AGENDA
FEBRUARY 7, 2017
REGULAR MEETING
CITY COUNCIL
CITY OF YUBA CITY
5:00 PM - CLOSED SESSION: BUTTE ROOM
6:00 P.M. REGULAR MEETING: COUNCIL CHAMBERS

MAYOR • Stanley Cleveland, Jr
VICE MAYOR • Preet Didbal
COUNCILMEMBER • John Buckland
COUNCILMEMBER • Manny Cardoza
COUNCILMEMBER • Shon Harris
CITY MANAGER • Steven Kroeger
CITY ATTORNEY • Timothy Hayes

1201 Civic Center Blvd,
Yuba City CA 95991

Wheelchair Accessible

If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to assist you. Please contact City offices at (530) 822-4817 at least 72 hours in advance so such aids or services can be arranged. City Hall TTY: 530-822-4732
Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk’s office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City’s website at www.yubacity.net, subject to staff’s availability to post the documents before the meeting.

Public Comment:
Any member of the public wishing to address the City Council on any item listed on the closed session agenda will have an opportunity to present testimony to the City Council prior to the City Council convening into closed session. Comments from the public will be limited to three minutes. No member of the public will be allowed to be present once the City Council convenes into closed session. Contact the City Clerk in advance of the closed session either in person at City Hall, by phone 822-4817, or email cityclerk@yubacity.net to allow for time for testimony.

Closed Session—Butte Room
A. Confer with real property negotiators Steven Kroeger and Diana Langley pursuant to Government Code Section 54956.8 regarding possible purchase of APN 52-077-014, 917 Bridge Street.

B. Confer with labor negotiators Steven Kroeger and Natalie Springer regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Services Employees, First Level Managers, Mid Managers, and Public Employees Local No. 1, pursuant to Section 54957.6 of the Government Code.

Regular Meeting—Council Chambers
Call to Order
Roll Call:  
_____ Mayor Cleveland
_____ Vice Mayor Didbal
_____ Councilmember Buckland
_____ Councilmember Cardoza
_____ Councilmember Harris

Invocation

Pledge of Allegiance to the Flag

Presentations & Proclamations
1. National Teen Dating Violence Awareness and Prevention Month
Public Communication

You are welcome and encouraged to participate in this meeting. Public comment is taken on items listed on the agenda when they are called. Public comment on items not listed on the agenda will be heard at this time. Comments on controversial items may be limited and large groups are encouraged to select representatives to express the opinions of the group.

2. Written Requests

Members of the public submitting written requests, at least 24 hours prior to the meeting, will be normally allotted five minutes to speak.

3. Appearance of Interested Citizens

Members of the public may address the City Council on items of interest that are within the City’s jurisdiction. Individuals addressing general comments are encouraged to limit their statements to three minutes.

Consent Calendar

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that Council votes on the motion unless members of the City Council, staff or public request specific items to be discussed or removed from the Consent Calendar for individual action.

4. Minutes of January 17 and 24, 2017

Recommendation: Approve the City Council Meeting Minutes of January 17, 2017 and City Council Special Meeting Minutes of January 24, 2017.

5. Approve Appointments to the Feather River Air Quality Management District (FRAQMD) Board of Directors for 2017

Recommendation: Approve the appointment of Live Oak Councilmember Lakhvir Ghag selected by City of Live Oak to serve on the FRAQMD Board of Directors.

6. Water Distribution Certification Pay – First Level Managers

Recommendation:

A. Adopt a Resolution authorizing the Director of Finance to amend the salary schedule to reflect the creation of the Maintenance Supervisor – Water Distribution 3 and 4 job classifications as outlined in the staff report.

B. Adopt a Resolution approving an amendment to the First Level Managers contract to add additional First Level Manager Maintenance Supervisors to the eligibility list for participation in water distribution certification pay, callback, and stand-by on an as needed basis.

General Items

7. Community Policing Coordinator position

Recommendation: A) Adopt a Resolution approving the position of Community Policing Coordinator.
B) Make budget adjustments as necessary to Police Administrative Budget

8. Addition of two Community Service Officers

Recommendation: A) Approve the additional positions of Community Service Officers
                B) Make budget adjustments as necessary to Police Patrol Budget

9. Amendment to Professional Services Agreement with RMC Water and Environment for Wastewater Treatment Facility Improvements

Recommendation: Authorize the City Manager to execute Amendment No. 1 to the existing Professional Services Agreement in the amount of $293,410 to prepare design documents for a new Secondary Clarifier, with the finding that it is in the best interest of the City


Recommendation: Note & File Quarterly Investment Report

Business from the City Council

11. City Council Reports

- Councilmember Buckland
- Councilmember Cardoza
- Councilmember Harris
- Vice Mayor Didbal
- Mayor Cleveland

Adjournment
February is Teen Dating Violence Awareness and Prevention Month

Teen Dating Violence Awareness and Prevention Month is a national effort to raise awareness and protect teens from violence.
Written Requests

Members of the public submitting written requests at least 24 hours prior to the meeting will normally be allotted 5 minutes to speak.

Procedure

When requesting to speak, please indicate your name and the topic and mail to:

    City of Yuba City
    Attn: City Clerk
    1201 Civic Center Blvd
    Yuba City CA 95993

Or email to:

    Terrel Locke, Chief Deputy City Clerk   cityclerk@yubacity.net

The Mayor will call you to the podium when it is time for you to speak.
Appearance of Interested Citizens

Members of the public may address the City Council on items of interest that are within the City’s jurisdiction. Individuals addressing general comments are encouraged to limit their statements.

Procedure

Complete a Speaker Card located in the lobby and give to the Clerk. When a matter is announced, wait to be recognized by the Mayor. Comment should begin by providing your name and place of residence. A three-minute limit is requested when addressing Council.

- For Items on the Agenda
Public comments on items on the agenda are taken during Council’s consideration of each agenda item. If you wish to speak on any item appearing on the agenda, please note the number of the agenda item about which you wish to speak. If you wish to speak on more than one item, please fill out a separate card for each item.

- Items not listed on the Agenda
Public comments on items not listed on the agenda will be heard during the Public Communication portion of the meeting.
Closed Session—Butte Room

A. Conferred with legal counsel regarding existing litigation pursuant to Government Code Section 54956.9(a), Public Employees Union Local 1 v. City of Yuba City, Public Employment Relations Board Case No. SA-CE-919-M.

B. Conferred with labor negotiators Steven Kroeger and Natalie Springer regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Services Employees, First Level Managers, Mid Managers, and Public Employees Local No. 1, pursuant to Section 54957.6 of the Government Code.

C. Conferred with legal counsel regarding a Public Employee Discipline/Dismissal/Release pursuant to Gov't Code 54957.

Regular Meeting—Council Chambers

The City of Yuba City City Council meeting was called to order by Mayor Cleveland at 6:02 p.m.

Roll Call

Present: Councilmembers Buckland, Cardoza, Didbal, Harris and Mayor Cleveland

Absent: None

Invocation

Mayor Cleveland delivered the invocation

Pledge of Allegiance to the Flag

Councilmember Buckland led the Pledge of Allegiance

New Sutter County Administrator Scott Mitnick stopped by and introduced himself to the City Council.

Public Hearing

1. California Citizens’ Option for Public Safety (COPS) Grant

Mayor Cleveland opened the Public Hearing, hearing no comment, he closed the Public Hearing

Councilmember Buckland moved to adopt Resolution No. 17-001 authorizing the Chief of Police to accept the FY2016/2017 California Citizens’ Option for Public Safety (COPS) funding and approve expenditure recommendations. Further, authorize the Chief Financial Officer to make budget adjustments as necessary. Councilmember Didbal seconded the motion that passed with a unanimous vote.
**Ordinances**

2. **Building Regulations Ordinance and the Adoption of the 2016 edition of the California Building Standards Code**

   Councilmember Didbal moved to adopt Ordinance No. 001-17 repealing and reenacting Title 7 and appropriate chapters of the Yuba City Municipal Code titled Building Regulations which implements the 2016 edition of the California Building Standards Code, and waive the second reading. Councilmember Harris seconded the motion that passed with a unanimous vote.

3. **Fire Prevention Ordinance and Adoption of the 2015 Edition of the International Fire Code**

   The following person spoke:
   
   John Deulloa, Franklin Rd.

   Councilmember Buckland moved to:
   
   A) Adopt Ordinance No. 002-17 repealing and reenacting Chapter 5 of Title 4 of the Yuba City Municipal Code Entitled Fire Prevention, and waive the second reading; and
   
   B) Direct Staff to provide a report on options to address illegal fireworks noise and hazard issues to present to Council for discussion at a future City Council meeting.

   Councilmember Cardoza seconded the motion that passed with a unanimous vote.

4. **Massage Ordinance Updates**

   The following persons spoke:
   
   Julie Stone, Julie’s Therapy and School
   Barbara, Massage Parlor Owner
   Beverly May, Government Liaison California Massage Therapy Council

   Council directed staff to make some modifications to the proposed ordinance and bring back to Council at a later date.

**Public Communication**

5. **Written Requests - None**

6. **Appearance of Interested Citizens**

   David Read provided a brief report on behalf of the Yuba Sutter Arts Council

**Consent Calendar**

Councilmember Harris requested to have Item No. 12 removed from the Consent Calendar for further discussion. Councilmember Buckland moved to adopt items 7-11, and 13. Councilmember Didbal seconded the motion that passed with a unanimous vote.

7. **Minutes of December 13 and December 20, 2016**

   Approved the City Council Meeting Minutes of December 13 and December 20, 2016
8. **Yuba-Sutter Household Hazardous Waste Facility Lease**
   Authorized the City Manager to execute an updated Lease Agreement for the Hazardous Waste (HHW) Facility with the Regional Waste Management Authority (RWMA).

9. **Annual Community Facilities District Report Pursuant to Government Code Section 53411**
   Noted and Filed

10. **Annual Investment Policy Adoption**
    Approved the Investment Policy as presented

11. **HOME Investment Partnerships Program First Time Homebuyer Program and an Owner-Occupied Housing Rehabilitation Program grant application**
    Adopted Resolution No. 17-002 authorizing submittal of an application to the California State Department HCD for funding in the amount of $500,000 under the HOME Investment Partnerships Program and authorizing, if selected, the execution of a standard agreement, any amendments thereto and of any related documents necessary to participate in the HOME Investment Partnerships Program. Moreover, the resolution authorizes the expenditure and revenue appropriations required to utilize said grant funds.

13. **Professional Services Agreement with MHM, Inc. for Bridge Street Widening Project**
    Awarded a professional services agreement to MHM, Inc. of Marysville, CA for design services for the Bridge Street Widening Project in the amount of $134,377 plus $10,000 contingency with the finding that it is in the best interest of the City.

12. **Wastewater Treatment Facility Outfall Diffuser Relocation Assessment Professional Services Agreement with Environmental Science Associates**
    Councilmember Cardoza moved to award a Professional Services Agreement to Environmental Science Associates of San Francisco, CA in the amount of $102,286 to prepare an outfall diffuser relocation assessment for the Wastewater Treatment Facility, with the finding that it is in the best interest of the City. Councilmember Buckland seconded the motion that passed with a unanimous vote.

**General Items**

14. **5th Street Bridge Replacement Project (Plans & Specifications)**
    Councilmember Buckland moved to adopt Resolution No. 17-003 approving the plans and specifications for the 5th Street Bridge Replacement Project and authorizing advertisement for bids on the project upon authorization from the California Department of Transportation. Councilmember Didbal seconded the motion that passed with a unanimous vote.

15. **Confirmation of the Planning Commission’s approval of Use Permit 16-03 filed by Eco Compliance for property located at 3180 Industrial Drive**
    The following persons spoke:
    Reuben Saladin, Industrial Drive
Councilmember Didbal moved to adopt Resolution No. 17-004 to deny the appeal to overturn Planning Commission’s approval of Use Permit 16-03 and make necessary findings pursuant to Section 8-5.7003(d) of the Yuba City Municipal Code, inclusive of the Amended Conditions of Approval provided in this report. Councilmember Buckland seconded the motion that passed with a unanimous vote.

16. **State Revolving Fund Grant/Loan Application for Water Meter Replacement Project**

Councilmember Cardoza moved to adopt the Resolutions listed below for the State Revolving Fund Financial Assistance Application:

A. **Resolution No. 17-005** designating and authorizing the Public Works Director or designee to:
   i. Sign and file a Financial Assistance Application, for and on behalf of the City, for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Water Meter Replacement Project
   ii. Provide assurances, certifications, and commitments required for the financial assistance application, including a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto
   iii. Represent the City in carrying out the City’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws

B. **Resolution No. 17-006** dedicating the Water Enterprise Fund net revenues as the source for the payment of any and all Clean Water State Revolving Fund Program financing for the Water Meter Replacement Project

C. **Resolution No. 17-007** designating the City’s intent to reimburse the City for prior expenditures for the Water Meter Replacement Project

17. **Consideration of Establishment of a Yuba-Sutter Tourism Improvement District**

The following person spoke:

Rikki Shaffer, Yuba - Sutter Chamber of Commerce

Mayor Cleveland moved to adopt Resolution No. 17-008 requesting consent of the City Council of the Cities of Marysville, Live Oak and Wheatland, and the Board of Supervisors of the Counties of Yuba and Sutter to establish The Yuba Sutter Tourism Improvement District; and B. Adopt Resolution No. 17-009 setting a public meeting on February 21, 2017 and a public hearing on March 21, 2017 on the formation of the Yuba-Sutter Tourism Improvement District and levy of assessment on lodging businesses. Councilmember Cardoza seconded the motion that passed with a unanimous vote.

18. **Paperless Agenda Management System**

The following person spoke:

James Seif, Majorca Drive
Councilmember Buckland moved to: A. Approve the Purchase of Tablets and Smartphones for use by the City Council; B. Approve a supplemental appropriation for Fiscal Year 2017-18 of $3,600 for one-time equipment and software costs and $2,100 in ongoing annual costs; and C. Continue to provide the Technology Allowance to the City Councilmember of $30 a month to those Council members who provide their own equipment. Councilmember Harris seconded the motion that passed with a unanimous vote.

Business from the City Council

19. Appointments to City of Yuba City Boards and Commissions

Councilmember Buckland moved to approve the City Council Screening Committee Recommendations for Appointments. Councilmember Harris seconded the motion that passed with a unanimous vote. The following commissioners were appointed:

Planning Commission: Daria Ali, Dale Eyeler, and Jana Shannon
Economic Development Commission: Christine Ivory, Vinny Johl, Todd Remund

20. City Council Reports

- Councilmember Buckland
- Councilmember Cardoza
- Councilmember Harris
- Vice Mayor Didbal
- Mayor Cleveland

Adjournment

Mayor Cleveland adjourned the Regular Meeting of the City Council at 9:15 p.m.

____________________________
Stanley Cleveland, Jr. Mayor

Attest:

____________________________
Patricia Buckland, City Clerk
Special Meeting—Council Chambers

The City of Yuba City City Council meeting was called to order by Mayor Cleveland at 6:04 p.m.

Roll Call

Present: Councilmembers Cleveland, Didbal, Dukes, Gill, and Mayor Buckland
Absent: None

Pledge of Allegiance to the Flag

Councilmember Harris led the Pledge of Allegiance.

Public Communication on Items on the Agenda

1. Appearance of Interested Citizens

Members of the public may address the City Council concerning any item that has been described in the notice of this meeting.

General Items

2. Solid Waste Service options upon the Expiration Recology Yuba-Sutter’s Collection Service Agreement on September 30, 2019 – Contracting Analysis and Recommendations

The following persons spoke:

- Scott Kuhnen, Recycling Industries
- David Kuhnen, Recycling Industries
- Bruce Murphy, Republic Waste Services,
- Pat Miller, Sutter County Tax Payers Association
- Mike Leggins, Recology Yuba-Sutter

The following persons were allowed another 5 minutes to answer comments from Council:

- Bruce Murphy, Republic Waste Services
- Dave Kuhnen, Recycling Industries
- Mike Leggins, Recology Yuba-Sutter

Councilman Harris moved to approve Staff’s recommendation for Option 2: negotiate with current service provider (Recology Yuba-Sutter) and retain the option to conduct a
competitive procurement process if negotiations prove to be unsuccessful. Councilmember Cardoza seconded the motion. The motion failed per the following vote:

AYES: Councilmembers Cardoza and Harris
NOES: Councilmembers Buckland, Didbal, and Mayor Cleveland

Councilmember Buckland moved to approve Option 3: to prepare and release a request for proposals to qualified contractors to provide future collection services whether individually, collectively or in some combination. Councilmember Didbal seconded the motion that passed with the following vote:

AYES: Councilmembers Buckland, Didbal, and Mayor Cleveland
NOES: Councilmembers Cardoza and Harris

Mayor Cleveland adjourned the Special Meeting of the City Council of the City of Yuba City at 8:06 p.m.

Recommendation: Concur with the recommendation of Sloan Vazquez McAfee to negotiate with the current service provider (Recology Yuba-Sutter) and retain the option to conduct a competitive procurement process if negotiations prove to be unsuccessful

Adjournment
Date: February 7, 2016
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation By: Terrel Locke, Assistant to the City Manager

Summary

Subject: Approve Appointments to the Feather River Air Quality Management District (FRAQMD) Board of Directors for 2017

Recommendation: Approve the appointment of Live Oak Councilmember Lakhvir Ghag selected by City of Live Oak serve on the FRAQMD Board of Directors

Fiscal Impact: None.

Background:
The governing body of the FRAQM District is the nine member Board of Directors that includes five members from the two counties and four members from the four incorporated cities. Whenever a jurisdiction changes a member of the FRAQMD Board, the remaining jurisdictions must approve the new appointees.

Analysis:
A request for approval of the recommended members to the Board of Directors has been received from FRAQMD for the City of Live Oak representation. This recommendation has been deemed to be compliant with the 2004 Amended and Restated Agreement. The City of Yuba City representative is Mayor Cleveland. The other jurisdictions did not have any changes to their appointed representatives.

Fiscal Impact:
None.

Alternatives:
Do not approve.

Recommendation:
Approve the appointment of Live Oak Councilmember Lakhvir Ghag selected by City of Live Oak serve on the FRAQMD Board of Directors

Attachment:
- Letter from Christopher D. Brown, AICP, Air Pollution Control Officer
To: City of Yuba City Council Members

From: Christopher D. Brown, AICP, Air Pollution Control Officer

Subject: Approval of appointment to the Board of Directors of the Feather River AQMD

Date: January 11, 2017

Recommendation:

Approve the new appointments to the Feather River Air Quality Management District Board of Directors for 2017.

Background and Discussion:

In accordance with the agreement for composition of the Feather River AQMD Board of Directors, the following new appointment listed below has been made. This action requires the approval of the Yuba City Council Members.

Directors:

Councilman Lakhvir Ghag (City of Live Oak)

Fiscal Impact:

None

Committee Action:

None required.
Summary

Subject: Water Distribution Certification Pay – First Level Managers

Recommendation:
A. Adopt a Resolution authorizing the Director of Finance to amend the salary schedule to reflect the creation of the Maintenance Supervisor – Water Distribution 3 and 4 job classifications as outlined in the staff report

B. Adopt a Resolution approving an amendment to the First Level Managers contract to add additional First Level Manager Maintenance Supervisors to the eligibility list for participation in water distribution certification pay, callback, and stand-by on an as needed basis

Fiscal Impact: $8,436 - to be paid out of the Water Fund

Purpose:
To provide certification pay to qualified First Level Managers who participate in water distribution callback and stand-by due to a shortage of qualified Public Works Maintenance Workers who can participate in water distribution callback and stand-by.

Background:
The California Department of Public Health established requirements for Water Distribution Operator Certification in 2001 and added provisions to ensure that all distribution systems are classified consistent with federal guidance. Out of a scale of 1 to 5, Yuba City’s water distribution system is classified as a D4 system which requires that someone with a minimum of a Water Distribution Operator 4 (D4) certificate act as the Chief Operator. The City’s Chief Operator is the Water Distribution Supervisor. In addition, only employees with a minimum of a Water Distribution Operator 3 (D3) certificate may act as a Shift Operator. Shift Operators are employees who provide callback and stand-by during non-working hours to address maintenance needs. They are typically on stand-by for one week at a time and must be available within a few minute’s notice to address a water emergency.

Several years ago, due to the limited availability of individuals with Water Distribution Certificates, the City implemented a water certification pay program. In summary, employees within the Water Distribution Division that have Water Distribution Certificates receive the following additional pay:

- D1 - $50 per month
- D2 – 2.5% of salary per month
- D3 – 2.5% of salary per month (cumulative = 5%)
- D4 – 2.5% of salary per month (cumulative = 7.5%)
Over the past few months, there have been significant changes in staffing within the Water Distribution Division. The previous Water Distribution Supervisor promoted to a position within the Community Services Department and one of the Public Works Maintenance Worker III employees promoted to Facilities Maintenance Supervisor. In addition, the previous Senior Maintenance Worker promoted to the Wastewater Collections Supervisor approximately 2 years ago. With all of the staffing changes, there are only 2 remaining employees within the division who meet the State requirements to participate in water distribution callback and stand-by.

Staff reached out to State Water Resources Control Board staff who oversee the drinking water program to inquire as to whether or not individuals with a Water Distribution Operator 2 (D2) certificate could act as Shift Operators on a temporary basis. The response was no. A D2 operator would still need to work under the oversight of a D4 or D3 operator.

It is not feasible to require the only 2 remaining employees to cover callback and stand-by on an ongoing basis. To assist the Department, the Facilities Maintenance Supervisor, who has a D4 certificate, has been participating in callback and standby since June 2016 but has not been receiving water certification pay. In addition, the Wastewater Collections Supervisor, who has a D3 certificate, is willing to assist so that there are 4 people available to participate in callback and stand-by.

**Analysis:**

To address the fact that the City is utilizing the Facilities Maintenance Supervisor’s D4 certificate, and will be using the Wastewater Collections Supervisor’s D3 certificate, it is recommended that two new job classifications be created to provide certification pay and that an amendment be executed to the First Level Managers contract.

It is also proposed that these two individuals be removed from the callback and stand-by rotation once there are two additional employees within the Water Distribution Division that obtain a minimum of a D3 certificate so that they are qualified to act as Shift Operators. The Water Distribution Division would then have 4 qualified individuals to participate in callback and stand-by which would equate to one week per month. There are two employees in the Water Distribution Division who are currently scheduled to take the D3 exam in March.

The current salary schedules for the Facilities Maintenance Supervisor and Wastewater Collections Supervisor are as follows:

<table>
<thead>
<tr>
<th>JCN</th>
<th>Title</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>6042</td>
<td>Facilities Maintenance Supervisor</td>
<td>$4,683</td>
<td>$4,917</td>
<td>$5,163</td>
<td>$5,421</td>
<td>$5,692</td>
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<td></td>
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<td>$27.02</td>
<td>$28.37</td>
<td>$29.79</td>
<td>$31.28</td>
<td>$32.84</td>
</tr>
<tr>
<td>6210</td>
<td>Wastewater Collections Supervisor</td>
<td>$4,683</td>
<td>$4,917</td>
<td>$5,163</td>
<td>$5,421</td>
<td>$5,692</td>
</tr>
<tr>
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<td></td>
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<td>$28.37</td>
<td>$29.79</td>
<td>$31.28</td>
<td>$32.84</td>
</tr>
</tbody>
</table>

The recommendation for the Maintenance Supervisor – Water Distribution 3 and 4 salary schedules are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Supervisor – Water Distribution 3</td>
<td>$4,920</td>
<td>$5,166</td>
<td>$5,424</td>
<td>$5,695</td>
<td>$5,980</td>
</tr>
<tr>
<td></td>
<td>$28.38</td>
<td>$29.80</td>
<td>$31.29</td>
<td>$32.86</td>
<td>$34.50</td>
</tr>
<tr>
<td>Maintenance Supervisor – Water Distribution 4</td>
<td>$5,042</td>
<td>$5,294</td>
<td>$5,559</td>
<td>$5,837</td>
<td>$6,129</td>
</tr>
<tr>
<td></td>
<td>$29.09</td>
<td>$30.54</td>
<td>$32.07</td>
<td>$33.68</td>
<td>$35.36</td>
</tr>
</tbody>
</table>
In addition, the proposed amendment to the First Level Manager’s contract is attached as Exhibit 2.

**Fiscal Impact:**
The estimated cost for temporary certification pay to the Facilities Maintenance and Wastewater Collections Supervisors is $8,436 for FY 2016/17. As noted previously, this will be a temporary reclassification until such time as two additional employees within the Water Distribution Division obtain D3 certificates. There are sufficient funds budgeted in the water account to cover the increase.

**Alternatives:**
1. Do not pay certification pay to the two maintenance supervisors that are participating in water distribution callout and stand-by.
2. Direct staff to find an alternative means to compensate the maintenance supervisors for utilization of their water distribution certificates.

**Recommendation:**
A. Adopt a resolution authorizing the Director of Finance to amend the salary schedule to reflect the creation of the Maintenance Supervisor – Water Distribution 3 and 4 job classifications as outlined in the staff report.
B. Adopt a resolution approving an amendment to the First Level Managers contract to add additional First Level Manager Maintenance Supervisors to the eligibility list for participation in water distribution certification pay, callback, and stand-by on an as needed basis.

**Attachments:**
1. Resolution authorizing the Director of Finance to amend the salary schedule
2. Resolution approving an amendment to the First Level Managers contract
3. First Level Managers Contract Amendment

**Prepared by:**
/s/ Diana Langley
Diana Langley
Public Works Director

**Submitted by:**
/s/ Steven C. Kroeger
Steven C. Kroeger
City Manager

**Reviewed by:**
Finance
City Attorney

RB
TH via email
RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE DIRECTOR OF FINANCE TO AMEND THE SALARY SCHEDULE
TO ADD THE MAINTENANCE SUPERVISOR – WATER DISTRIBUTION 3 AND 4 JOB
CLASSIFICATIONS

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF YUBA
CITY AS FOLLOWS:

SECTION I.

The Salary Schedule and Compensation Plan shall reflect the following salary adjustments and changes:

ADD:

<table>
<thead>
<tr>
<th>Title</th>
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<td>$4.920</td>
<td>$5.166</td>
<td>$5.424</td>
<td>$5.695</td>
<td>$5.980</td>
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<td>$28.38</td>
<td>$29.80</td>
<td>$31.29</td>
<td>$32.86</td>
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</tr>
<tr>
<td>Maintenance Supervisor – Water Distribution 4</td>
<td>$5.042</td>
<td>$5.294</td>
<td>$5.559</td>
<td>$5.837</td>
<td>$6.129</td>
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<td>$30.54</td>
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<td>$33.68</td>
<td>$35.36</td>
</tr>
</tbody>
</table>

SECTION II.

The Director of Finance is hereby authorized to amend the salary schedule to reflect the adjustments.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 7th day of February 2017.

AYES:

NOES:

ABSENT:

__________________________________________
Stanley Cleveland, Jr., Mayor

ATTEST:

__________________________________________
Patricia Buckland, City Clerk
RESOLUTION NO. ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE AMENDMENT TO THE FIRST LEVEL MANAGER LETTER OF
UNDERSTANDING

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF YUBA
CITY AS FOLLOWS:

WHEREAS, City staff and contracted bargaining units have agreed to contract
amendments;

WHEREAS, the First Level Managers have agreed to modify Article 16, “Water
Certificate Pay, Callback, and Stand-by” to provide water certificate pay and allow additional
Maintenance Supervisors to participate in callback and stand-by as needed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as
follows:

Approve the attached labor contract amendment which modifies Article 16, “Water Certificate
Pay, Callback and Stand-by”.

I HEREBY CERTIFY that the foregoing resolution was introduced and adopted at a regular
meeting of the City Council of the City of Yuba City, held on the 7th day of February 2017, by the
following vote:

Ayes:
Noes:
Absent:

______________________________
Stanley Cleveland, Jr., Mayor

Attest:

______________________________
Patricia Buckland, City Clerk
AMENDMENT TO THE

LETTER OF UNDERSTANDING

Between

The City of Yuba City

And

First Level Managers

September 1, 2015 through June 30, 2017
The City of Yuba City and the First Level Managers have previously met and conferred and agreed upon an amendment to the current Letter of Understanding (LOU) for the period from July 1, 2014 through June 30, 2016.

Both parties have agreed to the following:

1. Article 16 – Water Certificate Pay, Callback and Stand By

Article 16 shall be amended as follows:

**ARTICLE 16 WATER CERTIFICATE PAY, CALLBACK AND STAND BY**

16.1 Water Certificate Pay

The City’s water distribution system is classified as a D4 system. Due to this D4 system classification, the Chief Operator is required to have a minimum of a D4 certificate and shift operators are required to have a minimum of a D3 certificate. To meet the intent of this drinking water regulation, the City must have employees working in water distribution who possess water distribution certifications. Water Distribution Certificate pay is for employees who work with or have the potential to work with the City’s water system and possess D-1 through D-4 certification.

For this section, FLMs who are assigned to work in water distribution are referred to as “Water employees”. FLMs who are not assigned to the area of water distribution are referred to as “Non-Water employees”.

The chart below is how water distribution certificate pay is applied to Water and Non-Water FLMs. Total amount of certification pay cannot under any circumstances exceed 10% of the employees’ salary (this includes bilingual pay).

<table>
<thead>
<tr>
<th>Water Distribution (i.e. Maintenance Supervisor-Water/Sewer)</th>
<th>Maintenance Supervisor – Water Distribution 3 and 4</th>
<th>Non-Water (i.e. Streets Maintenance, Wastewater Collections, and Facilities Maintenance Supervisors-Streets): If multiple certification, only receive $50 per month (cap).</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50 per month (D-1)</td>
<td>$50 per month (D-1)</td>
<td>$50 per month (D-1)</td>
</tr>
<tr>
<td>2.5% of salary per month (D-2)</td>
<td>2.5% of salary per month (D-2)</td>
<td>2.5% of salary per month (non-cumulative) (D-2)</td>
</tr>
<tr>
<td>2.5% of salary per month (cumulative = 5%) (D-3)</td>
<td>2.5% of salary per month (cumulative = 5%) (D-3)</td>
<td>2.5% of salary per month (cumulative = 5%) (D-3)</td>
</tr>
<tr>
<td>2.5% of salary per month (cumulative = 7.5%) (D-4)</td>
<td>2.5% of salary per month (cumulative = 7.5%) (D-4)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Water Treatment Plant FLMs shall receive certificate pay for treatment (T-1 through T-4) or distribution (D1 through D-4) certification. The distribution and treatment certificates are not paid on an individual basis; whichever certification is higher is the certificate that will determine...
the level of pay. Total amount of certification pay cannot under any circumstances exceed 10% of the employees’ salary (this includes bilingual pay).

<table>
<thead>
<tr>
<th>Water Treatment Plant FLMs: receive certificate pay for T-1 through T-4 or D-1 through D-4, whichever is higher.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50 per month (D-1 or T-1)</td>
</tr>
<tr>
<td>2.5% of salary per month (D-2 or T-2)</td>
</tr>
<tr>
<td>2.5% of salary per month (cumulative = 5%) (D-3 or T-3)</td>
</tr>
<tr>
<td>2.5% of salary per month (cumulative = 7.5%) (D-4 or T-4)</td>
</tr>
</tbody>
</table>

16.2 Callback and Stand-by Time

This section addresses the Public Works First Level Supervisor assigned to supervise the Water Distribution staff on stand-by for after hours and weekend/holidays for a seven day period.

A. There are two types of stand-by time: General and Water Distribution. The General stand-by employee is responsible for any after hour’s calls except for Water Distribution related calls. The Water Distribution First Level Supervisor stand-by employee is the designated Chief Operator for the water system and must respond to water distribution calls while on stand-by duty.

B. Stand-by pay shall be $2.45 per hour for all hours occurring between the end of the shift and the beginning of the next regular shift. A rotation stand-by list will be created and posted in January each year. Only the First Level Supervisor assigned to Water Distribution will be eligible for stand-by pay on an “as needed basis”. On an “as needed basis” is dependent upon the number of qualified D-3 or D-4 certified maintenance workers in the stand-by rotation. If needed, the Water Distribution First Level Supervisor must work on stand-by for water calls until it is determined that sufficient maintenance workers staffing levels exist to respond to water stand-by calls. If the number of qualified D-3 or D-4 certified maintenance workers in the stand-by rotation drops below 4, including the Water Distribution Supervisor, additional First Level Supervisors may be called upon to participate in stand-by provided that the individual has a minimum of a D-3 or D-4 certificate. In that situation, the First Level Supervisor shall be compensated in accordance with the Maintenance Supervisor – Water Distribution 3 and 4 job classifications.

C. The Water Distribution First Level Supervisor is allowed to trade stand-by weeks or individual days to stand-by eligible maintenance workers with written notice to their supervisor for approval at least two (2) days in advance of their scheduled stand-by week. The Water Distribution First Level Supervisor is provided a designated take home vehicle for the purpose of responding to call-outs. Take home vehicles will not be driven for any purpose other than driving to and from service calls and traveling to and from work. Employees required to use their personal vehicle while on stand-by shall receive the current IRS mileage rate for personal vehicle mileage while responding to callouts. Personal vehicle usage must have pre-approval of insurance coverage in accordance with the City’s policy. When the Water Distribution First Level Supervisor is called back to work he shall receive a minimum two (2) hours at time and one-half the employee's
regular rate of pay. Multiple call-outs within a two (2) hour minimum period are not separately compensable. If continuous work hours exceed the two (2) hour minimum, the actual time worked is paid at time and one-half the employees’ regular pay. The stand-by pay is from portal to portal or when call is received from dispatch until the employee has returned to their residence.

16.3 Personnel Eligibility for Water Distribution Stand-by

The Any First Level Supervisor that participates in Water Distribution stand-by shall:

A. Have a valid California Water Distribution D-43 or higher certification.
A.B. The Water Distribution First Level Supervisor must have a minimum of a Class A California Driver’s License.
B.C. The Water Distribution First Level Supervisor must be within 45 minutes response time using an internet mapping site.
C.D. The Water Distribution First Level Supervisor while on stand-by must remain physically able to respond within 45 minutes to the incident and refrain from the use of alcohol, medications or substances that may interfere with their ability to effectively respond to any call for service.

16.4 Assignment Period

A typical stand-by period shall be one week beginning on Thursday at conclusion of the workday and continuing to the following Thursday at conclusion of the workday.

16.5 Assignment Limits

The Any First Level Supervisor participating in stand-by assigned to water distribution will be limited to two weeks stand-by at a time (in a row), however the First Level Supervisor may be required to work more than two weeks in a row should extenuating circumstances occur. In the event the Water Distribution on-call covers both General and Water Distribution shifts for on-call they will not collect any additional pay.

16.6 Exceptions

A. The First Level Supervisor is responsible for finding qualified substitutes when necessary due to illness or a family emergency. When a substitute is found the stand-by employee must notify a supervisor and police dispatch.

B. Stand-by is typically filled by a voluntary basis. In the event no employees volunteer to cover stand-by, the Department Director or designee will choose from the qualified personnel listing. The stand-by employee substituting for the First Level Supervisor is required to have a Water Distribution D-3 or D-4 Certification.
2. **Remainder of Contract Not Affected.**

All other provisions of the current LOU between the City and the First Level Managers shall remain unchanged for the remainder of the contract period.

Date: ________________________  Date:_____________________

---

CITY OF YUBA CITY  FIRST LEVEL MANAGERS

____________________________________  ________________________________
Steven C. Kroeger, City Manager  Brian Hansen, FLM

____________________________________
Robin Bertagna, Director of Finance  ________________________________

____________________________________
Natalie Springer, Director of Human Resources  Ann Gillen, FLM
Date: February 7, 2017
To: Honorable Mayor & Members of the City Council
From: Police Department
Presentation By: Chief Robert D. Landon

Summary

Subject: Community Policing Coordinator position

Recommendation:
A) Adopt a Resolution Approving the position of Community Policing Coordinator
B) Make budget adjustments as necessary to Police Administrative Budget

Fiscal Impact: Total salaries and benefits, projected at Step 3 would be $82,672 annually. Fiscal impact for this year would be approximately $20,668 (If hired by March 1, 2017)

Purpose:
Increase the Police Department’s interaction and outreach to the community through the addition of a Community Policing Coordinator position.

Background:
In October of 2016, I was invited to attend the White House’s “Advancing 21st Century Policing Briefing” forum with over 100 other police chief’s from around the country. Then President Obama’s Community Oriented Policing Department representatives spoke about the final report for the President’s Task Force on 21st Century Policing findings from May 2015. This was a task force formed with over 100 stakeholders from diverse groups throughout the country to identify best practices and offering recommendations on how policing practices can promote effective crime reduction while building public trust. Six pillars were identified:

1) Building Trust and Legitimacy
2) Policy and Oversight
3) Technology and Social Media
4) Community Policing and Crime Reduction
5) Training and Education
6) Officer Wellness and Safety

The Yuba City Police Department has done a very good job of continuously improving and incorporating best practices while addressing these pillars. The area of Community Policing is one that the department feels is the most impactful to our community, creating an atmosphere of trust and inclusion. We feel the addition of a Community Policing Coordinator would provide immediate, long lasting and the greatest benefits to our community. It would help address building trust and
legitimacy, policy and oversight, social media, community policing and crime reduction and training and education. Five pillars of the six would be affected.

In the mid 1990’s the department employed a Crime Prevention Officer; it was a non-sworn position that coordinated the Neighborhood Watch Programs and the various outreach programs the department had in place at that time. Through tough economic times and a restructuring of our department’s duties, that position was reclassified and ultimately lost due to funding limitations. Since that time we have assigned the duties to a multitude of different personnel in order to maintain the Neighborhood Watch Program, Volunteers in Policing and other outreach programs. We have seen a decrease in the number of Neighborhood Watch Programs and a watering down of other community programs, as a result of the inconsistent oversight.

This December (2016) we lost our Volunteer Coordinator, due to her wish to spend more time with her family who reside in Fort Bragg. We have filled that role temporarily between Sergeants and several volunteers. The volunteers only work a limited amount of hours per month; this creates a loss of efficiency in handling certain community issues that need daily maintenance. This supervision and oversight cannot be accomplished through a temporary supervisor who is also a volunteer, and not available to interact with Administration and other volunteers on a regular basis. The Sergeants’ main responsibility is with Patrol, so their time is limited and often interrupted by pressing issues of a rapidly evolving event or a need for direct supervision. The Community Policing Coordinator would afford us the opportunity to provide a consistent presence and oversight for our volunteers to assist them as they perform their many critical functions. Our volunteers have identified this lack of consistent oversight as a hurdle in the performance of their duties. These conditions are less than ideal, and detract from the level of quality service, and innovation the Police Department strives to provide our citizens.

The addition of this position would allow the department a greater access to the public, a more direct contact and improved communication with the Neighborhood Watch Programs, an ability to coordinate and facilitate regular meetings between the department and different community organizations, an ability to interact with the business community and an opportunity to expand and increase our Volunteer in Policing Team. The relationship with our local businesses would improve, through a direct point of contact that is able to meet regularly with our local businesses, and bring back concerns, ideas or constructive feedback to the Administrative staff or the responsible Police Department Representative for action. The Community Policing Coordinator would also schedule regular training with our businesses.

Finally, the police department is a 24 hour a day; 7 days per week operation that requires redundancy in certain critical areas. With the addition of personal body cameras and the necessity of increased accountability in how our work hours are managed we need to build a backup to our currently existing systems. The need to produce evidence, in the form of capturing video data on recording discs for the District Attorney, on short notice is critical in the prosecution of criminal cases. This position would allow us to train the Coordinator as a backup in case of vacation, illness or other unforeseen circumstances. The payroll process is highly complex due to the many variables and different job classifications within the department. To eliminate inefficiencies and cultivate a highly proficient staff, full redundancy and cross training in the operation and maintenance of the scheduling program is critical to ensure our personnel are paid accurately. This position would allow the Coordinator to also be trained in that capacity, and to the level of competency needed for a critical component of our operation.

**Analysis:**

The position of Community Policing Coordinator would be reestablished in order to help balance the role of the department between Enforcement, Education and Interaction with our community. The job responsibilities would include oversight of the Volunteers in Policing, Gang Resistance Education and Training Program (GREAT), Citizen Academy, “Coffee with a Cop”, biannual Community Forums, Neighborhood Watch Program, National Night Out events, Social Media Liaison, Business Partnership Program. There will be an immediate improvement of relations
between the community and the department (city) as we are able to work on a daily basis with all the different community groups in our city. It would increase our responsiveness to community concerns, and also allow more time for proactive positive interactions.

There are several examples of this position amongst local law enforcement agencies. We would take the best practices of the Woodland, Rocklin, Roseville, Davis and West Sacramento models and incorporate them into our job description and expectations of this position.

In evaluating our pay schedule, we feel it is appropriate to start at the following hourly salary level and steps:

<table>
<thead>
<tr>
<th>Step</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>$20.80</td>
</tr>
<tr>
<td>Step 2</td>
<td>$21.94</td>
</tr>
<tr>
<td>Step 3</td>
<td>$22.93</td>
</tr>
<tr>
<td>Step 4</td>
<td>$24.08</td>
</tr>
<tr>
<td>Step 5</td>
<td>$25.28</td>
</tr>
</tbody>
</table>

This schedule was selected based on past pay schedule when the position was funded, and consideration for the additional duties and oversight this person will be assigned. The pay scale is the same as our Field Service Technician (Evidence Technician), higher than our Records Clerks (top step $21.16) and slightly higher than our Community Service Officers (top step $24.95). There would be an expectation of working overtime as needed to fulfill unscheduled or unplanned events.

We would also be able to reevaluate and increase the services we currently provide our community. The Community Policing Coordinator will be tasked with continuously monitoring the needs of our citizens, while evaluating other agencies for best practices and incorporating them into our Police Department to continue to fulfill the Mission Statement of the city in producing quality service and innovation.

**Fiscal Impact:**

Total salaries and benefits, projected at step 3 would be $82,672 annually. Fiscal impact for this year would be approximately $20,668 (If hired by March 1, 2017).

**Alternatives:**

1) Do not approve position.

**Recommendation:**

A) Approve the position of Community Policing Coordinator  
B) Make budget adjustments as necessary to Police Administrative Budget.

Prepared By: /s/ Rob Landon  
Submitted By: /s/ Steven C. Kroeger  
Robert D. Landon  
Police Chief  
Steven C. Kroeger  
City Manager  

Reviewed By:  
Finance  
City Attorney  

RB  
TH by email
RESOLUTION NO. ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE DIRECTOR OF FINANCE TO AMEND THE SALARY SCHEDULE
TO ADD THE COMMUNITY POLICING COORDINATOR

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF YUBA
CITY AS FOLLOWS:

SECTION I.

The Salary Schedule and Compensation Plan shall reflect the following salary adjustments and
changes:

ADD:

<table>
<thead>
<tr>
<th>Title</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Policing</td>
<td>$3,606</td>
<td>$3,803</td>
<td>$3,975</td>
<td>$4,174</td>
<td>$4,382</td>
</tr>
<tr>
<td>Coordinator</td>
<td>$20.80</td>
<td>$21.94</td>
<td>$22.93</td>
<td>$24.08</td>
<td>$25.28</td>
</tr>
</tbody>
</table>

SECTION II.

The Director of Finance is hereby authorized to amend the salary schedule to reflect the
adjustments.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced,
passed and adopted at a regular meeting thereof held on the 7th day of February 2017.

AYES:

NOES:

ABSENT:

__________________________
Stanley Cleveland, Jr., Mayor

ATTEST:

__________________________
Patricia Buckland, City Clerk
Date: February 7, 2017
To: Honorable Mayor & Members of the City Council
From: Police Department
Presentation By: Chief Robert D. Landon

Summary

Subject: Addition of two Community Service Officers

Recommendation: A) Approve the additional positions of Community Service Officers

B) Make budget adjustments as necessary to Police Patrol Budget

Fiscal Impact: Total salaries and benefits annually, projected at step 1 would be $72,843 per Community Service Officer for a total annual expenditure of $145,686

Purpose:
Increase operational efficiency of Police Patrol Division through the addition of two Community Service Officers.

Background:
The role of the Community Service Officers is to perform routine, nonsworn, field and office law enforcement related duties. Community Service Officers make citizen contact, promote positive public relations for the department, write incident documentation, collect and account for evidence, process crime scenes, assist sworn personnel in special events and perform other related work as assigned.

Community Service Officers (CSO’s) allow sworn officers the ability to conduct more proactive patrolling, by their ability to respond to a multitude of calls without suspects. They enable officers to spend less time at traffic accidents and in-depth crime scenes through the CSO’s ability to provide traffic control and process crime scenes for evidence, allowing patrol officers to focus attention to in-progress crimes. Some additional benefits that result from utilizing CSO’s are, officers can respond more rapidly to calls, as they are not tied up on a cold call, patrol officers are available to spend more time proactively looking for crimes, as well as more time for directed enforcement (traffic enforcement, business contacts as examples).

In the 2009-2010 fiscal budget the Yuba City Police Department had 8 positions for Community Service Officers, in 2016-2017 that number had been reduced to 4 full-time CSO’s and 1 Lead CSO who spends 50% of his time as a Crime Analyst. The Crime Analyst position was a full-time position in 2009-2010, which was lost due to retirement and consolidation. The number of calls for service increased in that same period (2009-2015) from 44,856 calls in 2009 to the last available year 2015, which showed 45,652 calls for service.

As a result of the increase in calls for service, sworn staff shortages in that period of time and less CSO’s available to answer calls, the amount of available time for directed enforcement and pro-
active patrolling by the sworn officers was significantly impacted. Officers also had less time to engage in community events, such as the Neighborhood Watch Program meetings.

**Analysis:**

Hiring a Patrol Officer is a time intensive process. It can take a brand new officer thirteen months from the date of announced testing until the time he/she is able to handle calls as a solo officer. The delay is caused by the time needed to conduct testing, select a candidate, conduct a comprehensive background examination, conduct a medical examination, a psychological examination, complete a State approved Police Academy, then finally conduct a 4 to 5 month Field Training Program. There has been a nationwide shortage of qualified officers, an exodus of retirements, and a decrease in available Police Academies. The end result is a very competitive market.

One alternative to increasing the proactive patrolling and directed enforcement for our Patrol Officers would be through the hiring of two additional CSO’s. Although many of the background requirements are the same as a Patrol Officer, the time needed to prepare and have the CSO on the road, is half of the time needed for a Patrol Officer. The time frame is approximately five to six months depending on the availability of Human Resources Division to schedule the hiring process.

The Appeal Democrat published a story on January 24th about patrol staffing issues in the Yuba/Sutter area. The article highlighted staffing deficiencies and spoke about our department’s efforts to increase our staffing. While we are confident, and statistics show that we are making progress in filling all of our sworn staffing, in the current economic climate of low unemployment rates, competitive marketing for officer positions, and the inability of Police Academies to conduct more academies per fiscal years, without intervention we feel this issue will continue to be exacerbated over time.

Hiring Community Service Officers is a viable alternative to fill the void created by a lack of qualified officers. It does not place a new sworn officer on the road, but it does allow for the current officers to spend more time being proactive, and working on directed enforcement as the CSO’s respond to calls that would have been previously answered by sworn officers. CSO’s will continue to respond to calls without suspects. Approximately 25% of all of our calls can be handled by a Community Service Officer. Although these are only 25% of our call volume, most of these calls can be very time intensive. If an officer responds to a crime scene, because of the lack of a CSO, they must handle the processing of the scene and the collection of evidence in its entirety. These calls can cause patrol officers to be unavailable for hours at a time.

Current staffing for CSO’s is three on patrol, one in Investigations, and one 50% Lead CSO Position (other 50% of this position is spent as Crime Analyst). The addition of these two new CSO’s will allow us to analyze the most appropriate time to schedule them, most likely at peak call volume times. Currently they work Monday through Friday on ten hour overlapping schedules from 0600 to 1800 hours (6 am to 6 pm). When one CSO is on vacation, sick or training it causes additional work load on patrol staffing, and officers must respond to the calls which may have been diverted to the CSO.

**Fiscal Impact:**

Total salaries and benefits annually, projected at step 1 would be $72,843 per Community Service Officer, for a total annual expenditure of $145,686.
Alternatives:
  1) Do not approve position.

Recommendation:
A) Approve the additional positions of Community Service Officers;
B) Make budget adjustments as necessary to Police Patrol Budget.

Prepared By: /s/ Rob Landon
Robert D. Landon
Police Chief

Submitted By: /s/ Steven C. Kroeger
Steven C. Kroeger
City Manager

Reviewed By:
Finance
City Attorney
Date: February 7, 2017
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Mandeep Chohan, Senior Engineer

Summary

Subject: Amendment to Professional Services Agreement with RMC Water and Environment for Wastewater Treatment Facility Improvements

Recommendation: Authorize the City Manager to execute Amendment No. 1 to the existing Professional Services Agreement in the amount of $293,410 to prepare design documents for a new Secondary Clarifier, with the finding that it is in the best interest of the City

Fiscal Impact: $293,410 – Account No. 981219-65502 (Secondary Clarifier No. 4)

Purpose:
To construct an additional secondary clarifier as part of the Wastewater Treatment Facility Improvements Project.

Background:
The City of Yuba City Wastewater Treatment Facility (WWTF) was originally constructed in 1972. Most of the process units have been in service for over 40 years. In order to meet the 10.5 MGD permitted capacity, all process units must be online and operating efficiently. The age of the current facility has created several significant challenges which are being addressed as WWTF Improvements Project. Pre-design engineering services for the WWTF Improvements Project were awarded by City Council to RMC Water and Environment (RMC) on June 2, 2015.

On November 1, 2016, the City Council awarded a Professional Services Agreement to RMC in the amount of $1,050,000 to prepare the design documents for the prioritized WWTF Improvements. Staff recommended splitting the construction project in two separate phases as listed below. All the listed projects in Phase I and Phase II have been identified as Priority 1 and Priority 2 projects in the rate study adopted in 2016.

Phase I Project:
- Digester Improvements
- Dewatering Improvements
- Barscreen Rehabilitation/Replacement
- Electrical and Instrumentation Improvements
Phase II Project:

- New Secondary Clarifier
- Wastewater Treatment Facility Effluent Discharge Diffuser in the Feather River

Analysis:

As part of the pre-design work, RMC, City staff and other industry experts evaluated several options to improve the on-going solids settling issues in the Secondary Clarifiers. The goal of this evaluation was to find potential options to improve solids settling issues and to enhance the existing capacity of the Secondary Clarifiers. In addition, RMC evaluated options to construct a filtration unit instead of a new secondary clarifier as an alternative. Based on these evaluations, RMC and City staff are recommending moving the new Secondary Clarifier project from Phase II to Phase I for the main reasons listed below.

The design and construction of the new Secondary Clarifier will be cost effective in Phase I of the project.

1. The addition of a new Secondary Clarifier will allow the City to perform the needed repairs on the existing clarifiers by taking them out of service. Currently, the WWTF does not have any operations flexibility to take any of the existing Secondary Clarifiers out of service for repairs and maintenance.
2. Addition of the new Clarifier will provide needed operations flexibility to meet permit compliance objectives.

Based on the current construction market conditions, the pre-design report estimates the construction cost of the identified improvements of the revised Phase I project to be in the range of $15.5 million to $18.5 million. Staff is preparing an application to apply for a Clean Water State Revolving Fund (SRF) low-interest loan to fund this project on a 30-year loan term. The current rate structure of the wastewater enterprise fund will be able to pay the debt payments associated with this loan.

It is anticipated that the design of the project will be complete by September 2017 and staff will request authorization from the City Council to advertise for formal bids in October 2017.

Fiscal Impact:

The Amendment No. 1 will provide an additional $293,410 to the Professional Services Agreement. With this amendment, total contract shall not exceed $1,343,410. The Amendment will be funded through adopted FY 2016-17 Wastewater Capital Improvement Program (CIP) Account No. 981219-65502 (Secondary Clarifier No. 4).

Alternatives:

Reject the proposed amendment and provide staff direction to delay the proposed work. The delay of the proposed work will have a cost impact of an approximate additional $150,000 to $200,000 to design and construct Secondary Clarifier No. 4 as a separate project. The delay will also prevent needed repairs to the existing secondary clarifiers with the risk of potential permit noncompliance and associated fines.

Recommendation:

Authorize the City Manager to execute Amendment No. 1 to the existing Professional Services Agreement in the amount of $293,410 to prepare design documents for a new Secondary Clarifier with the finding that it is in the best interest of the City.
Attachments:
1. Amendment No. 1 to Agreement for Professional Services
2. New Secondary Clarifier Design Scope of Services

Prepared by: /s/ Mandeep Chohan
Mandeep Chohan
Senior Engineer

Submitted by: /s/ Steve C. Kroeger
Steven C. Kroeger
City Manager

Reviewed by:
Department Head
Finance
City Attorney

DL
RB
TH via email
AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL SERVICES

This Amendment No. 1 to the Agreement for Professional Services is made and entered into as of February 8, 2017, by and between the City of Yuba City, a municipal corporation (“City”), and RMC Water and Environment (“Consultant”).

RECITALS

WHEREAS, by Agreement for Professional Services dated November 1, 2016 (“Prime Agreement”), City retained Consultant to prepare design documents for the Wastewater Treatment Facility Improvements Project as described in the Scope of Work of Exhibit A in the Prime Agreement; and

WHEREAS, City wishes to amend the Prime Agreement by increasing the compensation to be paid to the Consultant for Secondary Clarifier No. 4 design documents and other related services as described in the attached Scope of Services (Attachment 1).

AGREEMENT

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. Section 3, Compensation, of the Prime Agreement is amended to add the following:

   For services rendered by Consultant under this Amendment No. 1 to the Prime Agreement as outlined above, Consultant shall be paid an additional ‘two hundred ninety three thousand four hundred and ten dollars’ ($293,410). Including these additional fees, payment to Consultant shall not exceed ‘one million three hundred forty three thousand four hundred and ten dollars’ ($1,343,410) without additional written authorization from the City.

2. Except as amended in this Amendment No. 1, the terms and conditions of the Prime Agreement shall remain the same and shall be in full force and effect.

   IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Professional Services Agreement to be made effective on the date first written above.

City of Yuba City

By: __________________________ __________________________
    Steven C. Kroeger, City Manager Date

RMC Water and Environment

By: __________________________ __________________________
    Dave Richardson, Senior Vice President Date
APPRAOCH

The City of Yuba City (City) is implementing a Wastewater Treatment Facility (WWTF) Digester and Dewatering, and Electrical Facilities Improvement Project (Project) to replace the existing digester covers and increase the reliability and operability of the dewatering system. RMC Water and Environment (RMC), now a Woodard & Curran Company, performed analyses of various WWTF processes as part of the previous project (Wastewater Treatment Facility Improvements), including different digester cover and digested sludge dewatering system alternatives, to develop a draft Basis of Design Technical Memorandum (TM) for each process (being finalized as of January 2017).

The Project will also include electrical upgrades to the motor control centers (MCC) in the grit facility, return activated sludge (RAS) building, and chlorine disinfection area. The 12kV transformers and switches will also be replaced as part of this project. A new multi-rake bar screen will also be installed in an existing headworks channel, which will operate in parallel with one of the two existing bar screens.

The approved Project tasks are listed below:
- Task 1 Digester Improvement Design
- Task 2 Digested Sludge Dewatering Facility Rehabilitation/Replacement Design
- Task 3 Electrical Upgrades Design
- Task 4 Headworks Bar Screen Replacement Design
- Task 5 Effluent Area PLC Evaluation & Design
- Task 6 Project Contingency (includes 12kV transformer and switches replacement design)

In December 2016, the City provided direction to RMC to prepare a scope and fee estimate for the design of a new secondary clarifier (Secondary Clarifier #4), which is to be added to the existing design project as a contract amendment. The design of new secondary clarifier will be developed to match the existing secondary process at the WWTF.

RMC will develop civil layouts and drawings necessary to construct Secondary Clarifier #4, including yard piping alignments and profiles to connect the new clarifier to existing processes. RMC will develop a design for a complete and functional mechanical system for Secondary Clarifier #4, including sludge and scum equipment, scum pit, and connections to existing RAS/WAS pump stations. It is assumed that the existing RAS/WAS pump stations will be modified in order to provide sufficient capacity and hydraulic demands. The hydraulics of existing secondary clarifier influent splitter box will be evaluated for the inclusion of a fourth clarifier. For budgeting purposes, it is assumed that modifications to the influent splitter box will be required.

RMC will provide structural design of the new clarifier tank, which are to be based from the information presented in the latest geotechnical information. It is assumed that no other structural modifications are required in other areas related to the construction of the new secondary clarifier.
RMC will design a motor control center to provide power and to operate the new secondary clarifier. RMC will develop an instrumentation and control (I&C) system design, which will interface with the existing I&C and SCADA systems at the WWTF. The I&C design will also include development of process loop control descriptions which will be used in the SCADA programming (which is anticipated to be performed by the construction contractor, or through a separate contract with the City.

The new secondary clarifier design effort will be tracked under a new task (Task 7) and will include design (50%, 95%, and final design submittals) and bid services subtasks. The schedule of Task 7 design submittals and bid advertisement is intended to follow the overall project schedule. Updated drawing sheets and design criteria will be provided to the City for review on an “in-progress” basis, as needed to remain on schedule. The design of the new secondary clarifier will be based on the Basis of Design TM that RMC is preparing as part of the earlier alternatives analysis and predesign project.

A preliminary list of anticipated project drawings for the new secondary clarifier to be included, in addition to the original drawing list (provided in the Project scope), is included as Attachment 1.

Additional work beyond what is anticipated now, and is described in Amendment No. 1 herein may require additional budget that would be authorized separately by the City in writing.

TEAM

RMC and a variety of specialty consultants who are already contracted with RMC as part of the overall project, including ArcSine Engineering (ArcSine) and TJC and Associates (TJC), will perform the services described in this Amendment No. 1.

The following designations are used throughout the Scope of Work:

- City, which refers to the City of Yuba City
- CONSULTANT, which refers to RMC and incorporates the consultant team, including staff from RMC and its subconsultants.
- PROJECT TEAM, which refers to the City and CONSULTANT
SCOPE OF WORK

This Scope of Work defines the tasks that CONSULTANT will perform in completing the Project: The task headings (subtasks) for the new secondary clarifier design are as follows:

- Task 7 New Secondary Clarifier Design
  - 7.1 Project Management and Administration
  - 7.2 50% Design
  - 7.3 95% Design
  - 7.4 Final Design Submittal
  - 7.5 QA/QC
  - 7.6 Bid Services

The design of the new secondary clarifier will be completed on the same timeline as the rest of the project and integrated into a single package for bidding and construction. Common tasks such as project management, QA/QC, and bid services have been split amongst the process areas for budget tracking purposes.

The scope of work for final design is based on the following:

- The City will provide CONSULTANT with City standards for design and equipment operation and maintenance (e.g. equipment number scheme, control panel color scheme, etc.)
- The City will provide CONSULTANT with a consolidated summary of City review comments on all interim deliverables.
- The City will provide the front end specifications (Divisions 0 and 1) for the project. CONSULTANT will revise the front end specifications to reflect the project needs and for consistency with the technical provisions.
- The City will provide information on existing process equipment and process data. It is assumed that existing survey and geotechnical information is available for RMC's review and use in the project.
- Electronic copies of drawings and specifications will furnished for design submittals. Half size drawings will measure 11” by 17”.
- Scope and level of effort are based on the scope developed from the previous alternatives analysis and predesign project (Wastewater Treatment Facility Improvement, July 2, 2015). Additional information regarding the secondary process should be communicated to the design team in a timely manner, since it may change or modify the design. Significant changes to the Project that are not described herein will require modification of the scope and fee.
- Although the scope of work is broken down into subtasks, the fee for each subtask is not an exact estimate. It is anticipated that some subtasks may require more effort and some may require less effort. The CONSULTANT shall have the ability to adjust the budgets within and amongst tasks, including the base scope and amendment tasks and subtasks to balance the overall level of effort. The CONSULTANT shall not exceed the total contract budget without written authorization from the City.
- Where required, site lighting will be minimal and building indoor lighting will consist primarily of strip LED fixtures. Illumination levels will be designed to meet industry standards for this type of facility. Given the nature of this facility and the scope of the improvements, Title 24 compliance documentation (to confirm lighting wattages meet State requirements for this type of facility) is not included in this Scope.
- Where practical, designs will include integration of process I/O with existing plant PLC(s), and the existing plant SCADA system. New PLC(s) will be designed, as required. PLC and SCADA
programming will be included in the scope of the construction contractor or separate vendor contract.
Task 7  New Secondary Clarifier Design

CONSULTANT will prepare the design for construction of a new secondary clarifier (Secondary Clarifier #4). Modifications to other parts of the secondary process associated with construction of a new clarifier, such as electrical and I&C modifications, RAS/WAS pumping systems, and yard piping, are included in the design.

CONSULTANT will design the new secondary clarifier based on the design criteria established in the Basis of Design TM that is being prepared by RMC as part of the earlier alternatives analysis and predesign project. The Basis of Design TM will contain major design concepts and configurations and will be used as a guide through the design process and should not be modified. Any changes to major design criteria and layout will be considered a change in scope due to additional modifications and rework.

The predesign memo will:
- Establish the overall process and major equipment recommendations
- Develop discipline engineering design and operating criteria
- Provide preliminary site plan and layout
- Define implementation schedule and project staging

Electrical upgrades are documented in the Electrical Power Distribution System Evaluation TM (September 2016). The CONSULTANT will prepare power distribution design for the new secondary clarifier, with motor controls to be located in the existing electrical building immediately to the south of the existing RAS Building.

The CONSULTANT will develop an instrumentation and control system for the new secondary clarifier, to generally match the existing clarifiers. The new secondary clarifier control and monitoring systems will be developed to interface with the existing plant I&C and SCADA systems, with process I/O integrated into the existing Clarifier PLC control panel. The instrumentation and control work will also include the development of process loop control descriptions which will be used in the SCADA programming, which will be performed by others (i.e. the construction contractor or through a separate vendor contract by the City).

Assumptions:
- The new secondary clarifier equipment will be powered by the existing WWTF electrical system.
- Design of the new secondary clarifier will be based on the design of existing 100-feet secondary clarifier (south clarifier).
- Design submittals for the new secondary clarifier will be developed in conjunction with other treatment plant process upgrade designs included in the Project, and will result in a single consolidated and biddable construction package.
- Design elements will not significantly change from what is established the predesign memo. Significant modifications to these elements will require additional time and budget.
- Construction drawings will be prepared using AutoCAD 2010 (or later) and specifications will be prepared in the CSI format using Microsoft Word.

7.1  PROJECT MANAGEMENT AND ADMINISTRATION

CONSULTANT will perform additional project management for Task 7 consistent with the scope described under Subtask 1.1 of the original Contract Scope of Services. A single consolidated set of project management deliverables will be prepared and submitted to the City.
7.2 50% DESIGN

CONSULTANT will perform design of the new secondary clarifier as described in Task 1.2 of the original Contract Scope of Services. A consolidated deliverable will be prepared that will include each design component.

CONSULTANT will prepare a predesign memo under the previous scope that will document major design criteria. The primary objective of the predesign memo is to present information to receive feedback to “freeze” the major design concepts and configurations. Design concepts and configurations that are “frozen” in the predesign memo will be used a guide through the design process and should not be modified.

CONSULTANT will prepare a 50% level of completion design package for the new secondary clarifier based on the design concept presented in the predesign memo. It is assumed that the design criteria and configuration of the new secondary clarifier will not change significantly from what is established in the predesign memo.

50% (MIDPOINT) DESIGN

A single in-progress set of interim general mechanical layouts and project P&IDs will be provided to the City for in-progress review before submitting 50% Design. Drawings and specifications will be submitted on a work-in-progress basis and work to prepare the 95% Design Submittal will continue while the Midpoint Submittals are being reviewed by the City.

For the purpose of budget estimate, it is assumed that the Mid-point design package for the new clarifier will consist of:

- **Drawings:**
  - General drawings (cover sheet, abbreviations, legends, symbols)
  - Flow schematic (included in original scope)
  - Hydraulic profile (included in original scope)
  - Preliminary clarifier P&IDs
  - Mechanical drawings for clarifier
  - Equipment layouts for clarifier
  - Electrical single line drawings for clarifier area
  - Control system architecture block diagram showing additional clarifier
  - An updated list of drawings remaining to be prepared indicating planned clarifier drawings

- **Specifications:**
  - Draft Construction Sequencing and Special Constraints section with clarifier construction constraints
  - Technical Provision specification sections for selected clarifier equipment
  - An updated list of specification sections remaining to be prepared indicating additional clarifier specification sections

- A list of specific items requiring City decisions including clarifier related items
- Mid-point Design Construction Cost Estimate and Construction Schedule including clarifier systems
The cost estimates to be developed for the 50% Design submittal are based on a 50% level of project development. Based on AACEI guidelines, the project cost estimate in the 50% design review package should have an accuracy between +30% to -15% of construction bid costs.

Work to prepare the 95% Design Submittal (Task 7.3) will continue while the 50% Design Submittal is being reviewed by the City.

**Deliverables (in additional to deliverables included in original scope):**
- Mid-point drawings – half size in electronic (PDF) format
- Mid-point specifications in electronic (PDF) format
- Mid-point design construction cost estimate and schedule in electronic (PDF) format

### 7.3 95% Design

CONSULTANT will prepare an approximately 95% complete design of the new secondary clarifier. The 95% submittal design documentation will be included in the overall Project 95% design submittal.

The 95% submittal package will include a complete set of all drawings and specifications for the construction of the new secondary clarifier, updated construction schedule, updated construction cost estimate, and summary of changes from the Mid-point design submittal reflecting the additional clarifier component of the overall project.

The major activities of this subtask will be as follows:
- Responding to City’s review comments of the mid-point design submittal. Comments from the City’s review and CONSULTANT’s responses will be organized in a spreadsheet.
- 95% Drawings and Specifications – CONSULTANT will prepare a complete set of drawings and specifications.
- 95% Design Cost Estimate and Construction Schedule

The cost estimates to be developed for the 95% Design submittal are based on a 95% level of project development. Based on AACEI guidelines, actual project costs are typically within -5% to +10% of the 95% design review cost estimate.

### 7.4 Final Design Submittal

CONSULTANT will perform final design of the new secondary clarifier. The final submittal design documentation will be included in the overall Project final design submittal.

This task includes the production of biddable plans and specifications for the project that addresses 95% design submittal review comments from the City.

CONSULTANT will incorporate and address comments from the City’s review of the 95% submittal into a final set of drawings and specifications that will be stamped and signed by a licensed professional engineer. Comments from the City’s review and CONSULTANT’s responses will be organized in a spreadsheet.
Deliverables:
- One copy – Final Plans and Specifications (Electronic Files in Adobe Acrobat format with drawings formatted for half size copying)
- One camera-ready copy – Specifications and Half size drawings
- One hard copy – stamped full-size drawings (on bond paper) and specifications
- Final design cost estimate in electronic (PDF) format
- Drawings in ‘AutoCAD’ 2010 (or later) and Specifications in PDF Format

7.5 QA/QC
CONSULTANT will perform QA/QC for all tasks as described in Task 1.5.

Quality assurance and quality control activities will include a review of project design documents, drawings, and calculations. CONSULTANT will be responsible for the overall project QA/QC. Steve Clary, Project Manager, with the assistance of a Senior Technical Reviewer will be responsible for final review. CONSULTANT Project Engineers or Task Leads will perform a review of deliverables and work products of their respective areas. The quality management procedures will adhere to RMC’s Quality Assurance Program guidelines.

7.6 Bid Services
CONSULTANT will provide Bid Services for the new secondary clarifier as described in Task 1.6 of the original Contract Scope of Services.

This task includes providing technical support to the City during the bidding process and includes the following:

- **RESPOND TO QUESTIONS/ADDEDENDUM PREPARATION:** Responding to bidder inquiries and preparing bid document addendum items to address revisions and clarifications to the design of the new secondary clarifier facility. The CONSULTANT will also be responsible for receiving, logging, and responding to questions received from bidders. Questions from bidders and vendors will be addressed as necessary in the addendum.
- **PRE-BID CONFERENCE:** This subtask consists of preparing for and conducting with the City a pre-bid conference for the overall Project. CONSULTANT shall prepare minutes for the pre-bid conference, including a log of attendees and a listing of questions and responses.
- **BID REVIEW:** The CONSULTANT will provide assistance to the City in assessing the quality and comprehensiveness of bids received for the overall Project. The CONSULTANT will provide the City with an evaluation of each bidder’s ability to meet the scope, budget and schedule requirements for the project based on bid documents received.
- **CONFORMED DOCUMENTS:** The CONSULTANT will prepare conformed contract documents for the new clarifier component, incorporating addenda issued during the bid period.

Deliverables:
- One copy each – Addendum
- One copy – Conformed Plans and Specifications (Electronic Files in Adobe Acrobat format with drawings formatted for half size copying)
- Drawings in ‘AutoCAD 2010 (or later) and Specifications in PDF Format
Assumptions:
- City will be responsible for advertising, printing, and distribution of bid documents, and for maintaining bidder’s list. City will be responsible for receiving and logging inquiries.
- CONSULTANT will produce up to three (3) addenda
Additional Services

If authorized, in writing, CONSULTANT may provide additional services under this Project. The level of effort and fee for additional services will be negotiated at the time that the services are requested.
ATTACHMENT 1 – PRELIMINARY LIST OF ADDITIONAL DRAWINGS TO BE ADDED TO THE PROJECT

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City of Yuba City

Digester, Dewatering, and Electrical Facilities Improvement Project
Amendment No. 1 - New Secondary Clarifier Design

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**Task 7: New Secondary Clarifier Design**

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**Subtotal Task 1:** 864 | $181,584 | $28,410 | $72,900 | $101,310 | $111,441 | $350 | $385 | $293,410 |

**TOTAL:** 864 | $181,584 | $28,410 | $72,900 | $101,310 | $111,441 | $350 | $385 | $293,410 |

1. The individual hourly rates include salary, overhead and profit.
2. Subconsultants will be billed at actual cost plus 10%.
3. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
4. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.
Date: February 7, 2017
To: Honorable Mayor & Members of the City Council
From: City Treasurer
Presentation By: Spencer Morrison, Accounting Manager/City Treasurer

Summary
Subject: Presentation of Investment Report – Quarter Ended December 31, 2016
Recommendation: Note & File Quarterly Investment Report
Fiscal Impact: Informational item only

Purpose:
To provide information regarding the investment of City funds.

Background:
In accordance with the City’s adopted Investment Policies, staff has prepared the attached investment report for City Council review for the previous quarter (October, November, and December).

Analysis:
Portfolio Highlights:
- As of December 31, 2016, the City’s overall investment portfolio (estimated market value) totaled $83,225,443, a decrease of $16,143,621 over the previous quarter.
- Notable transactions during the quarter that affected cash flows included: Receipt and deposit of the September, 2016, sales tax remittance, $1.17 million; salaries and benefits, $9.8 million; Prop 50 project reimbursement, $1.5 million; a transfer to the SBFCA Laurel Avenue FSRP project fund, $1.47 million; and SBFCA construction costs, $12.0 million.
- The Portfolio shows a paper loss of $34,894 as of December 31st. This represents the amount of money that the City would lose if it were to liquidate its entire portfolio at the end of the reporting period. However, such losses will not be realized if the investments are held until maturity (which is the City’s general investment strategy).
- Portfolio yield remains close to 1.0%, but is climbing. The City’s portfolio is made up of increasingly longer-term, intermediate-maturity issues to attempt to increase yield. The weighted average yield to maturity of the City’s total (includes trustee-held and city-held) investment portfolio rose from 1.03% to 1.16% for the quarter.
- For the quarter ended December 31st, 23 city-held investments matured or were sold in part or whole with an average yield to maturity of 0.85%. These funds were invested in 10 investments with an average coupon rate of 1.39%.
- The City’s cash flow needs will be met by the roughly $29.9 million as of December 31st (approximately 36.16% of the “City Held Investments” portfolio value) that is currently invested
in LAIF, CAMP, Union Bank custodial money market funds, and in the City’s Wells Fargo checking account, which are wholly liquid.

**Outlook:** The bond investment fourth quarter, specifically November, was the worst month since the 1990 inception of the Bloomberg bond index, giving up any gains from the strong first half of the year. The December 1st interest-rate hike of 0.25 percent that the investment community had been anticipating was essentially priced-in with little reaction from the market. The news, however, of the Fed’s three planned rate hikes in 2017 caused the bond prices to drop across short-to-medium maturities affecting market values across the City’s portfolio. As interest rates continue to rise, bond values will continue to drop. Bond values have had a great ride as interest rates have essentially been falling since the early 1980s, but we should be prepared to see much more volatility and less attractive returns for many years to come in the City’s relatively narrow market of investments that the law allows.

**Summary Overview:** The City’s investment portfolio continues to remain safe and stable. Each investment continues to be in compliance with state law and the City’s formal Investment Policies. Our three primary objectives for the City’s portfolio are safety, then liquidity, and then yield. With this in mind, staff continues to conservatively look for opportunities in today’s volatile marketplace while remaining focused on our primary objectives.

**Fiscal Impact:**
Informational Item only.

**Recommendation:**
Staff recommends for City Council to note and file the Quarterly Investment Report for the period ending December 31, 2016.

**Prepared and Submitted By:**

/s/ Spencer Morrison
Spencer Morrison
City Treasurer

**Reviewed By:**

City Manager SK
Finance RB
The following table provides a comparison of the portfolio for the quarter ended December 31, 2016, and the previous quarters ended March, June, and September, 2016.

<table>
<thead>
<tr>
<th>Portfolio Comparison</th>
<th>3/31/16</th>
<th>6/30/16</th>
<th>9/30/16</th>
<th>12/31/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Basis</td>
<td>$109,646,406 (2)</td>
<td>$97,702,675</td>
<td>$99,009,529</td>
<td>$83,260,337</td>
</tr>
<tr>
<td>Estimated Market Value</td>
<td>110,004,459 (2)</td>
<td>98,155,764</td>
<td>99,369,065</td>
<td>83,225,443</td>
</tr>
<tr>
<td>Unrealized Gains/(Losses) (1)</td>
<td>358,053</td>
<td>453,089</td>
<td>359,602</td>
<td>(34,894)</td>
</tr>
<tr>
<td>Liquidity</td>
<td>43.58%</td>
<td>45.51%</td>
<td>46.44%</td>
<td>36.16%</td>
</tr>
<tr>
<td>Weighted Average Years: Maturity of City Held Funds</td>
<td>1.74 years</td>
<td>1.62 years</td>
<td>1.66 years</td>
<td>1.96 years</td>
</tr>
<tr>
<td>LAIF Interest Rate</td>
<td>0.506%</td>
<td>0.576%</td>
<td>0.576%</td>
<td>0.719%</td>
</tr>
<tr>
<td>CAMP Interest Rate</td>
<td>0.500%</td>
<td>0.510%</td>
<td>0.510%</td>
<td>0.720%</td>
</tr>
<tr>
<td>Portfolio: Weighted Average Yield to Maturity at Market</td>
<td>0.91%</td>
<td>0.99%</td>
<td>1.03%</td>
<td>1.16%</td>
</tr>
<tr>
<td>CPI (Annualized)</td>
<td>0.9%</td>
<td>1.0%</td>
<td>1.5%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Note:  (1) This represents the amount of money that the City would gain (or lose) if it were to liquidate its entire portfolio at the end of the reporting period. However, such gains (or losses) will not be realized if the investments are held until maturity (which is the City’s historical investment strategy).

(2) These balances include escrow funds from a bond refunding being held by the trustee until the remaining bonds are called.
Composition of City Held Investments

- Corporate Bonds: 17.4%
- Local Agency Investment Fund: 27.9%
- United States Treasury Notes: 10.7%
- Federal Home Loan Bank: 8.0%
- Federal Home Loan Mortgage Corporation: 3.4%
- Federal National Mortgage Association: 6.7%
- Federal Farm Credit Bank: 5.7%
- City Held Assessment Districts: 3.9%
- Municipal/State Bonds: 2.1%
- California Asset Management Program: 0.2%
- Certificates of Deposit: 5.9%
- Cash/Money Market: 8.1%
City of Yuba City – Quarterly Investment Report
December 31, 2016

City Held Investment Portfolio Maturity Distribution

- Cash Equiv: 36.1%
- 0-6 Months: 1.8%
- 6-12 Months: 4.1%
- 1-3 Years: 26.6%
- 3+ Years: 31.4%
<table>
<thead>
<tr>
<th>No.</th>
<th>Description of Security</th>
<th>Maturity Date</th>
<th>Coupon Rate</th>
<th>Yield to Maturity</th>
<th>Cost Basis</th>
<th>Market Value</th>
<th>Gain/(Loss)</th>
<th>Unrealized Gain/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S. Consumer Price Index (Inflation)</td>
<td>December 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Local Agency Investment Fund (LAIF)</td>
<td>Daily</td>
<td>0.719%</td>
<td>0.719%</td>
<td>$22,980,662</td>
<td>$22,987,695</td>
<td>$7,033</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Calif. Asset Management Program (CAMP)</td>
<td>Daily</td>
<td>0.720%</td>
<td>0.720%</td>
<td>203,497</td>
<td>203,497</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Wells Fargo Money Market &amp; Checking Accts.</td>
<td>Daily (Sweep)</td>
<td>0.000%</td>
<td>0.000%</td>
<td>6,199,456</td>
<td>6,199,456</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Dreyfus Govt Cash Management Fund</td>
<td>Daily</td>
<td>0.100%</td>
<td>0.000%</td>
<td>462,821</td>
<td>462,821</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Bank of America Corp Bond</td>
<td>02/14/17</td>
<td>1.250%</td>
<td>1.170%</td>
<td>501,050</td>
<td>500,032</td>
<td>(1,019)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>US Treasury Notes</td>
<td>02/15/17</td>
<td>0.625%</td>
<td>0.820%</td>
<td>497,539</td>
<td>500,119</td>
<td>2,580</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Deere John Cap Corp</td>
<td>03/15/17</td>
<td>1.400%</td>
<td>0.950%</td>
<td>504,415</td>
<td>500,497</td>
<td>(3,918)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Rabobank Nederland</td>
<td>04/21/17</td>
<td>1.070%</td>
<td>1.070%</td>
<td>575,000</td>
<td>574,938</td>
<td>(62)</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>BMO Harris Bk Natl Assn</td>
<td>04/24/17</td>
<td>1.000%</td>
<td>1.010%</td>
<td>475,000</td>
<td>475,304</td>
<td>304</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Pfizer Inc SR Notes</td>
<td>05/15/17</td>
<td>1.100%</td>
<td>0.920%</td>
<td>501,900</td>
<td>500,034</td>
<td>(1,866)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>US BankCorp MTNS Bank</td>
<td>05/15/17</td>
<td>1.650%</td>
<td>1.180%</td>
<td>766,478</td>
<td>751,069</td>
<td>(15,409)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>John Deere Cap Corp</td>
<td>06/12/17</td>
<td>1.125%</td>
<td>1.140%</td>
<td>364,828</td>
<td>364,979</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>HSBC USA INC IN</td>
<td>06/23/17</td>
<td>1.300%</td>
<td>1.350%</td>
<td>189,711</td>
<td>189,945</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>US Treasury Notes</td>
<td>06/30/17</td>
<td>0.750%</td>
<td>0.700%</td>
<td>500,508</td>
<td>500,254</td>
<td>(254)</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>California Earthquake Auth Rev</td>
<td>07/01/17</td>
<td>1.824%</td>
<td>1.820%</td>
<td>130,000</td>
<td>130,372</td>
<td>372</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Svenska C/D</td>
<td>08/24/17</td>
<td>1.275%</td>
<td>0.840%</td>
<td>475,000</td>
<td>475,266</td>
<td>266</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Wells Fargo &amp; Co.</td>
<td>09/08/17</td>
<td>1.400%</td>
<td>1.430%</td>
<td>249,753</td>
<td>249,706</td>
<td>(47)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>IBM Corp Notes</td>
<td>09/14/17</td>
<td>5.700%</td>
<td>1.600%</td>
<td>494,211</td>
<td>437,738</td>
<td>(56,473)</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>US Treasury Notes</td>
<td>09/30/17</td>
<td>0.625%</td>
<td>0.730%</td>
<td>498,750</td>
<td>499,297</td>
<td>547</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Federal Farm Credit Bank</td>
<td>10/13/17</td>
<td>0.650%</td>
<td>0.930%</td>
<td>994,770</td>
<td>997,850</td>
<td>3,080</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Bank of Nova Scotia</td>
<td>11/06/17</td>
<td>1.560%</td>
<td>1.550%</td>
<td>475,000</td>
<td>475,418</td>
<td>418</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Skandinaviska Enskilda</td>
<td>11/16/17</td>
<td>1.480%</td>
<td>1.480%</td>
<td>475,000</td>
<td>474,195</td>
<td>(805)</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>HSBC Bank C/D</td>
<td>11/17/17</td>
<td>1.394%</td>
<td>0.970%</td>
<td>475,000</td>
<td>475,827</td>
<td>827</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Federal Home Loan Bank</td>
<td>12/08/17</td>
<td>0.750%</td>
<td>0.770%</td>
<td>999,000</td>
<td>997,960</td>
<td>(1,040)</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>US Treasury Notes</td>
<td>12/15/17</td>
<td>1.000%</td>
<td>0.850%</td>
<td>501,777</td>
<td>500,528</td>
<td>(1,250)</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Freddie Mac</td>
<td>01/12/18</td>
<td>0.750%</td>
<td>1.010%</td>
<td>987,580</td>
<td>997,962</td>
<td>10,382</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>IBM Corp Notes</td>
<td>02/06/18</td>
<td>1.125%</td>
<td>1.230%</td>
<td>598,170</td>
<td>598,636</td>
<td>466</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Berkshire Hathaway Fin Corp</td>
<td>02/09/18</td>
<td>1.550%</td>
<td>1.310%</td>
<td>502,750</td>
<td>501,008</td>
<td>(1,742)</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Fannie Mae</td>
<td>02/27/18</td>
<td>1.050%</td>
<td>0.890%</td>
<td>577,162</td>
<td>573,275</td>
<td>(3,887)</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Description of Security</td>
<td>Maturity Date</td>
<td>Coupon Rate</td>
<td>Yield to Maturity</td>
<td>Cost Basis</td>
<td>Estimated Market Value</td>
<td>Unrealized Gain/(Loss)</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>-------------------</td>
<td>------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Federal Farm Credit Bank</td>
<td>03/01/18</td>
<td>1.050%</td>
<td>0.990%</td>
<td>1,252,050</td>
<td>1,247,963</td>
<td>-4,088</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Exxon Mobil Corp</td>
<td>03/06/18</td>
<td>1.305%</td>
<td>1.310%</td>
<td>350,000</td>
<td>349,917</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Royal Bank CDA</td>
<td>03/09/18</td>
<td>1.700%</td>
<td>1.690%</td>
<td>475,000</td>
<td>475,539</td>
<td>539</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Toronto Dominion Bank NY CD</td>
<td>03/14/18</td>
<td>1.720%</td>
<td>1.720%</td>
<td>475,000</td>
<td>476,491</td>
<td>1,491</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>US Treasury Notes</td>
<td>03/31/18</td>
<td>0.750%</td>
<td>0.780%</td>
<td>499,688</td>
<td>498,555</td>
<td>1,133</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Fannie Mae Series</td>
<td>04/01/18</td>
<td>1.550%</td>
<td>0.830%</td>
<td>111,100</td>
<td>110,063</td>
<td>1,037</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Microsoft Corp</td>
<td>05/01/18</td>
<td>1.000%</td>
<td>1.010%</td>
<td>139,912</td>
<td>139,629</td>
<td>283</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Apple Inc.</td>
<td>05/03/18</td>
<td>1.000%</td>
<td>1.170%</td>
<td>495,880</td>
<td>498,125</td>
<td>2,245</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Apple Inc.</td>
<td>05/03/18</td>
<td>1.000%</td>
<td>1.080%</td>
<td>254,059</td>
<td>254,044</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>UC General Rev Bnds</td>
<td>05/15/18</td>
<td>2.054%</td>
<td>2.050%</td>
<td>370,000</td>
<td>373,008</td>
<td>3,008</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Fannie Mae Global Notes</td>
<td>05/21/18</td>
<td>0.875%</td>
<td>1.190%</td>
<td>344,736</td>
<td>349,021</td>
<td>4,285</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Bank of New York Mellon</td>
<td>05/22/18</td>
<td>1.600%</td>
<td>1.600%</td>
<td>224,980</td>
<td>225,095</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Chevron Corp SR Notes</td>
<td>06/24/18</td>
<td>1.718%</td>
<td>1.720%</td>
<td>365,000</td>
<td>366,118</td>
<td>1,118</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Fannie Mae</td>
<td>06/26/18</td>
<td>0.920%</td>
<td>0.910%</td>
<td>1,000,320</td>
<td>995,230</td>
<td>5,090</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>US Treasury Notes</td>
<td>07/31/18</td>
<td>1.375%</td>
<td>0.870%</td>
<td>506,953</td>
<td>502,227</td>
<td>4,727</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>FHLB Global Note</td>
<td>08/07/18</td>
<td>0.625%</td>
<td>0.860%</td>
<td>671,888</td>
<td>669,635</td>
<td>2,253</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Federal Home Loan Bank</td>
<td>08/24/18</td>
<td>0.950%</td>
<td>0.940%</td>
<td>1,000,340</td>
<td>995,280</td>
<td>5,060</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Fannie Mae Series</td>
<td>09/01/18</td>
<td>0.642%</td>
<td>0.380%</td>
<td>72,112</td>
<td>72,137</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>Federal Farm Credit Bank</td>
<td>10/09/18</td>
<td>0.875%</td>
<td>0.980%</td>
<td>996,850</td>
<td>993,120</td>
<td>3,730</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>FHLMC Reference Note</td>
<td>10/12/18</td>
<td>0.875%</td>
<td>0.900%</td>
<td>499,785</td>
<td>497,283</td>
<td>2,503</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>US BankCorp MTNS Bank</td>
<td>11/15/18</td>
<td>1.950%</td>
<td>1.070%</td>
<td>1,019,670</td>
<td>1,005,088</td>
<td>14,582</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Canadian Imperial Bank NY CD</td>
<td>11/30/18</td>
<td>1.760%</td>
<td>1.780%</td>
<td>474,630</td>
<td>478,833</td>
<td>4,204</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Nordea Bank Finland NY CD</td>
<td>11/30/18</td>
<td>1.760%</td>
<td>1.740%</td>
<td>475,000</td>
<td>478,833</td>
<td>3,833</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Federal Farm Credit Bank</td>
<td>12/05/18</td>
<td>1.100%</td>
<td>1.240%</td>
<td>1,495,980</td>
<td>1,495,425</td>
<td>555</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Fannie Mae Series</td>
<td>01/01/19</td>
<td>1.898%</td>
<td>1.200%</td>
<td>131,300</td>
<td>130,463</td>
<td>837</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>FHLB Global Note</td>
<td>01/16/19</td>
<td>1.250%</td>
<td>1.250%</td>
<td>374,985</td>
<td>374,869</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>Apple Inc.</td>
<td>02/22/19</td>
<td>1.700%</td>
<td>1.480%</td>
<td>503,220</td>
<td>500,947</td>
<td>2,273</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>FNMA Benchmark Note</td>
<td>02/26/19</td>
<td>1.000%</td>
<td>1.080%</td>
<td>399,056</td>
<td>397,513</td>
<td>1,543</td>
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</tr>
<tr>
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<td>US Treasury Notes</td>
<td>02/28/19</td>
<td>1.500%</td>
<td>1.210%</td>
<td>603,750</td>
<td>603,281</td>
<td>469</td>
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<tr>
<td>59</td>
<td>Cisco Sys Inc</td>
<td>03/01/19</td>
<td>2.125%</td>
<td>1.830%</td>
<td>479,740</td>
<td>481,260</td>
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<tr>
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<td>Market Value</td>
<td>Gain/(Loss)</td>
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<td>-----</td>
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<td>-------------</td>
<td>--------------</td>
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</tr>
<tr>
<td>60</td>
<td>Federal Home Loan Bank</td>
<td>03/08/19</td>
<td>1.500%</td>
<td>1.290%</td>
<td>1,507,110</td>
<td>1,504,523</td>
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</tr>
<tr>
<td>61</td>
<td>Freddie Mac</td>
<td>04/15/19</td>
<td>1.125%</td>
<td>0.970%</td>
<td>1,004,110</td>
<td>999,553</td>
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<td>04/25/19</td>
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<td>34,861</td>
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<td>63</td>
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<td>75,586</td>
<td>(762)</td>
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<tr>
<td>65</td>
<td>Toyota ABS</td>
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<td>239,996</td>
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<td>Caterpillar Financial Service</td>
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<td>995,165</td>
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<td>1.750%</td>
<td>1.540%</td>
<td>302,676</td>
<td>302,827</td>
<td>151</td>
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<tr>
<td>69</td>
<td>Citigroup Inc Corp Notes</td>
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<td>2.070%</td>
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<td>99,623</td>
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<tr>
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<td>983,020</td>
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<td>1.000%</td>
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<td>517,707</td>
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<td>FHLB Global Note</td>
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<td>0.940%</td>
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<td>591,508</td>
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<td>2.290%</td>
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<td>504,869</td>
<td>5,794</td>
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<tr>
<td>74</td>
<td>Fannie Mae</td>
<td>08/23/19</td>
<td>1.150%</td>
<td>1.150%</td>
<td>850,000</td>
<td>837,599</td>
<td>(12,402)</td>
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<tr>
<td>75</td>
<td>FNMA Notes</td>
<td>08/28/19</td>
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<td>1.030%</td>
<td>344,690</td>
<td>341,167</td>
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<tr>
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<td>1.080%</td>
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<td>219,736</td>
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<tr>
<td>77</td>
<td>Burlington North Corp</td>
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<td>1.460%</td>
<td>138,033</td>
<td>134,429</td>
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<tr>
<td>78</td>
<td>Nissan ABS</td>
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<td>1.060%</td>
<td>157,956</td>
<td>157,380</td>
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<tr>
<td>79</td>
<td>Ford ABS</td>
<td>11/15/19</td>
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<td>1.160%</td>
<td>122,593</td>
<td>122,492</td>
<td>(101)</td>
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<tr>
<td>80</td>
<td>CarMax 2016-4 A2</td>
<td>11/15/19</td>
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<td>1.210%</td>
<td>204,989</td>
<td>204,593</td>
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<tr>
<td>81</td>
<td>FNMA Benchmark Note</td>
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<td>1.670%</td>
<td>301,074</td>
<td>302,294</td>
<td>1,220</td>
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<tr>
<td>82</td>
<td>GECC</td>
<td>01/08/20</td>
<td>5.500%</td>
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<td>482,031</td>
<td>465,671</td>
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<tr>
<td>83</td>
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<td>1.330%</td>
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<td>347,211</td>
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<tr>
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<td>US Treasury Notes</td>
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<td>1.590%</td>
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<td>471,215</td>
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<td>85</td>
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<td>204,848</td>
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<td>86</td>
<td>John Deere ABS 2016-B A3</td>
<td>06/15/20</td>
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<td>1.250%</td>
<td>54,996</td>
<td>54,738</td>
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<tr>
<td>87</td>
<td>JP Morgan Chase &amp; Co</td>
<td>06/23/20</td>
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<td>2.640%</td>
<td>477,361</td>
<td>479,296</td>
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<td>88</td>
<td>US Treasury Notes</td>
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<td>1.600%</td>
<td>203,578</td>
<td>202,586</td>
<td>(992)</td>
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<td>89</td>
<td>US Treasury Notes</td>
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<td>1.230%</td>
<td>387,407</td>
<td>379,849</td>
<td>(7,558)</td>
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</tr>
</tbody>
</table>
## City of Yuba City Monthly Investment Statement

### City Held Investments

**December 2016**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description of Security</th>
<th>Maturity Date</th>
<th>Coupon Rate</th>
<th>Yield to Maturity</th>
<th>Cost Basis</th>
<th>Estimated Market Value</th>
<th>Unrealized Gain/(Loss)</th>
</tr>
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<tbody>
<tr>
<td>90</td>
<td>Ally ABS</td>
<td>08/15/20</td>
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<td>1.440%</td>
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<td>89,994</td>
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<td>91</td>
<td>US Treasury Notes</td>
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<td>1.760%</td>
<td>889,219</td>
<td>889,151</td>
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<tr>
<td>92</td>
<td>Ford ABS</td>
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<td>1.330%</td>
<td>54,995</td>
<td>54,819</td>
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<td>93</td>
<td>US Treasury Notes</td>
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<td>2.625%</td>
<td>1.210%</td>
<td>939,898</td>
<td>914,731</td>
<td>(25,167)</td>
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<tr>
<td>94</td>
<td>US Treasury Notes</td>
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<td>2.000%</td>
<td>1.350%</td>
<td>566,307</td>
<td>555,694</td>
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<tr>
<td>95</td>
<td>Wells Fargo &amp; Company Notes</td>
<td>12/07/20</td>
<td>2.550%</td>
<td>2.030%</td>
<td>255,653</td>
<td>250,286</td>
<td>(5,367)</td>
</tr>
<tr>
<td>96</td>
<td>HAROT 2016-4 A3</td>
<td>12/18/20</td>
<td>1.210%</td>
<td>1.040%</td>
<td>174,989</td>
<td>173,604</td>
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<td>97</td>
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<td>1.330%</td>
<td>49,992</td>
<td>49,699</td>
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<tr>
<td>98</td>
<td>Hyundai Auto Receivables Trust</td>
<td>04/15/21</td>
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<td>1.300%</td>
<td>129,983</td>
<td>128,953</td>
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<tr>
<td>99</td>
<td>Bank of New York Mellon Corp Notes</td>
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<td>2.070%</td>
<td>249,743</td>
<td>245,375</td>
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<td>100</td>
<td>American Express Credit Corp Notes</td>
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<td>124,768</td>
<td>123,511</td>
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<td>1.110%</td>
<td>503,170</td>
<td>485,834</td>
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<td>102</td>
<td>Branch Banking &amp; Trust Corp Note</td>
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<td>124,888</td>
<td>122,681</td>
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<td>103</td>
<td>US Treasury Notes</td>
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<td>1.190%</td>
<td>518,711</td>
<td>503,067</td>
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<td>FHLB Global Note</td>
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<td>1.250%</td>
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<td>506,762</td>
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<td>105</td>
<td>US Treasury Notes</td>
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<td>414,688</td>
<td>401,594</td>
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<td>106</td>
<td>US Treasury Notes</td>
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<td>476,577</td>
<td>476,892</td>
<td>315</td>
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<td>107</td>
<td>Darrough Drive AD</td>
<td>09/02/24</td>
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<td>80,606</td>
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<td>108</td>
<td>Buttes Vista 2000-1 AD, 2013 Refunding</td>
<td>09/02/25</td>
<td>2.730%</td>
<td>2.730%</td>
<td>466,671</td>
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<td>109</td>
<td>Buttes Vista 2002-1 AD, 2013 Refunding</td>
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<td>2.730%</td>
<td>2.730%</td>
<td>491,542</td>
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<td>110</td>
<td>Staple/Ashley/Cornwell AD</td>
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<td>115,403</td>
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<td>111</td>
<td>Yuba City RDA TABs</td>
<td>09/01/32</td>
<td>5.375%</td>
<td>6.460%</td>
<td>960,000</td>
<td>1,234,608</td>
<td>274,608</td>
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<td>112</td>
<td>WWTP Solar System (DS, June 30)</td>
<td>06/30/33</td>
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<td>4.000%</td>
<td>2,105,964</td>
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</table>

**Total City Held Investments**

- $82,589,111
- $82,554,217
- $(34,894)
### Investments Held By Trustees

**City of Yuba City Investment Report**

**December 2016**

<table>
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<th>No.</th>
<th>Description of Debt Issuance</th>
<th>Account Type</th>
<th>Description of Security</th>
<th>Maturity Date</th>
<th>Coupon Rate</th>
<th>Yield to Maturity</th>
<th>Cost Basis</th>
<th>Estimated Market Value</th>
<th>Unrealized Gain/(Loss)</th>
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<tr>
<td>113</td>
<td>RDA Tax Allocation Bonds - 2007</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
<td>0.250%</td>
<td>0.250%</td>
<td>32</td>
<td>32</td>
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<tr>
<td>114</td>
<td>Wastewater Revenue Refunding - 2011</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
<td>0.000%</td>
<td>0.000%</td>
<td>2</td>
<td>2</td>
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<tr>
<td>115</td>
<td>Debt Service</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
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<td>0.210%</td>
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<td>116</td>
<td>2013 Water Rev COP</td>
<td>Debt Service</td>
<td>Blackrock T-Fund</td>
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<td>0.000%</td>
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<td>TABs Refunding - 2015</td>
<td>Debt Service</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
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<td>0.250%</td>
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<td>114</td>
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<td>118</td>
<td>Interest</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
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<td>0.000%</td>
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<td>1</td>
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<td>119</td>
<td>Reserve</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>121</td>
<td>Reserve</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
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<td>0.250%</td>
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<td>Reserve</td>
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<td>Daily</td>
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<td>Gauche Park Refunding - 2015</td>
<td>Debt Service</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
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<td>0.230%</td>
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<td>124</td>
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<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
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<td>0.000%</td>
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<td>Daily</td>
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<td>-</td>
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<td>-</td>
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<td>Reserve</td>
<td>Assured Guaranty Discount</td>
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<td>-</td>
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<td>COI</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
<td>0.190%</td>
<td>0.190%</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>128</td>
<td>CFD Refund 2016</td>
<td>Debt Service</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
<td>0.250%</td>
<td>0.250%</td>
<td>290</td>
<td>290</td>
<td>-</td>
</tr>
<tr>
<td>129</td>
<td>Reserve</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
<td>0.250%</td>
<td>0.250%</td>
<td>42,812</td>
<td>42,812</td>
<td>-</td>
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<tr>
<td>130</td>
<td>Special Tax</td>
<td>Reserve</td>
<td>Blackrock T-Fund</td>
<td>Daily</td>
<td>0.250%</td>
<td>0.250%</td>
<td>97</td>
<td>97</td>
<td>-</td>
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</tbody>
</table>

**U.S. Consumer Price Index (Inflation) December 2016**

<table>
<thead>
<tr>
<th>Description of Debt Issuance</th>
<th>Maturity Date</th>
<th>Coupon Rate</th>
<th>Yield to Maturity</th>
<th>Cost Basis</th>
<th>Estimated Market Value</th>
<th>Unrealized Gain/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

**Total Trustee-Held Investments**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Trustee-Held Investments</td>
<td>$ 671,227</td>
</tr>
</tbody>
</table>

**TOTAL CITY & TRUSTEE-HELD INVESTMENTS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CITY &amp; TRUSTEE-HELD INVESTMENTS</td>
<td>$ 83,260,337</td>
</tr>
</tbody>
</table>

I certify to the best of my knowledge: (i) That this statement reflecting all City investments is accurate and complete; (ii) That each investment conforms with the City's investment policies, as well as California's Government Code; and (iii) That sufficient cash flow liquidity is available to meet the next six months of estimated disbursements.

Signed: /\ Spencer Morrison
Spencer Morrison, City Treasurer

Date: 2/1/2017
## Investment Activity
### October-November-December 2016

<table>
<thead>
<tr>
<th>Description of Security</th>
<th>Broker</th>
<th>Settlement Date</th>
<th>Maturity Date</th>
<th>Trade Date</th>
<th>Activity Type</th>
<th>Coupon Rate</th>
<th>Yield to Maturity</th>
<th>Cost Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES/REDEMPTIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota ABS 2015-A A2</td>
<td></td>
<td>10/15/16</td>
<td>07/15/17</td>
<td>10/15/16</td>
<td>Sell</td>
<td>0.710%</td>
<td>0.710%</td>
<td>1,582</td>
</tr>
<tr>
<td>FNMA Global Notes</td>
<td></td>
<td>10/04/16</td>
<td>12/20/17</td>
<td>10/04/16</td>
<td>Sell</td>
<td>0.875%</td>
<td>0.880%</td>
<td>376,293</td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td></td>
<td>10/25/16</td>
<td>11/30/18</td>
<td>10/18/16</td>
<td>Sell</td>
<td>1.250%</td>
<td>1.450%</td>
<td>177,205</td>
</tr>
<tr>
<td>Honda ABS 2015-2 A3</td>
<td></td>
<td>10/24/16</td>
<td>02/21/19</td>
<td>10/19/16</td>
<td>Sell</td>
<td>1.040%</td>
<td>1.050%</td>
<td>170,035</td>
</tr>
<tr>
<td>FNMA Series M4 FA</td>
<td></td>
<td>10/25/16</td>
<td>03/01/15</td>
<td>10/01/16</td>
<td>Sell</td>
<td>0.642%</td>
<td>0.380%</td>
<td>878</td>
</tr>
<tr>
<td>FNMA Series 2015-M12 FA</td>
<td></td>
<td>10/25/16</td>
<td>04/01/20</td>
<td>10/01/16</td>
<td>Sell</td>
<td>0.772%</td>
<td>0.540%</td>
<td>301</td>
</tr>
<tr>
<td>Ford ABS 2015-A A2A</td>
<td></td>
<td>10/15/16</td>
<td>01/15/18</td>
<td>10/15/16</td>
<td>Sell</td>
<td>0.810%</td>
<td>0.810%</td>
<td>4,219</td>
</tr>
<tr>
<td>FNMA Series M4 FA</td>
<td></td>
<td>11/25/16</td>
<td>09/01/18</td>
<td>11/01/16</td>
<td>Sell</td>
<td>0.767%</td>
<td>0.380%</td>
<td>878</td>
</tr>
<tr>
<td>FNMA Series 2015-M12 FA</td>
<td></td>
<td>11/25/16</td>
<td>04/01/20</td>
<td>11/01/16</td>
<td>Sell</td>
<td>0.901%</td>
<td>0.540%</td>
<td>9,452</td>
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<tr>
<td>Nissan ABS 2015-A A3</td>
<td></td>
<td>11/15/16</td>
<td>10/15/19</td>
<td>11/15/16</td>
<td>Sell</td>
<td>1.050%</td>
<td>1.060%</td>
<td>11,200</td>
</tr>
<tr>
<td>Nissan ABS 2015-A A3</td>
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<td>10/15/16</td>
<td>10/15/19</td>
<td>10/15/16</td>
<td>Sell</td>
<td>1.050%</td>
<td>1.060%</td>
<td>5,874</td>
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<tr>
<td>FNMA Series M4 FA</td>
<td></td>
<td>12/25/16</td>
<td>09/01/18</td>
<td>12/01/16</td>
<td>Sell</td>
<td>0.742%</td>
<td>0.380%</td>
<td>392</td>
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<tr>
<td>FNMA Series 2015-M12 FA</td>
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<td>12/25/16</td>
<td>04/01/20</td>
<td>12/01/16</td>
<td>Sell</td>
<td>0.910%</td>
<td>0.540%</td>
<td>14,127</td>
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<tr>
<td>Nissan ABS 2015-A A3</td>
<td></td>
<td>12/15/16</td>
<td>10/15/19</td>
<td>12/15/16</td>
<td>Sell</td>
<td>1.050%</td>
<td>1.060%</td>
<td>10,297</td>
</tr>
<tr>
<td>Ford ABS 2015-B A3</td>
<td></td>
<td>12/15/16</td>
<td>11/15/19</td>
<td>12/15/16</td>
<td>Sell</td>
<td>1.160%</td>
<td>1.160%</td>
<td>2,396</td>
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<td>Nordea Bank Finland NY CD</td>
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<td>12/05/16</td>
<td>05/26/17</td>
<td>12/01/16</td>
<td>Sell</td>
<td>1.150%</td>
<td>1.150%</td>
<td>475,203</td>
</tr>
<tr>
<td>Canadian Imperial Bank NY CD</td>
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<td>12/05/16</td>
<td>04/06/17</td>
<td>12/01/16</td>
<td>Sell</td>
<td>1.010%</td>
<td>1.010%</td>
<td>475,706</td>
</tr>
<tr>
<td>FNMA Global Notes</td>
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<td>12/24/16</td>
<td>12/20/17</td>
<td>12/01/16</td>
<td>Sell</td>
<td>0.875%</td>
<td>0.880%</td>
<td>376,219</td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td></td>
<td>12/08/16</td>
<td>11/30/18</td>
<td>12/07/16</td>
<td>Sell</td>
<td>1.250%</td>
<td>1.450%</td>
<td>376,172</td>
</tr>
<tr>
<td>FNMA Notes</td>
<td></td>
<td>12/05/16</td>
<td>03/14/17</td>
<td>12/01/16</td>
<td>Sell</td>
<td>0.750%</td>
<td>0.750%</td>
<td>1,000,519</td>
</tr>
<tr>
<td>FLHMC Notes</td>
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<td>12/05/16</td>
<td>05/12/17</td>
<td>12/01/16</td>
<td>Sell</td>
<td>1.250%</td>
<td>0.870%</td>
<td>1,002,633</td>
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<tr>
<td>FLHMC Notes</td>
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<td>12/05/16</td>
<td>06/29/17</td>
<td>12/01/16</td>
<td>Sell</td>
<td>1.000%</td>
<td>0.820%</td>
<td>1,001,540</td>
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<td>US Treasury Notes</td>
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<td>12/15/16</td>
<td>12/15/16</td>
<td>12/15/16</td>
<td>Matured</td>
<td>6.250%</td>
<td>0.620%</td>
<td>500,000</td>
</tr>
</tbody>
</table>

**Total Sales/Redemptions** $ 5,992,313

<table>
<thead>
<tr>
<th>PURCHASES</th>
<th>Broker</th>
<th>Settlement Date</th>
<th>Maturity Date</th>
<th>Trade Date</th>
<th>Activity Type</th>
<th>Coupon Rate</th>
<th>Yield to Maturity</th>
<th>Cost Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Notes</td>
<td>JP Morgan Chase</td>
<td>10/4/2016</td>
<td>08/31/21</td>
<td>10/04/16</td>
<td>Buy</td>
<td>2.000%</td>
<td>1.230%</td>
<td>415,439</td>
</tr>
<tr>
<td>HAROT 2016-4 A3</td>
<td>Barclays Capital Inc</td>
<td>10/25/2016</td>
<td>12/18/20</td>
<td>10/18/16</td>
<td>Buy</td>
<td>1.210%</td>
<td>1.040%</td>
<td>174,989</td>
</tr>
<tr>
<td>CarMax 2016-4 A2</td>
<td>Merrill Lynch</td>
<td>10/26/2016</td>
<td>11/15/19</td>
<td>10/19/16</td>
<td>Buy</td>
<td>1.210%</td>
<td>1.210%</td>
<td>204,989</td>
</tr>
<tr>
<td>Canadian Imperial Bank NY CD</td>
<td>Goldman Sachs</td>
<td>12/5/2016</td>
<td>11/30/18</td>
<td>12/01/16</td>
<td>Buy</td>
<td>1.760%</td>
<td>1.780%</td>
<td>474,630</td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td>Barclays Capital Inc</td>
<td>12/5/2016</td>
<td>08/31/21</td>
<td>12/01/16</td>
<td>Buy</td>
<td>2.000%</td>
<td>1.930%</td>
<td>479,096</td>
</tr>
<tr>
<td>Nordea Bank Finland NY CD</td>
<td>Merrill Lynch</td>
<td>12/5/2016</td>
<td>11/30/18</td>
<td>12/01/16</td>
<td>Buy</td>
<td>1.760%</td>
<td>1.740%</td>
<td>475,000</td>
</tr>
<tr>
<td>FHLB Notes</td>
<td>Merrill Lynch</td>
<td>12/08/2016</td>
<td>11/6/2019</td>
<td>12/07/16</td>
<td>Buy</td>
<td>1.250%</td>
<td>1.250%</td>
<td>374,985</td>
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<tr>
<td>Federal Farm Credit Bank</td>
<td>Wells Fargo Securities Ltd</td>
<td>12/05/2016</td>
<td>12/5/2018</td>
<td>12/01/16</td>
<td>Buy</td>
<td>1.100%</td>
<td>1.240%</td>
<td>1,495,980</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>Wells Fargo Securities Ltd</td>
<td>12/05/2016</td>
<td>3/8/2019</td>
<td>12/01/16</td>
<td>Buy</td>
<td>1.500%</td>
<td>1.290%</td>
<td>1,507,110</td>
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<tr>
<td>US Treasury Notes</td>
<td>BMO Capital Markets Ltd</td>
<td>12/15/2016</td>
<td>2/28/2019</td>
<td>12/12/16</td>
<td>Buy</td>
<td>1.500%</td>
<td>1.210%</td>
<td>603,750</td>
</tr>
</tbody>
</table>

**Total Purchases** $ 6,205,967

---

**Total Sales/Redemptions** $ 5,992,313

**Total Purchases** $ 6,205,967
## City of Yuba City - Quarterly Investment Transaction Report
### December 2016 - Market Value Summary

<table>
<thead>
<tr>
<th>Account Types</th>
<th>Balance 9/30/2016</th>
<th>Balance 12/31/2016</th>
<th>Period Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City Held Investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>$39,947,233</td>
<td>$22,987,695</td>
<td>$(16,959,538)</td>
</tr>
<tr>
<td>California Asset Management Program</td>
<td>203,045</td>
<td>203,497</td>
<td>452</td>
</tr>
<tr>
<td>Cash/Money Market</td>
<td>5,706,988</td>
<td>6,662,278</td>
<td>955,290</td>
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<tr>
<td>Federal Agency Securities</td>
<td>20,227,978</td>
<td>19,688,825</td>
<td>$(539,153)</td>
</tr>
<tr>
<td>US Treasuries</td>
<td>8,506,750</td>
<td>8,821,833</td>
<td>315,083</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>4,857,191</td>
<td>4,860,645</td>
<td>3,454</td>
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<tr>
<td>Municipal/State Bonds</td>
<td>1,756,615</td>
<td>1,737,988</td>
<td>$(18,627)</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>14,275,065</td>
<td>14,331,270</td>
<td>56,205</td>
</tr>
<tr>
<td>City-held Assessment Districts</td>
<td>3,260,186</td>
<td>3,260,186</td>
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</tr>
<tr>
<td><strong>Total City Held Investments</strong></td>
<td>$98,741,051</td>
<td>$82,554,217</td>
<td>$(16,186,834)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Account Types</th>
<th>Balance 9/30/2016</th>
<th>Balance 12/31/2016</th>
<th>Period Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustee Held Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunsweet Blvd CFD - 2015 Refund</td>
<td>$284</td>
<td>$43,199</td>
<td>$42,915</td>
</tr>
<tr>
<td>Wastewater Refunding 2011</td>
<td>17</td>
<td>11</td>
<td>(6)</td>
</tr>
<tr>
<td>Water Refunding 2013</td>
<td>45</td>
<td>11</td>
<td>(34)</td>
</tr>
<tr>
<td>RDA TABs 2007</td>
<td>32</td>
<td>32</td>
<td>0</td>
</tr>
<tr>
<td>TABs Refunding - 2015</td>
<td>627,612</td>
<td>627,963</td>
<td>351</td>
</tr>
<tr>
<td>Gauche Park Refunding</td>
<td>24</td>
<td>11</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Total Trustee Held Investments</strong></td>
<td>$628,014</td>
<td>$671,227</td>
<td>$43,213</td>
</tr>
</tbody>
</table>

**Total** | $99,369,065 | $83,225,444 | $(16,143,621)
CITY OF YUBA CITY

City Council Reports

- Councilmember Buckland
- Councilmember Cardoza
- Councilmember Harris
- Vice Mayor Didbal
- Mayor Cleveland

Adjournment