested and transported to Jail.

A restrained person went to the residence of the protected person on 2nd Street. The restrained person threatened the protected person and then fled the area before officers arrived.

Officers went to a residence on Holmes and arrested a wanted felon related to a prior investigation. During his arrest officers located a meth pipe in his possession. He was transported to Jail.

Vehicle stop by K Street/4th Street discovered a wanted felon related to a prior investigation. He was arrested and transported to Jail.

Strategic Planning:

- Officer attended gang Investigators conference
- Officer partnering weekly with MAGEC (County Gang Unit)
- Supervisors directed to oversee enforcement of open container violations in public
- Supervisors directed to oversee enforcement of loud music incidents in violation of MMC
- Using new veterinarian service

Personnel Information:

- Modified duty personnel returned to full duty
- CSO position became vacant
 - New candidate was hired and began training
- Police Officer Candidate accepted job offer and entered the hiring process
- The following Police Department positions remain vacant and frozen:
 - One Police Officer
 - One Administrative Assistant