

Cristian Markovich, Mayor
Christian Hernandez, Vice Mayor
Chris Garcia, Council Member
Jack Guerrero, Council Member
Baru Sanchez, Council Member



CUDAHY CITY
COUNCIL CHAMBERS
5240 Santa Ana Street
Cudahy, CA 90201
Phone: (323) 773-5143
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SPECIAL MEETING AGENDA

A SPECIAL MEETING
OF THE CUDAHY CITY COUNCIL
And JOINT MEETING Of The
CITY OF CUDAHY AS SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION

FRIDAY, JANUARY 22, 2016 – 4:00 P.M.

"Members of the Public are advised that all PAGERS, CELLULAR TELEPHONES and any OTHER COMMUNICATION DEVICES are to be turned off upon entering the City Council Chambers." If you need to have a discussion with someone in the audience, kindly step out into the lobby.

Written materials distributed to the City Council within 24 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's Office at City Hall located at 5220 Santa Ana Street, Cudahy, CA 90201.

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk's Office at (323) 773-5143 at least 24 hours in advance of the meeting.

1. CALL TO ORDER

2. ROLL CALL

Council/Agency Member Garcia
Council/Agency Member Guerrero
Council/Agency Member Sanchez
Vice Mayor/Vice Chair Hernandez
Mayor/Chair Markovich

3. PUBLIC COMMENT

(Each person will be allowed to speak only once on matters relating to items on the agenda and will be limited to three (3) minutes. When addressing the City Council please speak into the microphone and voluntarily state your name and address.)

(Every person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. [See, Cal. Penal Code § 403.])

4. CONSENT CALENDAR

COUNCIL / SUCCESSOR AGENCY

- A. Approval of a Proposed Resolution Amending the Adopted Fringe Benefits and Salary Plan Establishing Provisions for all Full-time Employees, Hourly Employees and Appointed Officials and Repealing Resolution No. 15-44

Presented by Acting Human Resources Specialist

Recommendation: The City Council is requested to approve a proposed resolution amending the Fringe Benefits and Salary Plan establishing provisions for all full-time employees, hourly employees and appointed officials and repealing Resolution No. 15-44.

AS SUCCESSOR AGENCY

- B. Adoption of a Proposed Resolution for Approval of the Administrative Budget for Fiscal Period of July 1, 2016 to June 30, 2017

Presented by Finance Director

Recommendation: The Successor Agency is requested to adopt the proposed resolution approving the Administrative Budget for the 15-16B Recognized Obligation Payment Schedule (ROPS) for the fiscal period of July 1, 2016 to June 30, 2017.

- C. Approval of the Recognized Obligation Payment Schedule for the 16-17 Fiscal Period of July 1, 2016 to June 30, 2017 (ROPS 16-17)

Presented by Finance Director

Recommendation: The Successor Agency is requested to approve the Recognized Obligation Payment Schedule (ROPS) 16-17 for the fiscal period of July 1, 2016 through June 30, 2017, for submission to the City of Cudahy Oversight Board.

- D. Adoption of a Proposed Resolution Approving Emergency Loan Agreements for Recognized Obligation Payment Schedule (ROPS) 16-17 for Olivarez Madruga, LLP

Presented by Finance Director

Recommendation: The Successor Agency is requested to:

1. Adopt a proposed resolution approving the Successor Agency Loan Agreement No. 16-17:9; and

2. Authorize the Executive Director to execute an emergency loan in the amount not to exceed \$72,000 for Olivarez Madruga, LLP for legal services to maintain the properties included in the approved Successor Agency Successor Agency Long-Range Property Management Plan (LRPMP).

- E. Adoption of a Proposed Resolution Approving an Emergency Loan Agreement for Recognized Obligation Payment Schedule (ROPS) 16-17

Presented by Finance Director

Recommendation: The Successor Agency is requested to:

1. Adopt a proposed resolution approving the Successor Agency Loan Agreement No. 16-17:10; and
2. Authorize the Executive Director to execute an emergency loan in the amount not to exceed \$219,140 for Redevelopment Property Tax Trust Fund (RPTTF) shortfall.

- F. Adoption of a Proposed Resolution Approving an Emergency Loan Agreement for Recognized Obligation Payment Schedule (ROPS) 16-17

Presented by Finance Director

Recommendation: The Successor Agency is requested to:

1. Adopt a proposed resolution approving the Successor Agency Loan Agreement No. 16-17:11; and
2. Authorize the Executive Director to execute an emergency loan in the amount not to exceed \$127,000 for settlement costs, real property taxes and escrow costs associated with the transfer of real property to the Successor Agency as described in the approved Successor Agency Long-Range Property Management Plan (LRPMP).

AS CITY COUNCIL

- G. Adoption of a Proposed Resolution Approving a Loan Agreement Between the City and the Successor Agency

Presented by Finance Director

Recommendation: The City Council is requested to:

1. Adopt a proposed resolution approving the Successor Agency Loan Agreement No. 16-17:9; and

2. Authorize the City Manager to execute Successor Agency Loan Agreement No. 16-17:9 in the amount of \$72,000 and any documents, as necessary, in order to implement the proposed resolution on behalf of the City.

H. Adoption of a Proposed Resolution Approving a Loan Agreement Between the City and the Successor Agency

Presented by Finance Director

Recommendation: The City Council is requested to:

1. Adopt a proposed resolution approving Successor Agency Loan Agreement No. 16-17:10; and
2. Authorize the City Manager to execute Successor Agency Loan Agreement No. 16-17:10 in the amount of \$219,140 and any documents, as necessary, in order to implement the proposed resolution on behalf of the City.

I. Adoption of a Proposed Resolution Approving a Loan Agreement Between the City and the Successor Agency

Presented by Finance Director

Recommendation: The City Council is requested to:

1. Adopt a proposed resolution approving Successor Agency Loan Agreement No. 16-17:11; and
2. Authorize the City Manager to execute Successor Agency Loan Agreement No. 16-17:11 in the amount of \$127,000 and any documents, as necessary, in order to implement the proposed resolution on behalf of the City.

5. BUSINESS SESSION

A. Consideration to Adopt a Proposed Urgency Ordinance of the City Council of the City of Cudahy Amending Section 2.04.010 of Chapter 2.04 (Council Chambers) of Title 2 (Administration and Personnel) of the Cudahy Municipal Code Regarding Location of Council Meetings

Presented by the City Attorney

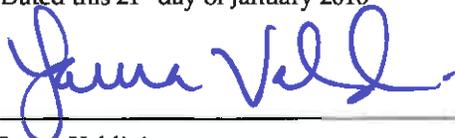
Recommendation: The City Council is requested to adopt a proposed urgency ordinance amending Section 2.04.010 of Chapter 2.04 (Council Chambers) of Title 2 (Administration & Personnel) of the Cudahy Municipal Code Regarding Location of Council meetings.

6. ADJOURNMENT

Cudahy City Council will adjourn to the February 8, 2016 Regular Meeting of the Cudahy City Council and Joint Meeting of the City of Cudahy as Successor Agency to the Cudahy Development Commission at 6:30 p.m.

I Laura Valdivia, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at Cudahy City Hall, Bedwell Hall, Clara Park, Lugo Park, and the City's Website not less than 24 hours prior to the meeting. A copy of said Agenda is on file in the City Clerk's Office.

Dated this 21st day of January 2016



Laura Valdivia
Interim City Clerk

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Item Number 4A

STAFF REPORT

Date: January 22, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Jennifer Hernandez, Acting Human Resources Specialist
Subject: **Adoption of a Proposed Resolution Amending the Adopted Fringe Benefits and Salary Plan Establishing Provisions for All Full-time Employees, Hourly Employees, and Appointed Officials, and Superseding and Repealing Resolution No. 15-44**

RECOMMENDATION

The City Council is requested to approve a proposed resolution amending the fringe benefits and salary plan establishing provisions for all full-time employees, hourly employees, and appointed officials and repealing Resolution No. 15-44.

BACKGROUND

1. On June 8, 2015, the City Council approved Fringe Benefit and Salary Plan (FBSP) plan establishing provisions for all full-time employees, hourly employees, and appointed officials.
2. On September 14, 2015, the FBSP was updated to include the positions of Community Development Manager and Public Safety and Services Manager.
3. On January 1, 2016, State of California's Minimum Wage Order (MW-2016) went into effect raising the minimum wage rate from \$9.00 to \$10.00, shifting the salary schedule for Hourly employees.
4. On January 11, 2016, the City Council approved the Memorandum of Understanding (MOU) for July 1, 2015 to June 30, 2019 between the City of Cudahy and the Cudahy Miscellaneous Employee's Association (CMEA).

ANALYSIS

California's MW-2016 mandates that every employer shall pay mandated employees no less than \$10.00 per hour commencing January 1, 2016. This wage scale adjustment for hourly employees is currently not reflected in the FBSP amended and adopted by Resolution No. 15-44. Thus, requires a change in the salary scale to accommodate the newly implemented wage rate.

Also, in accordance with the recently approved MOU between the City and the CMEA, salary and benefits information contained in the FBSP for represented Full-time employees must be revised to accommodate the new terms found within the MOU, which includes updated language for the following affected sections of the FBSP:

- Holidays;
- Merit Ranges;
- Health Insurance;
- Dental Insurance;
- Cell Phone Stipend;
- Uniform Allowance;
- Retirement Plan;
- Education Reimbursement;
- Educational Seminars;
- Overtime;
- Compensatory Time;
- Sick Leave;
- Life Insurance;
- Salary Differentials;
- Additional Approved Increases; and
- Vision Insurance.

Changes to the current FBSP will *not* affect or change existing salary and benefit provisions for elected/appointed officials, which includes the City Council, City Manager and City Clerk.

CONCLUSION

Not updating the current FBSP will prevent Personnel and Finance staff from implementing the MW-2016 according to City Municipal Code 2.04.070 (2), and the terms approved in the MOU, as they pertain to represented CMEA full-time employees.

FINANCIAL IMPACT

Updates to the salary scale for hourly employees will result in a fiscal impact in the amount of \$22,109.

Updates to the language contained in the CMEA's MOU for July 1, 2015 to June 30, 2019, will result in a cost savings amount of approximately \$79,000.

ATTACHMENTS

- A. Proposed Resolution Amending the Adopted Fringe Benefits and Salary Plan Establishing Provisions for All Full-time Employees, Hourly Employees, and Appointed Officials, and Superseding and Repealing Resolution No. 15-44
- B. Resolution No. 15-44
- C. Updated Fringe Benefit Salary Plan (Redlined)
- D. Updated Fringe Benefit Salary Plan (Clean)

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY SUPERSEDING AND REPEALING RESOLUTION NO 15-44, AND AMENDING THE FRINGE BENEFITS AND SALARY PLAN ESTABLISHING PROVISIONS FOR ALL FULL-TIME AND HOURLY EMPLOYEES, AND APPOINTED OFFICIALS

WHEREAS, the salaries and compensation of officers and employees of the City of Cudahy ("City") shall be fixed and determined by resolution of the City Council in accordance with Municipal Code Section 2.04.070; and

WHEREAS, the City had previously proposed and adopted Resolution No. 15-44 to consolidate compensation and benefit provisions for all Management, Miscellaneous, and Hourly employees as well as Appointed Officials under one comprehensive Fringe Benefits and Salary Plan document; and

WHEREAS, the proposed consolidated salary schedules include a full and complete audit of all current employee compensation for proper alignment of wages consistent with the range and steps associated with the job classifications;

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves the Fringe Benefits and Salary Plan, attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. This Resolution and Exhibit A shall repeal and replace Resolution No. 15-44. This Resolution and Exhibit A consolidates current compensation and benefit provisions for all Management, Miscellaneous, and Hourly employees as well as Appointed Officials under one comprehensive Fringe Benefits and Salary Plan document currently applicable.

SECTION 3. Notwithstanding the benefits and salary described in the Fringe Benefits and Salary Plan for individuals under employment agreements with the City, City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City.

Attachment A

To the extent that any benefits described in the Plan conflict with the applicable employment agreements, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreements and memorandums of understanding control.

SECTION 4. This Resolution serves as ratification of the terms and salary schedules approved under the new Memorandum of Understanding for FY 2015 – 2019 between the City of Cudahy and the Cudahy Miscellaneous Employee’s Association.

SECTION 5. This Resolution further serves as ratification of the new salary schedules for Hourly Employees as they relate to the California Minimum Wage Order for 2016.

SECTION 6. If any part of this Resolution, or the application thereof, is held to be invalid, the remainder of this Resolution shall not be affected thereby, and this Resolution shall otherwise continue in full force and effect. To this end, the provisions of this Resolution, and each of them, are severable.

SECTION 7. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 22nd day of January, 2016.

Cristian Markovich
Mayor

ATTEST:

APPROVED AS TO FORM:

Laura Valdivia	Isabel Birrueta
Interim City Clerk	Assistant City Attorney
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF CUDAHY)

SS:

I, Laura Valdivia, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 16-XX was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 25th day of January, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Laura Valdivia
Interim City Clerk

RESOLUTION NO. 15-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY AMENDING THE FRINGE BENEFITS AND SALARY PLAN ESTABLISHING PROVISIONS FOR ALL FULL-TIME AND HOURLY EMPLOYEES, AND APPOINTED OFFICIALS AND REPEALING RESOLUTION NO 15-20B

WHEREAS, the salaries and compensation of officers and employees of the City of Cudahy ("City") shall be fixed and determined by resolution of the City Council in accordance with Cudahy Municipal Code Section 2.04.070; and

WHEREAS, the City Council of the City of Cudahy previously authorized salaries and benefits for all Full-Time and Hourly employees, and appointed officials under a consolidated Fringe Benefit and Salary Plan initially adopted via Resolutions 15-20B on June 8, 2015; and

WHEREAS, the City Council proposes to amend the Fringe Benefit and Salary plan by adding two new classifications, including Community Development Manager (Range M3) and Public Safety and Services Manager (Range 3), and deleting classification Community Development Director from the consolidated Fringe Benefits and Salary Plan initially adopted under Resolution No. 15-20B.

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

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

SECTION 2. The City Council hereby approves the Fringe Benefits and Salary Plan, attached hereto as "Exhibit A" and incorporated herein by reference.

SECTION 3. This Resolution and "Exhibit A" shall replace and supersede Resolution No. 15-20B and any other Resolution which is in conflict or inconsistent with the provisions of this Resolution and the attached Fringe Benefits and Salary Plan.

SECTION 4. Notwithstanding the benefits and salary described in the Fringe Benefits and Salary Plan for individuals under employment agreements with the City, City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City.

SECTION 5. The City Council hereby approves deletion of the Director of Community Development Classification, ratifies the new classifications and salaries of Community Development Manager and Public Safety and Services Manager, and repeals Resolution No. 15-20B.

SECTION 6. If any part of this Resolution, or the application thereof, is held to be invalid, the remainder of this Resolution shall not be affected thereby, and this Resolution shall otherwise continue in full force and effect. To this end, the provisions of this Resolution, and each of them, are severable.

SECTION 7. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 14th day of September, 2015.


Cristian Markovich
Mayor

ATTEST:


Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:


Isabel Birrueta
Assistant City Attorney

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

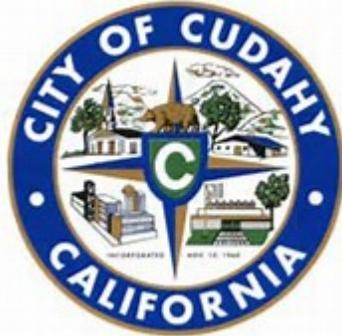
I, Laura Valdivia, Interim City Clerk of the City of Cudahy, do hereby certify that the foregoing Resolution, being Resolution No. 15-44 was duly passed and adopted by the City Council of the City of Cudahy at a regular meeting of said Council held on the 14th day of September, 2015, and that said Resolution was adopted by the following vote, to-wit:

AYES: Sanchez, Hernandez, Markovich
NOES: Guerrero
ABSENT: Garcia
ABSTAIN: None.



Laura Valdivia
Interim City Clerk

EXHIBIT "A"
Fringe Benefits and Salary Plan



**FRINGE BENEFITS AND SALARY
PLAN**

(Exhibit A to Resolution No. 15-)

Effective September 14, 2015

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

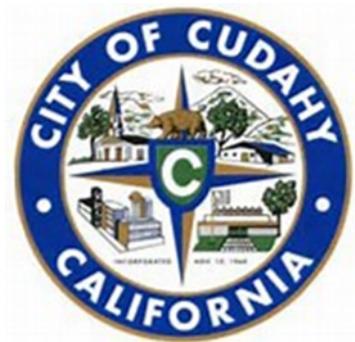


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**PART I
THE FRINGE BENEFITS
PLAN**

PART I – THE FRINGE BENEFIT PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070 of the Cudahy Municipal Code to provide for the fringe benefits of City officers and employees.

The City of Cudahy has established a number of benefit programs for its eligible employees. This Plan does not restate all of the features of these benefit programs. The purpose of this Plan is to identify the coverage amounts, costs and limitations of specific benefits as applied and approved by the City Council for specific employee groups. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement are included in official plan documents, which, notwithstanding the foregoing, shall control in determining coverage amounts, costs and limitations of specific benefits. Additional administrative guidelines may also be found in the City's Personnel Rules, and other terms and conditions of employment within the Cudahy Miscellaneous Employees' Memoranda of Understanding. The Fringe Benefit and Salary Plan shall not change the nature of any employee's status as an at-will employee.

Section 2. Applicability

This exhibit defines the various benefits provided to City officers and employees. Each category covered herein indicates the specific group and/or classification of employee for which the benefit applies (e.g. Appointed Officials, Management/Confidential Employees, and Miscellaneous Employees).

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein, and defined specifically under Section 23 below.

City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City.

Section 3. Holidays

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same holidays that Management/Confidential employees receive, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same holidays that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

1. New Year's Day – January 1st
2. Martin Luther King Jr. Day - The third Monday in January
3. President's Day - The third Monday in February
4. Good Friday
5. Memorial Day - The last Monday in May
6. Independence Day - July 4th
7. Labor Day - The first Monday in September
8. Veteran's Day – November 11th
9. Thanksgiving Day
10. The Friday Following Thanksgiving
11. Christmas Eve – December 24th
12. Christmas Day – December 25th
13. Two Floating Holidays (Pro-rated for New Employees based on hire date)

The observance of holidays, work on a holiday, and other related rules as applied to holiday compensation shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 4. Vacation

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall be entitled to the same Vacation benefits that Miscellaneous Employees are entitled to, including buy-back provisions unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive a maximum of eighty (80) hours of vacation leave per year, and may carry over unused leave from year to year, not to exceed a total of 320 hours, at which time accruals shall cease. On December 31st of each year, accumulated and unused vacation leave may be sold back to the City at the regular hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Vacation benefits that Miscellaneous employees are entitled to including buy-back provisions, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

1) Accrual of Vacation Leave

Full-time employees shall accrue paid vacation leave on the following scheduled basis.

<u>Years of Service</u>	<u>Hours Per Year</u>	<u>Bi-Weekly Accrual</u>	<u>Maximum Accrual</u>
0-5	80	3.077 hours	160 hours
6-10	120	4.616 hours	240 hours
11+	160	6.154 hours	320 hours

2) Vacation Buy Back

At the end of each calendar year, provided that fifty (50) hours of accrued vacation time remains on the books, employees may request pay in lieu of time off for accrued and unused vacation time. Upon separation from City employment, all accrued but unused vacation time is eligible to be sold back at full value based on the employee's rate of pay at the time of separation.

3) Vacation Policy

Vacation Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 5. Sick Leave

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to twelve (12) days of sick leave per year (96) hours, and may sell back at full rate of pay accrued but unused sick leave on the same terms and conditions as established for other employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Sick Leave benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

1) Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate of eight (8) hours for each full month of service for a total of ninety-six (96) hours per year, which shall accrue at 3.70 hours per pay period that the employee remains active on the payroll. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours. Once this maximum accrual is reached, all additional accrual will stop until usage brings it below the 480.0 hour maximum.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen (15) calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

2) Sick Leave Buy-Back

As of July 1st of each year, employees may request to sell back at full rate of pay a maximum of 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick leave on the books prior to being eligible for any sick leave buy-back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon separation of employment with the City, all accumulated sick leave is eligible to be sold back at full value based on the employee's rate of pay at the time of separation up to a maximum of 92 hours. Employees terminated from employment shall not be paid for unused sick leave.

3) Sick Leave Policy

The use of Sick Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 6. Car Allowance

The City recognizes that various Appointed Officials and Department Heads may require extensive use of an automobile in the ordinary course of performing duties for the City. Accordingly, the City, as added compensation, shall provide an automobile allowance to the following classifications, in the amounts defined below, unless changed by an amendment to this Resolution by the City Council.

<u>POSITION</u>	<u>MONTHLY AMOUNT</u>
City Clerk	\$350.00
City Manager	\$400.00
City Treasurer	\$350.00
Finance Manager	\$350.00
Director of Community Development	\$350.00
Community Development Manager	\$350.00
Public Safety and Services Manager	\$350.00

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 7. Reimbursement for Expenses

The City will reimburse employees for reasonable and authorized expenses incurred on behalf of the City of Cudahy. All travel and other business expenses must be pre-approved by the department head and the City Manager, and must follow the Travel/Training Expense Policy and be reported within one (1) month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report forms received by Finance. Failure

to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable IRS Standard Mileage Rate for each year. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

Section 8. Health Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be 100% of plan cost for City Manager and Dependent's Coverage.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a health insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

For Miscellaneous Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution is currently 100% of the plan cost for employee and eligible dependents.

Section 9. Health Insurance for Retirees

a) Vesting of Medical Benefits for Appointed Officials (Non-represented)

Appointed officials including the City Clerk, City Treasurer and City Manager may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Appointed officials shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Vesting of Medical Benefits for Management/Confidential Employees (Non-represented)

Management/Confidential Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules and upon retirement from the City of Cudahy. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

Management/Confidential Employees shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Vesting of Medical Benefits for Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Miscellaneous Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution is 100% of the plan cost.

Section 10. Life Insurance

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall receive City paid term life insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive City paid term life insurance policy in the amount of \$1,000,000.00.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same life Insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City will provide a term life insurance policy in the amount of \$75,000 per employee. The premium for such insurance shall be paid by the City.

Section 11. Disability Insurance

a) Appointed Officials (Non-represented)

The City Manager, City Clerk, and City Treasurer shall receive a City paid Long Term Disability policy, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Disability Insurance benefits that miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City.

Section 12. Dental Insurance

a) Appointed Officials (Non-represented)

For the City Clerk and City Treasurer, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the dental insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

For Miscellaneous Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution is currently 100% of the plan cost for employee and eligible dependents.

Section 13. Vision Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the vision insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

For Miscellaneous Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution is currently 100% of the plan cost for employee and eligible dependents.

Section 14. Deferred Compensation (457 or 401a) Plan

a) Appointed Officials (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City does not make a contribution to said Plan on behalf of employees.

Section 15. Retirement Contribution

Every full-time employee shall participate in the California Public Employees Retirement System (CalPERS) plan as adopted by the City Council, as well as part-time classes that are not formally excluded via the City's CalPERS contract. Hourly classes that are excluded via the City's CalPERS contract shall not be enrolled in the plan. Participation in the retirement plan continues until the employee terminates employment with the City for any reason, and shall then cease under the terms of said plan. An employee is vested after five (5) years and may be eligible for benefits from the CalPERS system.

a) First Tier Retirement Formula:

Effective July 1, 2008, the City amended the CalPERS contract to provide the benefit known as 2.7% at 55 retirement formula. The City shall pay the seven percent (7%) employees' personal retirement contribution in addition to the normal employer contribution.

b) Second Tier Retirement Formula:

Effective October 16, 2011, the benefit known as 2% @ 60 retirement formula shall apply to employees hired or who become eligible for enrollment in the CalPERS Retirement Plan on or after the effective date of the City's contract amendment with CalPERS to implement this benefit. The City will only contribute the normal employer contribution, and the employee is responsible for their share (50% of the normal cost).

c) Third Tier Retirement Formula:

Effective January 1, 2013, in accordance with the Public Employees' Pension Reform Act (PEPRA), new employees hired on or after January 1, 2013 shall be enrolled in the benefit known as 2% @ 62 retirement formula. The City will only contribute the normal employer contribution, and the employee is responsible for their share (50% of the normal cost).

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 16. Severance Allowance

a) Appointed Officials (Non-represented)

For Appointed Officials, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential employees, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

Section 17. Relocation Allowance

a) Appointed Officials (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

b) Management/Confidential Employees (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

Section 18. Uniform Allowance

The City shall purchase uniforms for designated employees as budgeted, but not to exceed \$275.00 per year for maintenance personnel, and \$200.00 per year for municipal enforcement personnel.

The following classifications receive uniform allowance, which is reported to CalPERS:

Maintenance Superintendent	\$275.00
Maintenance Foreman	\$275.00
Maintenance Leader	\$275.00
Maintenance Worker	\$275.00
Senior Code Enforcement Officer	\$200.00
Code Enforcement Officer	\$200.00
Municipal Officer	\$200.00

Section 19. Bereavement Leave

The City shall provide bereavement leave to all full-time Appointed Officials, Management/Confidential Employees, and Miscellaneous employees.

Regular full-time employees are entitled to up to three (3) days of leave, with pay, upon the death of an immediate family member, calculated at regular base rate, to arrange and attend the funeral.

The City shall administer the provisions of this benefit as defined in the Personnel Rules and the City of Cudahy Miscellaneous Employees' Association MOU. Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Bereavement Leave.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 20. Miscellaneous Leaves of Absence

The City shall provide leaves of absence policies for the following categories:

- a) Paid Bone Marrow or Organ Donor Leave
- b) Paid Time Off for Jury Duty/Witness Duty
- c) Time Off to Vote
- d) Family and Medical Leave (FMLA)/California Family Rights Leave (CFRA)
- e) Pregnancy Disability Leave (PDL)
- f) Work Related Disability Leave
- g) Medical Disability Leave
- h) Industrial Leave
- i) Military Duty Leave
- j) Military Family Leave
- k) Spousal/Registered Domestic Partner Military Leave
- l) School Activities and School Visits Leave
- m) Victims of Domestic Violence, Sexual Assault and Other Crimes Leave
- n) Volunteer Civil Service Leave
- o) Literacy Assistance Leave
- p) Personal Leave/Leave of Absence without Pay

The City's personnel rules shall serve as the official policy related to eligibility and benefits for the above stated leaves. It is the intent of the City to comply with all state and federal laws related to leaves, and to the extent that state and federal laws provide a greater benefit, the City shall comply and provide such benefits to eligible employees.

Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Miscellaneous Leaves of Absence.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 21. Education Reimbursement

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to education reimbursement on the same terms and conditions as established for Management/Confidential employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City shall reimburse Management/Confidential Employees for the cost of books and tuition for courses taken at any State College, State University, Community College or an approved accredited private college or university as approved by the City Manager.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City shall reimburse employees for 100% of the cost of books, parking and tuition up to a maximum reimbursement equivalent to a full-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager must approve all courses in advance.

The City shall administer the terms of this provision as further defined under the Education Incentive section of the Cudahy Miscellaneous Employees' Association MOU.

Section 22. The Extension of Benefits to Other Classifications

a) Appointed Officials (Non-represented)

The fringe benefits set forth herein are minimum benefits; to the extent greater benefits are extended to other employees of the City, the City Clerk, City Treasurer and City Manager shall be entitled to such benefits. All provisions of the Cudahy Municipal Code, any Memorandum of Understanding with represented employees of the City, and the City's Personnel Rules that relate to fringe benefits as those provisions now exist, or hereinafter may be amended, shall apply to the City Clerk, City Treasurer, and City Manager in like manner as they apply to other employees of City.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

All Management/Confidential employees are entitled to and shall enjoy the specific fringe benefits as described and defined within each benefit provision.

Except as otherwise stated within any section of the Fringe Benefits and Salary Plan, all Management/Confidential employees are exempt from the City's Personnel Rules. All Management/Confidential employees are at-will employees.

Section 23. Hourly Employees

a) Eligibility for Benefits

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein.

b) Paid Sick Leave Accrual

Hourly employees, including temporary, extra help, part-time, and seasonal employees who work 30 or more days within a year from when employment commences, shall be entitled to 24 hours of sick leave per fiscal year, effective July 1, 2015, and employees shall receive subsequent annual sick leave accruals of 24 hours added to their leave bank in January of each calendar year. Sick leave must be used in a minimum of 2 hour increments. Unused sick leave under this program may be carried over to the following year not to exceed an accrual cap of six (6) days/forty-eight (48) hours of sick leave. An employee may use no more than twenty-four (24) hours in any one year. Employees are entitled to request and use accrued paid sick days beginning on the 90th day of employment. The rate of pay shall be at the employee's regular hourly wage.

c) FICA Alternative Plan

Hourly employees shall be entitled to receive the City's 3.75% FICA alternative plan contribution in lieu of Social Security and/or participation in CalPERS.

PART II

THE SALARY PLAN

PART II - THE SALARY PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070(2) of the Cudahy Municipal Code to provide for the compensation of City officers and employees and to conform to the principle of equal pay for equal work. Notwithstanding the foregoing, the terms of individual employment agreements shall control over the compensation amounts described in this Salary Plan when determining the salary of individual employees under contract with the City.

Section 2. The Classification Plan

The Classification Plan includes the allocation of class titles to salary ranges for City officers and employees under one Plan in which all positions substantially similar with respect to duties, authority, responsibility and working conditions are included within the same class, and that the same schedules of compensation be made to apply with equity under the working conditions to all positions in the same class.

The Classification Plan further includes the allocation of class titles to salary ranges for those employees which are designated as non-represented Management/Confidential employees who are exempt from the classified service. These exempt classes consist of persons appointed by the City Council, including the City Manager, City Clerk, and City Treasurer, and persons appointed by the City Manager, including department heads or designees, that serve in an "at will" capacity subject to the terms and conditions of an employment agreement, and are exempt from the classified service.

Non-classified positions are entitled to no more than the same benefits as provided to classified employees in a similar position and level in the organization. The Classification Plan as of the date of adoption of this Plan is hereby established as set forth in the addendum, referred to as the **Salary Schedule**, which is attached hereto and incorporated herein by reference. The Classification Plan shall not change the nature of any employee's status as an at-will employee.

Section 3. Basic Compensation Plan

The basic compensation plan for City officers and employees, as of the date of adoption of this Plan is hereby established as set forth in the Addendum, including the following:

- 1) Hourly Range Table
- 2) Association Range Table
- 3) Management/Confidential Range Table
- 4) Salary Schedule

The Salary Plan shall be referred to as the **Salary Schedule** which incorporates the allocation of ranges (defined in the range tables) to classifications, which is attached hereto and incorporated herein by reference.

Range tables for the Cudahy Municipal Employees' Association include the (10) steps with approximately 2.5% between steps.

Range tables for Appointed Officials (City Clerk, City Treasurer, and City Manager) have one step (flat rate).

Range tables for Management/Confidential include ten (10) steps with approximately 2.5% between steps.

Range tables for Hourly employees consist of one (1) to three (3) steps.

Section 4. Pay Philosophy

The City Council establishes a pay philosophy that the base pay of all positions shall be ideally set at the median pay provided by comparable cities of similar size, budget, staff, and geographic area, based on the City's financial ability to pay.

Section 5. Plan Maintenance

Increases to the Range tables and applied to the Salary Schedule are adopted and approved by the City Council via Resolution to amend the Fringe Benefit and Salary Plan.

Such recommended increases are negotiated between the City and the Cudahy Miscellaneous Employees' Association. The City Council may further take appropriate action to extend such increases to unrepresented Management/Confidential Employees, Appointed Officials including the City Clerk, City Treasurer and City Manager, and positions appointed by the City Manager.

In addition to negotiated increases, the City may take steps to maintain the Salary Plan by conducting regularly scheduled salary reviews and/or intermittent salary reviews as determined by changes in the labor market, and the need to compete for talent and/or retain current employees.

Section 6. Eligibility for Salary Advancement

a) Management/Confidential Employees (Non-represented)

Management/Confidential employees may receive the same considerations for salary advancement as provided to Miscellaneous Employees, at the City Manager's discretion.

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Salary step increases shall be considered on a merit basis only, and at prescribed times as defined in the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Any employee receiving a promotion shall receive a salary increase consistent with the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Section 7. Merit Ranges - Appointed Officials and Management/Confidential Employees (Non-represented)

Appointed City Officials including the City Clerk, City Treasurer and City Manager, as well as non-represented Management/Confidential employees who serve in an at-will capacity and are exempt from the classified service, may, subject to the terms and conditions set forth below, be eligible to have his/her salary increased to a maximum of fifteen percent beyond the regularly assigned top step of his/her salary range or salary set forth in an existing contract. The City Manager shall have administrative authority to assign, create and maintain the merit range (pay band) to implement the provisions of this Section.

Such increase shall be subject to documentation of the eligible employee's outstanding performance, based on performance and achievement of previously defined goals. The City Manager shall solely determine placement within the merit range based on the employee's performance. Notwithstanding the foregoing, with regard to increases for the City Manager and other Officials appointed by the City Council, the City Council shall determine placement within the merit range based on the employee's performance, subject to the Appointed Official's employment agreement, if any.

The continuation of increases pursuant to the provisions of this Section shall not be automatic, and failure to sustain "outstanding performance" shall cause the employee's pay to revert to the regularly assigned step for his/her classification. An employee who fails to sustain "outstanding performance" shall have their compensation reduced to the "regular range", in accordance with this section, and at the City Manager's discretion for Management/Confidential classes, and the City Council's discretion for Appointed Officials. Salary for Appointed Officials/Management/Confidential employees who have an employment agreement with the City shall not be modified prior to an amendment to his/her employment agreement, unless the agreement permits the increase or decrease to be handled administratively.

The regular salary range shall constitute the regularly defined Steps in the Salary Range (A-J). The "merit range" shall constitute a "pay band" with a minimum rate set one dollar above the maximum of the "regular salary range" and the maximum set at an amount not to exceed fifteen percent beyond the regularly assigned top step of the salary range. The "pay band" shall be added to the Salary Schedule for the assigned non-represented Management/Confidential classifications and Appointed Officials when the increase is recommended by the City Manager or City Council.

In no case shall an employee receive additional merit compensation above the designated "merit range" as defined herein.

Eligibility for additional compensation granted to all employees as part of changes authorized by the City Council shall not be adversely affected by the employee's status in steps granted beyond the regularly assigned step pursuant to the provisions of this Section. Salaries granted pursuant to this provision shall be reported to PERS as compensation earned.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of salary that may be contained in this Fringe Benefits and Salary Plan

Section 8. Merit Longevity Ranges – Miscellaneous Employees (Cudahy Miscellaneous Employees’ Association)

As provided in the Cudahy Municipal Employees’ Association MOU, employees may be eligible for merit longevity compensation as continuing incentive to career employees upon achieving the “E” step and completing ten continuous years of service. Employees may be eligible for one step above their base rate (2.5%), and after twenty (20) years, the percentage amount shall be increased to a total of one and one-half steps (7.5%) above the regular rate of pay. Such payment shall continue with approval of the city Manager, and shall be granted to employees who continue to “Exceed Standards” as evidenced by the performance rating of such employee. Merit Longevity may be removed by the City Manager when the employee’s performance does not merit such additional compensation. The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees’ Association MOU.

Section 9. Compaction Rule

The top step of the salary range of any Management/Confidential classification shall be a minimum of two steps (approximately ten percent) above the top step of the closest subordinate classification, with the exception of those Management/Confidential classifications supervising specialized classifications which are highly compensated due to labor market conditions. In the case of highly compensated positions due to labor market conditions, employees may directly supervise a subordinate classification where the maximum salary range exceeds the supervisory class without the two step minimum (approximately ten percent). Subordinate classification shall be defined as any position classification in which there are employees who are supervised by the Management/Confidential employee.

Section 10. Salaries Above Market Rate – Use of “Y” Rating Method

The City Manager has the authority to implement a “Y” rating for employees whose range is found to exceed the market rate based on a salary survey. The employee in this case shall receive no increase in salary unless the maximum salary established by this Plan for their classifications exceeds the amount of their “Y” rate.

Section 11. Trainee Positions

The City Manager has the authority to establish a Trainee class for any class in the system. The salary range for Trainee classes shall be established with a salary range starting fifteen percent (15%) below the first step of the regular position and ending five percent (5%) below the first step of the regular position. Employees who successfully complete the training program and meet the criteria for the higher level class, may be reclassified to the higher level class upon approval by the City Manager.

Section 12. Salary Differentials

Exceptions shall be made to Sections 2 and 3 of this Plan as follows:

a. (5%) Salary Differential

After investigation and approval by the City Manager, a 5% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

b. (10%) Salary Differential

After investigation and approval by the City Manager, a 10% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

- 1) City Manager when assigned to perform the duties of the City Clerk when so designated and approved by the City Council.

c. Bi-lingual Pay

1. Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same compensation as provided to Management/Confidential employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

2. Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same compensation as provided to Miscellaneous employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

3. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Employees shall be compensated with bilingual pay differential in the amount of \$75.00 per month for oral translation duties, and \$125.00 per month for oral and written translations. Such amounts have been added to base pay for all

Association job classifications and its members, consistent with the Cudahy Miscellaneous Employees' Association MOU.

d. Temporary Upgrade – Acting Capacity

An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, or a one step increase, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. Positions shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates, as determined by the City Manager or designee.

e. Temporary Upgrade – Work Out of Class

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class pay differential increase of the equivalent of one salary step shall be authorized with advance approval by the City Manager or designee when an employee is designated and scheduled to work in an out-of-class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

Section 13. Overtime

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to overtime consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Non-exempt employees shall be paid for hours worked in accordance with all legal requirements. Overtime is calculated at one and one-half (1 ½) times the employee's regular base rate of pay for all time worked over 40 hours in one workweek. Hours paid that are not actually worked, such as holidays, sick days, and vacation hours do not count as hours worked when calculating weekly overtime.

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require.

Section 14. Compensatory Time

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Compensatory Time consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

The City has enacted a special provision for non-exempt employees to provide compensatory time off in lieu of monetary overtime compensation at a rate of one and one-half (1 ½) hours of compensatory time for each hour of overtime worked. Compensatory time is an alternative method of overtime payment for hours worked over 40 hours for non-exempt employees. The maximum accrual limit is 120 hours.

Section 15. Executive Leave

Management/Confidential employees shall be entitled to take three (3) days (27 hours) of executive leave per fiscal year. The three (3) days (27 hours) may not be carried over to the next fiscal year and their use must have the prior permission of the City Manager. This provision shall be administered in accordance with the City's Personnel Rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 16. On-Call (Standby) Pay

An employee who has been instructed by their direct supervisor to stand-by is free to use this time for their own benefit. Employees On-Call (Standby) shall receive two (2) hours of compensatory time for an assigned 24 consecutive hour shift, which will not be counted towards over-time calculations.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to On-Call (Standby) Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 17. Call Back Pay

Call back duty occurs when an employee is called back in to work after their regular shift has ended. An employee called back to duty shall be paid a minimum of two (2) hours of compensatory time at a rate equal to time and one-half (1 ½) the regular hourly pay rate, and for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Call Back Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 18. Additional Approved Increases in Compensation and Changes to the Salary and Classification Plans

No current provisions

Section 19. The Provisions of This Plan Shall Be Operative on the Date of Its Adoption.**ADDENDUM:**

1. HOURLY RANGE TABLES
2. ASSOCIATION RANGE TABLES
3. MANAGEMENT/CONFIDENTIAL RANGE TABLES
4. SALARY SCHEDULES

HOURLY RANGE TABLES

**Compensation Schedule Effective
July 1, 2012**

Attachment B

Hourly Steps			
Ranges	A	B	C
H1	8.24	8.60	9.03
H2	9.17	9.86	10.54
H4	11.91	12.56	13.25
H5	12.23	12.90	13.59
H6	12.37	13.05	13.76
H7	12.56	13.25	13.93
H8	13.25	13.92	14.60
H9	14.89	15.89	16.85
H10	14.50	15.47	16.43
H11	15.40	16.22	18.44
H12	15.18	15.86	16.73
H15	18.85	19.86	21.18

Flat Rates	
Ranges	A
HF25	45.00
HF26	50.00

Account Clerk (B)	H11
Administrative Aide	H12
Administrative Intern	H5
Administrative Assistant	H15
Building Inspector	HF25
CDBG Coordinator	HF26
Clerk Typist	H6
Code Enforcement Officer	H9
Maintenance Aide	H2
Maintenance Worker	H7
Municipal Enforcement Officer	H8
Planning Technician	H10
Recreation Aide	H1
Recreation Leader	H3
Sr. Recreation Leader	H4

**Compensation Schedule Effective
July 1, 2012**

Attachment B

Hourly Steps			
Ranges	A	B	C
H1	8.24	8.60	9.03
H2	9.17	9.86	10.54
H4	11.91	12.56	13.25
H5	12.23	12.90	13.59
H6	12.37	13.05	13.76
H7	12.56	13.25	13.93
H8	13.25	13.92	14.60
H9	14.89	15.89	16.85
H10	14.50	15.47	16.43
H11	15.40	16.22	18.44
H12	15.18	15.86	16.73
H15	18.85	19.86	21.18

Flat Rates	
Ranges	A
HF25	45.00
HF26	50.00

Account Clerk (B)	H11
Administrative Aide	H12
Administrative Intern	H5
Administrative Assistant	H15
Building Inspector	HF25
CDBG Coordinator	HF26
Clerk Typist	H6
Code Enforcement Officer	H9
Maintenance Aide	H2
Maintenance Worker	H7
Municipal Enforcement Officer	H8
Planning Technician	H10
Recreation Aide	H1
Recreation Leader	H3
Sr. Recreation Leader	H4

ASSOCIATION RANGE TABLES

**Compensation Schedule Effective
July 1, 2008**

Attachment B

Association Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	2561	2597	2624	2688	2754	2825	2967	3041	3116	3257
A2	2688	2754	2825	2967	3041	3116	3275	3357	3441	3526
A3	2825	2895	2967	3041	3116	3275	3357	3441	3526	3614
A4	2967	3041	3116	3193	3275	3357	3441	3526	3614	3706
A5	3116	3193	3275	3357	3441	3526	3614	3706	3798	3892
A6	3275	3357	3441	3526	3614	3706	3798	3892	3990	4089
A7	3441	3526	3614	3706	3798	3892	3990	4089	4193	4296
A8	3614	3706	3798	3892	3990	4089	4193	4296	4405	4514
A9	3798	3892	3990	4089	4193	4296	4405	4514	4626	4742
A10	3990	4089	4193	4296	4405	4514	4626	4742	4860	4981

**Compensation Schedule Effective
July 1, 2012**

Attachment B

Association Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	2713	2750	2778	2844	2912	2985	3131	3207	3284	3430
A2	2844	2912	2985	3131	3207	3284	3448	3533	3619	3707
A3	2985	3057	3131	3207	3284	3448	3533	3619	3707	3797
A4	3131	3207	3284	3364	3448	3533	3619	3707	3797	3892
A5	3284	3364	3448	3533	3619	3707	3797	3892	3987	4084
A6-A	3448	3533	3619	3707	3797	3892	3987	4084	4185	4287
A6-B	3479	3564	3650	3738	3828	3923	4018	4115	4216	4318
A7	3619	3707	3797	3892	3987	4084	4185	4287	4394	4500
A8	3797	3892	3987	4084	4185	4287	4394	4500	4612	4724
A9	3987	4084	4185	4287	4394	4500	4612	4724	4840	4959
A10-A	4185	4287	4394	4500	4612	4724	4840	4959	5081	5205
A10-B	4239	4341	4448	4554	4666	4778	4894	5013	5135	5259
A11	4391	4498	4610	4721	4839	4956	5078	5203	5331	5462
A12	4607	4719	4837	4953	5077	5200	5328	5459	5594	5731
A13	4834	4951	5075	5197	5327	5456	5591	5728	5870	6014
A14	5072	5195	5325	5453	5590	5725	5867	6011	6160	6311
A15	5322	5451	5587	5722	5866	6008	6157	6308	6464	6623
A16	5584	5724	5863	6004	6156	6305	6461	6620	6784	6950
A17	5859	6006	6152	6300	6460	6617	6780	6947	7118	7294
A18	6148	6303	6456	6611	6779	6944	7115	7291	7470	7655
A19	6452	6614	6775	6938	7114	7287	7467	7652	7840	8034
A20	6771	6941	7110	7281	7466	7648	7837	8031	8228	8432
A21	7106	7284	7462	7641	7836	8027	8225	8429	8636	8850
A22	7458	7644	7831	8019	8224	8425	8633	8847	9064	9289

**Compensation Schedule Effective
July 1, 2013**

Attachment B

Association										
Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	2765	2802	2831	2898	2967	3042	3190	3268	3346	3495
A2	2898	2967	3042	3190	3268	3346	3514	3600	3688	3777
A3	3042	3115	3190	3268	3346	3514	3600	3688	3777	3869
A4	3190	3268	3346	3428	3514	3600	3688	3777	3869	3966
A5	3346	3428	3514	3600	3688	3777	3869	3966	4063	4162
A6-A	3514	3600	3688	3777	3869	3966	4063	4162	4265	4368
A6-B	3545	3631	3719	3808	3900	3997	4094	4193	4296	4399
A7	3688	3777	3869	3966	4063	4162	4265	4368	4477	4586
A8	3869	3966	4063	4162	4265	4368	4477	4586	4700	4814
A9	4063	4162	4265	4368	4477	4586	4700	4814	4932	5053
A10-A	4265	4368	4477	4586	4700	4814	4932	5053	5176	5304
A10-B	4320	4423	4532	4641	4755	4869	4987	5108	5231	5359
A11	4474	4583	4698	4811	4931	5050	5174	5302	5432	5566
A12	4695	4809	4929	5047	5173	5299	5429	5563	5700	5840
A13	4926	5045	5171	5296	5428	5560	5697	5837	5982	6128
A14	5168	5294	5426	5557	5696	5834	5978	6125	6277	6431
A15	5423	5555	5693	5831	5977	6122	6274	6428	6587	6749
A16	5690	5833	5974	6118	6273	6425	6584	6746	6913	7082
A17	5970	6120	6269	6420	6583	6743	6909	7079	7253	7433
A18	6265	6423	6579	6737	6908	7076	7250	7430	7612	7800
A19	6575	6740	6904	7070	7249	7425	7609	7797	7989	8187
A20	6900	7073	7245	7419	7608	7793	7986	8184	8384	8592
A21	7241	7422	7604	7786	7985	8180	8381	8589	8800	9018
A22	7600	7789	7980	8171	8380	8585	8797	9015	9236	9465

**Compensation Schedule Effective
July 1, 2014**

Attachment B

Association										
Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	2,815	2,852	2,882	2,950	3,020	3,097	3,247	3,327	3,406	3,558
A2	2,950	3,020	3,097	3,247	3,327	3,406	3,577	3,665	3,754	3,845
A3	3,097	3,171	3,247	3,327	3,406	3,577	3,665	3,754	3,845	3,939
A4	3,247	3,327	3,406	3,490	3,577	3,665	3,754	3,845	3,939	4,037
A5	3,406	3,490	3,577	3,665	3,754	3,845	3,939	4,037	4,136	4,237
A6-A	3,577	3,665	3,754	3,845	3,939	4,037	4,136	4,237	4,342	4,447
A6-B	3,609	3,696	3,786	3,877	3,970	4,069	4,168	4,268	4,373	4,478
A7	3,754	3,845	3,939	4,037	4,136	4,237	4,342	4,447	4,558	4,669
A8	3,939	4,037	4,136	4,237	4,342	4,447	4,558	4,669	4,785	4,901
A9	4,136	4,237	4,342	4,447	4,558	4,669	4,785	4,901	5,021	5,144
A10-A	4,342	4,447	4,558	4,669	4,785	4,901	5,021	5,144	5,269	5,399
A10-B	4,398	4,503	4,614	4,725	4,841	4,957	5,077	5,200	5,325	5,455
A11	4,555	4,665	4,783	4,898	5,020	5,141	5,267	5,397	5,530	5,666
A12	4,780	4,896	5,018	5,138	5,266	5,394	5,527	5,663	5,803	5,945
A13	5,015	5,136	5,264	5,391	5,526	5,660	5,800	5,942	6,090	6,238
A14	5,261	5,389	5,524	5,657	5,799	5,939	6,086	6,235	6,390	6,547
A15	5,521	5,655	5,795	5,936	6,085	6,232	6,387	6,544	6,706	6,870
A16	5,792	5,938	6,082	6,228	6,386	6,541	6,703	6,867	7,037	7,209
A17	6,077	6,230	6,382	6,536	6,701	6,864	7,033	7,206	7,384	7,567
A18	6,378	6,539	6,697	6,858	7,032	7,203	7,381	7,564	7,749	7,940
A19	6,693	6,861	7,028	7,197	7,379	7,559	7,746	7,937	8,133	8,334
A20	7,024	7,200	7,375	7,553	7,745	7,933	8,130	8,331	8,535	8,747
A21	7,371	7,556	7,741	7,926	8,129	8,327	8,532	8,744	8,958	9,180
A22	7,737	7,929	8,124	8,318	8,531	8,740	8,955	9,177	9,402	9,635

**MANAGEMENT/CONFIDENTIAL
RANGE TABLES**

**Compensation Schedule Effective
July 1, 2008**

Attachment B

Management Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
M1	5322	5474	5591	5729	5847	6020	6171	6325	6483	6645
M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781

SALARY SCHEDULES

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JULY 1, 2008

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk A	PT	HOURLY	H3	10.40	11.03	11.69							
Account Clerk B	PT	HOURLY	H11	14.95	15.75	17.90							
Account Clerk	CMEA	MONTHLY	A6	3275	3357	3441	3526	3614	3706	3798	3892	3990	4089
Account Technician	CMEA	MONTHLY	A9	3798	3892	3990	4089	4193	4296	4405	4514	4626	4742
Administrative Assistant	PT	HOURLY	H15	18.30	19.28	20.56							
Administrative Assistant	CMEA	MONTHLY	A7	3441	3526	3614	3706	3798	3892	3990	4089	4193	4296
Administrative Clerk I	CMEA	MONTHLY	A1	2561	2597	2624	2688	2754	2825	2967	3041	3116	3257
Administrative Clerk II	CMEA	MONTHLY	A5	3116	3193	3275	3357	3441	3526	3614	3706	3798	3892
Administrative Intern	PT	HOURLY	H5	11.87	12.52	13.19							
Cashier/Receptionist	CMEA	MONTHLY	A1	2561	2597	2624	2688	2754	2825	2967	3041	3116	3257
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	14,379									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Clerk Typist	PT	HOURLY	H6	12.01	12.67	13.36							
Code Enforcement Officer	PT	HOURLY	H9	14.46	15.43	16.36							
Code Enforcement Officer	CMEA	MONTHLY	A7	3441	3526	3614	3706	3798	3892	3990	4089	4193	4296
Department Secretary	CMEA	MONTHLY	A6	3275	3357	3441	3526	3614	3706	3798	3892	3990	4089
Director of Community Development	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Director of Community Services	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Director of Parks & Recreation	MGMT	MONTHLY	M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
Executive Secretary/HR Specialist	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Executive Secretary	CMEA	MONTHLY	A9	3798	3892	3990	4089	4193	4296	4405	4514	4626	4742
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Maintenance Aide	PT	HOURLY	H2	8.90	9.57	10.23							
Maintenance Foreman	CMEA	MONTHLY	A8	3614	3706	3798	3892	3990	4089	4193	4296	4405	4514
Maintenance Leader	CMEA	MONTHLY	A6	3275	3357	3441	3526	3614	3706	3798	3892	3990	4089
Maintenance Superintendent	CMEA	MONTHLY	A10	3990	4089	4193	4296	4405	4514	4626	4742	4860	4981
Maintenance Worker	PT	HOURLY	H7	12.19	12.86	13.52							
Maintenance Worker	CMEA	MONTHLY	A3	2825	2895	2967	3041	3116	3275	3357	3441	3526	3614
Municipal Enforcement Officer	PT	HOURLY	H8	12.86	13.51	14.17							
Municipal Enforcement Officer	CMEA	MONTHLY	A5	3116	3193	3275	3357	3441	3526	3614	3706	3798	3892
Planning Assistant	CMEA	MONTHLY	A8	3614	3706	3798	3892	3990	4089	4193	4296	4405	4514
Recreation Aide	PT	HOURLY	H1	8.00	8.35	8.77							
Recreation Coordinator	CMEA	MONTHLY	A5	3116	3193	3275	3357	3441	3526	3614	3706	3798	3892
Recreation Leader	PT	HOURLY	H2	8.90	9.57	10.23							
Recreation Supervisor	CMEA	MONTHLY	A8	3614	3706	3798	3892	3990	4089	4193	4296	4405	4514
Secretary	CMEA	MONTHLY	A4	2967	3041	3116	3193	3275	3357	3441	3526	3614	3706
Senior Administrative Assistant	CMEA	MONTHLY	A8	3614	3706	3798	3892	3990	4089	4193	4296	4405	4514
Senior Code Enforcement Officer	CMEA	MONTHLY	A8	3614	3706	3798	3892	3990	4089	4193	4296	4405	4514
Senior Recreation Coordinator	CMEA	MONTHLY	A6	3275	3357	3441	3526	3614	3706	3798	3892	3990	4089
Senior Recreation Leader	PT	HOURLY	H4	11.56	12.19	12.86							

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JULY 1, 2012

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H11	15.40	16.22	18.44							
Account Clerk	CMEA	MONTHLY	A6-A	3448	3533	3619	3707	3797	3892	3987	4084	4185	4287
Account Clerk *	CMEA	MONTHLY	A6-B	3479	3564	3650	3738	3828	3923	4018	4115	4216	4318
Account Technician	CMEA	MONTHLY	A10-A	4185	4287	4394	4500	4612	4724	4840	4959	5081	5205
Account Technician*	CMEA	MONTHLY	A10-B	4239	4341	4448	4554	4666	4778	4894	5013	5135	5259
Administrative Aide	PT	HOURLY	H12	15.18	15.86	16.73							
Administrative Assistant	PT	HOURLY	H15	18.85	19.86	21.18							
Administrative Assistant	CMEA	MONTHLY	A7	3619	3707	3797	3892	3987	4084	4185	4287	4394	4500
Administrative Clerk I	CMEA	MONTHLY	A1	2713	2750	2778	2844	2912	2985	3131	3207	3284	3430
Administrative Clerk II	CMEA	MONTHLY	A5	3284	3364	3448	3533	3619	3707	3797	3892	3987	4084
Administrative Intern	PT	HOURLY	H5	12.23	12.90	13.59							
Assistant Engineer A	CMEA	MONTHLY	A8	3797	3892	3987	4084	4185	4287	4394	4500	4612	4724
Assistant Engineer B	CMEA	MONTHLY	A16	5584	5724	5863	6004	6156	6305	6461	6620	6784	6950
Building Inspector	PT	HOURLY/FLAT RATE	HF25	45.00									
Cashier/Receptionist	CMEA	MONTHLY	A1	2713	2750	2778	2844	2912	2985	3131	3207	3284	3430
CDBG Coordinator	PT	HOURLY/FLAT RATE	HF26	50.00									
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	13,333									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Clerk Typist	PT	HOURLY	H6	12.37	13.05	13.76							
Code Enforcement Officer	PT	HOURLY	H9	14.89	15.89	16.85							
Code Enforcement Officer	CMEA	MONTHLY	A7	3619	3707	3797	3892	3987	4084	4185	4287	4394	4500
Department Secretary	CMEA	MONTHLY	A6	3448	3533	3619	3707	3797	3892	3987	4084	4185	4287
Director of Community Development	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Director of Community Services	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Director of Parks & Recreation	MGMT	MONTHLY	M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
Executive Secretary/Human Resources Specialist	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Executive Secretary	CMEA	MONTHLY	A9	3987	4084	4185	4287	4394	4500	4612	4724	4840	4959
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Maintenance Aide	PT	HOURLY	H2	9.17	9.86	10.54							
Maintenance Foreman	CMEA	MONTHLY	A8	3797	3892	3987	4084	4185	4287	4394	4500	4612	4724
Maintenance Leader	CMEA	MONTHLY	A6	3448	3533	3619	3707	3797	3892	3987	4084	4185	4287
Maintenance Superintendent	CMEA	MONTHLY	A10	4185	4287	4394	4500	4612	4724	4840	4959	5081	5205
Maintenance Worker	PT	HOURLY	H7	12.56	13.25	13.93							
Maintenance Worker	CMEA	MONTHLY	A3	2985	3057	3131	3207	3284	3448	3533	3619	3707	3797
Municipal Enforcement Officer	PT	HOURLY	H8	13.25	13.92	14.60							
Municipal Enforcement Officer	CMEA	MONTHLY	A5	3284	3364	3448	3533	3619	3707	3797	3892	3987	4084
Planning Assistant	CMEA	MONTHLY	A8	3797	3892	3987	4084	4185	4287	4394	4500	4612	4724
Planning Associate	CMEA	MONTHLY	A9	3987	4084	4185	4287	4394	4500	4612	4724	4840	4959
Planning Technician	PT	HOURLY	H10	14.50	15.47	16.43							
Recreation Aide	PT	HOURLY	H1	8.24	8.60	9.03							
Recreation Coordinator	CMEA	MONTHLY	A5	3284	3364	3448	3533	3619	3707	3797	3892	3987	4084
Recreation Leader	PT	HOURLY	H2	9.17	9.86	10.54							
Recreation Supervisor	CMEA	MONTHLY	A8	3797	3892	3987	4084	4185	4287	4394	4500	4612	4724
Secretary	CMEA	MONTHLY	A4	3131	3207	3284	3364	3448	3533	3619	3707	3797	3892
Senior Accountant	CMEA	MONTHLY	A15	5322	5451	5587	5722	5866	6008	6157	6308	6464	6623
Senior Administrative Analyst	CMEA	MONTHLY	A7	3619	3707	3797	3892	3987	4084	4185	4287	4394	4500
Senior Code Enforcement Officer	CMEA	MONTHLY	A8	3797	3892	3987	4084	4185	4287	4394	4500	4612	4724
Senior Recreation Coordinator	CMEA	MONTHLY	A6	3448	3533	3619	3707	3797	3892	3987	4084	4185	4287
Senior Recreation Leader	PT	HOURLY	H4	11.91	12.56	13.25							

*Reflects higher rate due to bilingual written and verbal skill pay and/or special acting pay (currently under administrative review).

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JULY 1, 2013

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H11	15.40	16.22	18.44							
Account Clerk	CMEA	MONTHLY	A6-A	3514	3600	3688	3777	3869	3966	4063	4162	4265	4368
Account Clerk*	CMEA	MONTHLY	A6-B	3545	3631	3719	3808	3900	3997	4094	4193	4296	4399
Account Technician	CMEA	MONTHLY	A10-A	4265	4368	4477	4586	4700	4814	4932	5053	5176	5304
Account Technician *	CMEA	MONTHLY	A10-B	4320	4423	4532	4641	4755	4869	4987	5108	5231	5359
Administrative Aide	PT	HOURLY	H12	15.40	16.22	18.44							
Administrative Assistant	PT	HOURLY	H15	18.85	19.86	21.18							
Administrative Assistant	CMEA	MONTHLY	A7	3688	3777	3869	3966	4063	4162	4265	4368	4477	4586
Administrative Clerk I	CMEA	MONTHLY	A1	2765	2802	2831	2898	2967	3042	3190	3268	3346	3495
Administrative Clerk II	CMEA	MONTHLY	A5	3346	3428	3514	3600	3688	3777	3869	3966	4063	4162
Administrative Intern	PT	HOURLY	H5	12.23	12.90	13.59							
Assistant Engineer A	CMEA	MONTHLY	A8	3869	3966	4063	4162	4265	4368	4477	4586	4700	4814
Assistant Engineer B	CMEA	MONTHLY	A16	5690	5833	5974	6118	6273	6425	6584	6746	6913	7082
Building Inspector	PT	HOURLY/FLAT RATE	HF25	45.00									
Cashier/Receptionist	CMEA	MONTHLY	A1	2765	2802	2831	2898	2967	3042	3190	3268	3346	3495
CDBG Coordinator	PT	HOURLY/FLAT RATE	HF26	50.00									
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	14,166									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Clerk Typist	PT	HOURLY	H6	12.37	13.05	13.76							
Code Enforcement Officer	PT	HOURLY	H9	14.89	15.89	16.85							
Code Enforcement Officer	CMEA	MONTHLY	A7	3688	3777	3869	3966	4063	4162	4265	4368	4477	4586
Department Secretary	CMEA	MONTHLY	A6	3514	3600	3688	3777	3869	3966	4063	4162	4265	4368
Director of Community Development	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Director of Community Services	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Director of Parks & Recreation	MGMT	MONTHLY	M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
Executive Secretary/Human Resources Specialist	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Maintenance Aide	PT	HOURLY	H2	9.17	9.86	10.54							
Maintenance Foreman	CMEA	MONTHLY	A8	3869	3966	4063	4162	4265	4368	4477	4586	4700	4814
Maintenance Leader	CMEA	MONTHLY	A6	3514	3600	3688	3777	3869	3966	4063	4162	4265	4368
Maintenance Superintendent	CMEA	MONTHLY	A10	4265	4368	4477	4586	4700	4814	4932	5053	5176	5304
Maintenance Worker	PT	HOURLY	H7	12.56	13.25	13.93							
Maintenance Worker	CMEA	MONTHLY	A3	3042	3115	3190	3268	3346	3514	3600	3688	3777	3869
Municipal Enforcement Officer	PT	HOURLY	H8	13.25	13.92	14.60							
Municipal Enforcement Officer	CMEA	MONTHLY	A5	3346	3428	3514	3600	3688	3777	3869	3966	4063	4162
Planning Assistant	CMEA	MONTHLY	A8	3869	3966	4063	4162	4265	4368	4477	4586	4700	4814
Planning Associate	CMEA	MONTHLY	A9	4063	4162	4265	4368	4477	4586	4700	4814	4932	5053
Planning Technician	PT	HOURLY	H10	14.50	15.47	16.43							
Recreation Aide	PT	HOURLY	H1	8.24	8.60	9.03							
Recreation Coordinator	CMEA	MONTHLY	A5	3346	3428	3514	3600	3688	3777	3869	3966	4063	4162
Recreation Leader	PT	HOURLY	H2	9.17	9.86	10.54							
Recreation Supervisor	CMEA	MONTHLY	A8	3869	3966	4063	4162	4265	4368	4477	4586	4700	4814
Secretary	CMEA	MONTHLY	A4	3190	3346	3428	3514	3600	3688	3777	3869	3966	4063
Senior Accountant	CMEA	MONTHLY	A15	5423	5555	5693	5831	5977	6122	6274	6428	6587	6749
Senior Administrative Analyst	CMEA	MONTHLY	A7	3688	3777	3869	3966	4063	4162	4265	4368	4477	4586
Senior Code Enforcement Officer	CMEA	MONTHLY	A8	3869	3966	4063	4162	4265	4368	4477	4586	4700	4814
Senior Recreation Coordinator	CMEA	MONTHLY	A6	3514	3600	3688	3777	3869	3966	4063	4162	4265	4368
Senior Recreation Leader	PT	HOURLY	H4	11.91	12.56	13.25							

*Reflects higher rate due to bilingual written and verbal skill pay and/or special acting pay (currently under administrative review).

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE JULY 1, 2014

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H11	15.40	16.22	18.44							
Account Clerk	CMEA	MONTHLY	A6-A	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Account Clerk*	CMEA	MONTHLY	A6-B	3609	3696	3786	3877	3970	4069	4168	4268	4373	4478
Account Technician	CMEA	MONTHLY	A10-A	4342	4447	4558	4669	4785	4901	5021	5144	5269	5399
Account Technician*	CMEA	MONTHLY	A10-B	4398	4503	4614	4725	4841	4957	5077	5200	5325	5455
Administrative Aide	PT	HOURLY	H12	15.18	15.86	16.73							
Administrative Assistant	PT	HOURLY	H15	18.85	19.86	21.18							
Administrative Assistant	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Administrative Clerk I	CMEA	MONTHLY	A1	2815	2852	2882	2950	3020	3097	3247	3327	3406	3558
Administrative Clerk II	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Administrative Intern	PT	HOURLY	H5	11.91	12.56	13.25							
Assistant Engineer A	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Assistant Engineer B	CMEA	MONTHLY	A16	5792	5938	6082	6228	6389	6541	6703	6867	7037	7209
Building Inspector	PT	HOURLY/FLAT RATE	HF25	45.00									
Cashier/Receptionist	CMEA	MONTHLY	A1	2815	2852	2882	2950	3020	3097	3247	3327	3406	3558
CDBG Coordinator	PT	HOURLY/FLAT RATE	HF26	50.00									
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	14,166									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Clerk Typist	PT	HOURLY	H6	12.37	13.05	13.76							
Code Enforcement Officer	PT	HOURLY	H9	14.89	15.89	16.85							
Code Enforcement Officer	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Department Secretary	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Director of Community Development	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Director of Community Services	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Director of Parks & Recreation	MGMT	MONTHLY	M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
Executive Secretary/Human Resources Specialist	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Maintenance Aide	PT	HOURLY	H2	9.17	9.86	10.54							
Maintenance Foreman	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Maintenance Leader	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Maintenance Superintendent	CMEA	MONTHLY	A10	4342	4447	4558	4669	4785	4901	5021	5144	5269	5399
Maintenance Worker	PT	HOURLY	H7	12.56	13.25	13.93							
Maintenance Worker	CMEA	MONTHLY	A3	3097	3171	3247	3327	3406	3577	3665	3754	3845	3939
Municipal Enforcement Officer	PT	HOURLY	H8	13.35	13.92	14.60							
Municipal Enforcement Officer	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Planning Assistant	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Planning Associate	CMEA	MONTHLY	A9	4136	4237	4342	4447	4558	4669	4785	4901	5021	5144
Planning Technician	PT	HOURLY	H10	14.50	15.47	16.43							
Recreation Aide	PT	HOURLY	H1	9.00	9.23	9.50							
Recreation Coordinator	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Recreation Leader	PT	HOURLY	H3	9.63	9.85	10.23							
Recreation Supervisor	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Secretary	CMEA	MONTHLY	A4	3247	3327	3406	3490	3577	3665	3754	3845	3939	4037
Senior Accountant	CMEA	MONTHLY	A15	5521	5655	5795	5936	6085	6232	6387	6544	6706	6870
Senior Administrative Analyst	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Senior Code Enforcement Officer	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Senior Recreation Coordinator	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Senior Recreation Leader	PT	HOURLY	H4	11.56	12.19	12.86							

*Reflects higher rate due to bilingual written and verbal skill pay and/or special acting pay (currently under administrative review).

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE AUGUST 6, 2014

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H11	15.4	16.22	18.44							
Account Clerk	CMEA	MONTHLY	A6-A	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Account Clerk*	CMEA	MONTHLY	A6-B	3609	3696	3786	3877	3970	4069	4168	4268	4373	4478
Account Technician	CMEA	MONTHLY	A10-A	4342	4447	4558	4669	4785	4901	5021	5144	5269	5399
Account Technician*	CMEA	MONTHLY	A10-B	4398	4503	4614	4725	4841	4957	5077	5200	5325	5455
Administrative Aide	PT	HOURLY	H12	15.18	15.86	16.73							
Administrative Assistant	PT	HOURLY	H15	18.85	19.86	21.18							
Administrative Assistant	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Administrative Clerk I	CMEA	MONTHLY	A1	2815	2852	2882	2950	3020	3097	3247	3327	3406	3558
Administrative Clerk II	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Administrative Intern	PT	HOURLY	H5	11.91	12.56	13.25							
Assistant Engineer A	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Assistant Engineer B	CMEA	MONTHLY	A16	5792	5938	6082	6228	6389	6541	6703	6867	7037	7209
Building Inspector	PT	HOURLY/FLAT RATE	HF25	45.00									
Cashier/Receptionist	CMEA	MONTHLY	A1	2815	2852	2882	2950	3020	3097	3247	3327	3406	3558
CDBG Coordinator	PT	HOURLY/FLAT RATE	HF26	50.00									
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	15,000									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Clerk Typist	PT	HOURLY	H6	12.37	13.05	13.76							
Code Enforcement Officer	PT	HOURLY	H9	14.89	15.89	16.85							
Code Enforcement Officer	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Department Secretary	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Director of Community Development	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Director of Community Services	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Director of Parks & Recreation	MGMT	MONTHLY	M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
Executive Secretary/Human Resources Specialist	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Maintenance Aide	PT	HOURLY	H2	9.17	9.86	10.54							
Maintenance Foreman	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Maintenance Leader	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Maintenance Superintendent	CMEA	MONTHLY	A10	4342	4447	4558	4669	4785	4901	5021	5144	5269	5399
Maintenance Worker	PT	HOURLY	H7	12.56	13.25	13.93							
Maintenance Worker	CMEA	MONTHLY	A3	3097	3171	3247	3327	3406	3577	3665	3754	3845	3939
Municipal Enforcement Officer	PT	HOURLY	H8	13.35	13.92	14.60							
Municipal Enforcement Officer	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Planning Assistant	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Planning Associate	CMEA	MONTHLY	A9	4136	4237	4342	4447	4558	4669	4785	4901	5021	5144
Planning Technician	PT	HOURLY	H10	14.50	15.47	16.43							
Recreation Aide	PT	HOURLY	H1	9.00	9.23	9.50							
Recreation Coordinator	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Recreation Leader	PT	HOURLY	H3	9.63	9.85	10.23							
Recreation Supervisor	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Secretary	CMEA	MONTHLY	A4	3247	3327	3406	3490	3577	3665	3754	3845	3939	4037
Senior Accountant	CMEA	MONTHLY	A15	5521	5655	5795	5936	6085	6232	6387	6544	6706	6870
Senior Administrative Analyst	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Senior Code Enforcement Officer	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Senior Recreation Coordinator	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Senior Recreation Leader	PT	HOURLY	H4	11.56	12.19	12.86							

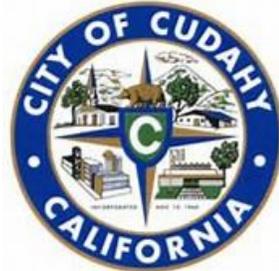
*Reflects higher rate due to bilingual written and verbal skill pay and/or special acting pay (currently under administrative review).

CITY OF CUDAHY
SALARY SCHEDULE
EFFECTIVE DATE SEPTEMBER 14, 2015

TITLE	GROUP	RATE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H	STEP I	STEP J
Account Clerk	PT	HOURLY	H11	15.4	16.22	18.44							
Account Clerk	CMEA	MONTHLY	A6-A	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Account Clerk*	CMEA	MONTHLY	A6-B	3609	3696	3786	3877	3970	4069	4168	4268	4373	4478
Account Technician	CMEA	MONTHLY	A10-A	4342	4447	4558	4669	4785	4901	5021	5144	5269	5399
Account Technician*	CMEA	MONTHLY	A10-B	4398	4503	4614	4725	4841	4957	5077	5200	5325	5455
Administrative Aide	PT	HOURLY	H12	15.18	15.86	16.73							
Administrative Assistant	PT	HOURLY	H15	18.85	19.86	21.18							
Administrative Assistant	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Administrative Clerk I	CMEA	MONTHLY	A1	2815	2852	2882	2950	3020	3097	3247	3327	3406	3558
Administrative Clerk II	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Administrative Intern	PT	HOURLY	H5	11.91	12.56	13.25							
Assistant Engineer A	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Assistant Engineer B	CMEA	MONTHLY	A16	5792	5938	6082	6228	6389	6541	6703	6867	7037	7209
Building Inspector	PT	HOURLY/FLAT RATE	HF25	45.00									
Cashier/Receptionist	CMEA	MONTHLY	A1	2815	2852	2882	2950	3020	3097	3247	3327	3406	3558
CDBG Coordinator	PT	HOURLY/FLAT RATE	HF26	50.00									
City Council Member	ELECTED	MONTHLY	FLAT RATE	483.60									
City Clerk	APPOINTED	MONTHLY	FLAT RATE	8270									
City Manager	APPOINTED	MONTHLY	FLAT RATE	15,000									
City Treasurer	APPOINTED	MONTHLY	FLAT RATE	5057									
Clerk Typist	PT	HOURLY	H6	12.37	13.05	13.76							
Code Enforcement Officer	PT	HOURLY	H9	14.89	15.89	16.85							
Code Enforcement Officer	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Community Development Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Department Secretary	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Director of Community Services	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Director of Parks & Recreation	MGMT	MONTHLY	M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
Executive Secretary/Human Resources Specialist	MGMT	MONTHLY	M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
Finance Manager	MGMT	MONTHLY	M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781
Maintenance Aide	PT	HOURLY	H2	9.17	9.86	10.54							
Maintenance Foreman	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Maintenance Leader	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Maintenance Superintendent	CMEA	MONTHLY	A10	4342	4447	4558	4669	4785	4901	5021	5144	5269	5399
Maintenance Worker	PT	HOURLY	H7	12.56	13.25	13.93							
Maintenance Worker	CMEA	MONTHLY	A3	3097	3171	3247	3327	3406	3577	3665	3754	3845	3939
Municipal Enforcement Officer	PT	HOURLY	H8	13.35	13.92	14.60							
Municipal Enforcement Officer	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Planning Assistant	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Planning Associate	CMEA	MONTHLY	A9	4136	4237	4342	4447	4558	4669	4785	4901	5021	5144
Planning Technician	PT	HOURLY	H10	14.50	15.47	16.43							
Public Safety and Services Manager	MGMT	MONTHLY	M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
Recreation Aide	PT	HOURLY	H1	9.00	9.23	9.50							
Recreation Coordinator	CMEA	MONTHLY	A5	3406	3490	3577	3665	3754	3845	3939	4037	4136	4237
Recreation Leader	PT	HOURLY	H3	9.63	9.85	10.23							
Recreation Supervisor	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Secretary	CMEA	MONTHLY	A4	3247	3327	3406	3490	3577	3665	3754	3845	3939	4037
Senior Accountant	CMEA	MONTHLY	A15	5521	5655	5795	5936	6085	6232	6387	6544	6706	6870
Senior Administrative Analyst	CMEA	MONTHLY	A7	3754	3845	3939	4037	4136	4237	4342	4447	4558	4669
Senior Code Enforcement Officer	CMEA	MONTHLY	A8	3939	4037	4136	4237	4342	4447	4558	4669	4785	4901
Senior Recreation Coordinator	CMEA	MONTHLY	A6	3577	3665	3754	3845	3939	4037	4136	4237	4342	4447
Senior Recreation Leader	PT	HOURLY	H4	11.56	12.19	12.86							

*Reflects higher rate due to bilingual written and verbal skill pay and/or special acting pay (currently under administrative review).

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FRINGE BENEFITS AND SALARY PLAN

(Exhibit A to Resolution No. ~~16-XX5-44~~)

Effective ~~September 14, 2015~~ January 22, 2016

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

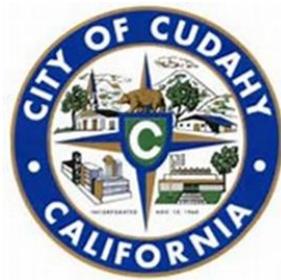


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PART I
THE FRINGE BENEFITS
PLAN

PART I – THE FRINGE BENEFIT PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070 of the Cudahy Municipal Code to provide for the fringe benefits of City officers and employees.

The City of Cudahy has established a number of benefit programs for its eligible employees. This Plan does not restate all of the features of these benefit programs. The purpose of this Plan is to identify the coverage amounts, costs and limitations of specific benefits as applied and approved by the City Council for specific employee groups. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement are included in official plan documents, which, notwithstanding the foregoing, shall control in determining coverage amounts, costs and limitations of specific benefits. Additional administrative guidelines may also be found in the City’s Personnel Rules, and other terms and conditions of employment within the Cudahy Miscellaneous Employees’ Memoranda of Understanding. The Fringe Benefit and Salary Plan shall not change the nature of any employee’s status as an at-will employee.

Section 2. Applicability

This exhibit defines the various benefits provided to City officers and employees. Each category covered herein indicates the specific group and/or classification of employee for which the benefit applies (e.g. Appointed Officials, Management/Confidential Employees, and Miscellaneous Employees).

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein, and defined specifically under Section 23 below.

City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described herein conflict with the applicable employment agreement, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreement controls.

Section 3. Holidays

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same holidays that Management/Confidential employees receive, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same holidays that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹

Comment [JM1]: PAGE 15

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

- 1. New Year's Day – January 1st
- 2. Martin Luther King Jr. Day - The third Monday in January
- 3. President's Day - The third Monday in February

~~4.~~ ~~Good Friday~~

~~5-4.~~ Memorial Day - The last Monday in May

~~6-5.~~ Independence Day - July 4th

~~7-6.~~ Labor Day - The first Monday in September

~~8-7.~~ Veteran's Day – November 11th

~~9-8.~~ Thanksgiving Day

~~10.~~ ~~The Friday Following Thanksgiving~~

~~11-9.~~ Christmas Eve – December 24th

~~12-10.~~ Christmas Day – December 25th

~~13-11.~~ ~~Two~~One Floating Holidays (Pro-rated for New Employees based on hire date)

Comment [RS2]: MOU states One floating holiday.

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The observance of holidays, work on a holiday, and other related rules as applied to holiday compensation shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

¹ See Memorandum of Understanding By and Between Cudahy Miscellaneous Employees' Association and The City of Cudahy, July 1, 2015-June 30, 2019 (hereinafter "CMEA MOU"), pg. 15.

If the Friday after Thanksgiving or Good Friday fall on a regularly scheduled work day, it shall be considered a designated holiday; alternatively, if the Friday after Thanksgiving or Good Friday fall on the employees day off, it shall not be considered a designated holiday.

Section 4. Vacation

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a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall be entitled to the same Vacation benefits that Miscellaneous Employees are entitled to, including buy-back provisions unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive a maximum of eighty (80) hours of vacation leave per year, and may carry over unused leave from year to year, not to exceed a total of 320 hours, at which time accruals shall cease. On December 31st of each year, accumulated and unused vacation leave may be sold back to the City at the regular hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Vacation benefits that Miscellaneous employees are entitled to including buy-back provisions, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)²

1) Accrual of Vacation Leave

Full-time employees shall accrue paid vacation leave on the following scheduled basis.

<u>Years of Service</u>	<u>Hours Per Year</u>	<u>Bi-Weekly Accrual</u>	<u>Maximum Accrual</u>
0-5	80	3.077 hours	160 hours
6-10	120	4.616 hours	240 hours
11+	160	6.154 hours	320 hours

2) Vacation Buy Back

At the end of each calendar year, provided that fifty (50) hours of accrued vacation time remains on the books, employees may request pay in lieu of time off for accrued and unused vacation time. Upon separation from City employment, all accrued but unused vacation time is eligible to be sold back at full value based on the employee's rate of pay at the time of separation.

² See CMEA MOU, pp. 8-10.

3) Vacation Policy

Vacation Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 5. Sick Leave

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to twelve (12) days of sick leave per year (96) hours, and may sell back at full rate of pay accrued but unused sick leave on the same terms and conditions as established for other employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Sick Leave benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)³

1) Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate of eight (8) hours for each full month of service for a total of ninety-six (96) hours per year, which shall accrue at 3.70 hours per pay period that the employee remains active on the payroll. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours. Once this maximum accrual is reached, all additional accrual will stop until usage brings it below the 480.0 hour maximum.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen (15) calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

2) Sick Leave Buy-Back

On July 1 of each year, employees may sell back at 50% value of the maximum 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick

Comment [JM3]: PAGE 10 - 11

³ See CMEA MOU pp. 10-11.

~~leave on the books prior to being eligible for any sick leave buy back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon retirement from employment with the city, all accumulated sick leave is eligible to be sold back at 50% value of the maximum of 192 hours of sick leave that they have accrued but did not utilize based on the employee's rate of pay at the time of separation. As of July 1st of each year, employees may request to sell back at full rate of pay a maximum of 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick leave on the books prior to being eligible for any sick leave buy back. Sick leave buy back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon separation of employment with the City, all accumulated sick leave is eligible to be sold back at full value based on the employee's rate of pay at the time of separation up to a maximum of 92 hours. Employees terminated from employment shall not be paid for unused sick leave.~~

3) Sick Leave Policy

The use of Sick Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 6. Car Allowance

The City recognizes that various Appointed Officials and Department Heads may require extensive use of an automobile in the ordinary course of performing duties for the City. Accordingly, the City, as added compensation, shall provide an automobile allowance to the following classifications, in the amounts defined below, unless changed by an amendment to this Resolution by the City Council.

<u>POSITION</u>	<u>MONTHLY AMOUNT</u>
City Clerk	\$350.00
City Manager	\$400.00
City Treasurer	\$350.00
Finance Manager	\$350.00
Director of Community Development	\$350.00
Community Development Manager	\$350.00

Public Safety and Services Manager \$350.00

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 7. Reimbursement for Expenses

The City will reimburse employees for reasonable and authorized expenses incurred on behalf of the City of Cudahy. All travel and other business expenses must be pre-approved by the department head and the City Manager, and must follow the Travel/Training Expense Policy and be reported within one (1) month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report forms received by Finance. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable IRS Standard Mileage Rate for each year. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

Section 8. Health Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be 100% of plan cost for City Manager and Dependent's Coverage.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a health insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

- c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁴

Comment [JM4]: PAGE 20

The City shall contribute toward the coverage of employees and their dependents in the medical insurance program available through the Public Employee's Retirement System as provided for under the Public Employee's Medical and Hospital Care Act as follows:

Effective Upon MOU Adoption:

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Effective January 11, 2016, the City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage.

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~~For Miscellaneous Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution is currently 100% of the plan cost for employee and eligible dependents.~~

⁴ See CMEA MOU p. 20.

Section 9. Health Insurance for Retirees

a) Vesting of Medical Benefits for Appointed Officials (Non-represented)

Appointed officials including the City Clerk, City Treasurer and City Manager may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Appointed officials shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

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b) Vesting of Medical Benefits for Management/Confidential Employees (Non-represented)

Management/Confidential Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules and upon retirement from the City of Cudahy. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

Management/Confidential Employees shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Vesting of Medical Benefits for Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Miscellaneous Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution is \$1,200.0000% of the plan cost.

~~Effective January 11, 2016, the City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage.~~

Comment [JR5]: Authority?

Comment [JH6]: Per the PERS Health Contract with the City. Can provide upon request.

Section 10. Life Insurance

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall receive City paid term life insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive City paid term life insurance policy in the amount of \$1,000,000.00.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same life Insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁵

Effective January 11, 2016, ~~The~~ City will provide a term life insurance policy in the amount of ~~\$75~~100,000 per employee. The premium for such insurance shall be paid by the City.

⁵ See CMEA MOU p. 21.

Section 11. Disability Insurance

a) Appointed Officials (Non-represented)

The City Manager, City Clerk, and City Treasurer shall receive a City paid Long Term Disability policy, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Disability Insurance benefits that miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁶

The City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City.

⁶ See [CMEA MOU, p. 21.](#)

Section 12. Dental Insurance

a) Appointed Officials (Non-represented)

For the City Clerk and City Treasurer, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the dental insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁷

The City shall offer a dental plan for employees and their dependents. The City will contribute towards the purchase of said dental coverage if the employee elects coverage as follows:

Effective Upon MOU Adoption:

Effective January 11, 2016, the City shall contribute an amount up to the average amount of the dental plans available that corresponds to the employee's coverage. For Miscellaneous Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution is currently 100% of the plan cost for employee and eligible dependents.

Comment [JM7]: PAGE 20 - 21

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⁷ See CMEA MOU, pp. 20-21.

Section 13. Vision Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the vision insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁸

For Miscellaneous Employees, the City shall offer vision care insurance for employees and their dependents. The City shall contribute towards the coverage in a vision insurance program as provided by the City. Effective January 11, 2016, the City shall contribute 100% of the coverage amount that corresponds to the employee's coverage. Its maximum contribution is currently 100% of the plan cost for employee and eligible dependents.

Comment [JM8]: PAGE 21

⁸ See CMEA MOU, p. 21.

Section 14. Deferred Compensation (457 or 401a) Plan

a) Appointed Officials (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City does not make a contribution to said Plan on behalf of employees.

Section 15. Retirement Contribution

Every full-time employee shall participate in the California Public Employees Retirement System (CalPERS) plan as adopted by the City Council, as well as part-time classes that are not formally excluded via the City’s CalPERS contract. Hourly classes that are excluded via the City’s CalPERS contract shall not be enrolled in the plan. Participation in the retirement plan continues until the employee terminates employment with the City for any reason, and shall then cease under the terms of said plan. An employee is vested after five (5) years and may be eligible for benefits from the CalPERS system.

a) First Tier Retirement Formula (“Classic Members”):

Effective July 1, 2008, the City amended the CalPERS contract to provide the benefit known as 2.7% at 55 retirement formula.

1) Miscellaneous Employees (Cudahy Miscellaneous Employees’ Association)⁹

For unit members covered under the 2.7% at 55 retirement formula, who are defined as “classic members” under the Public Employees Reform Act of 2013 (PEPRA) (i.e. not defined as “new members” under Gov. Code section 7522.04(f):

Effective January 11, 2016 - Upon MOU Adoption — Classic members shall pay 3% of “compensation earnable” as defined in Gov. Code section 20636, representing the members’ employee’s contribution to CalPERS.

Effective July 1, 2016 – Classic members shall pay an additional 3% for a total of 6% of “compensation earnable” as defined in Gov. Code section 20636, representing the members’ employee’s contribution to CalPERS.

Effective July 1, 2017 – Classic members shall pay an additional 2% for a total of 8% of “compensation earnable” as defined in Gov. Code section 20636, representing the members’ employee’s contribution to CalPERS. ~~The City shall pay the seven percent (7%) employees’ personal retirement contribution in addition to the normal employer contribution.~~

b) Second Tier Retirement Formula (“Classic Members”):

Effective October 16, 2011, the benefit known as 2% @ 60 retirement formula shall apply to employees hired or who become eligible for enrollment in the CalPERS Retirement Plan on or after the effective date of the City’s contract amendment with CalPERS to implement this benefit. For unit members covered under this 2% at 60 retirement formula, who are defined as “classic members” under the PEPRA (i.e. not defined as “new members” under Gov. Code section 7522.04(f)), the City will only contribute the normal employer contribution, and the employee is responsible for paying the entire employee’s contribution rate of 7% of “compensation earnable” as defined in Gov. Code section 20636. ~~their share (50% of the normal cost).~~

Comment [JM9]: PAGE 21 - 22

Comment [JR10]: Don’t the CalPERS formulas apply to all employees, not just misc.?

Comment [JH11]: Yes, and the formula shall not be affected. PERS won’t allow it. This section is only indicating that CMEA members assigned to this formula will gradually begin to pay their employee share over a 3 year period.

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⁹ See CMEA MOU, pp. 21-22.

c) Third Tier Retirement Formula ("New Members"):

-Effective January 1, 2013, in accordance with the Public Employees' Pension Reform Act (PEPRA) and Gov. Code section 7522.30, new employees hired on or after January 1, 2013 shall be enrolled in the benefit known as 2% @ 62 retirement formula. The City will only contribute the normal employer contribution, and the employee is responsible for paying their employee contribution of -share (50% of the total normal cost), as defined by CalPERS.

~~Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.~~

Comment [RS12]: An employment agreement can't supersede CalPERS government code requirements.

Section 16. Severance Allowance

a) Appointed Officials (Non-represented)

For Appointed Officials, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential employees, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

Section 17. Relocation Allowance

a) Appointed Officials (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

b) Management/Confidential Employees (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

Section 18. Uniform Allowance

a. ~~Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)~~¹⁰

~~The City shall purchase uniforms for designated employees as budgeted, but not to exceed \$500/year.
The City shall purchase uniforms for designated employees as budgeted, but not to exceed \$275.00 per year for maintenance personnel, and \$200.00 per year for municipal enforcement personnel.~~

~~The following classifications receive uniform allowance, which is reported to CalPERS:~~

Maintenance Superintendent	\$275.00
Maintenance Foreman	\$275.00
Maintenance Leader	\$275.00
Maintenance Worker	\$275.00
Senior Code Enforcement Officer	\$200.00
Code Enforcement Officer	\$200.00
Municipal Officer	\$200.00

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Section 19. Cell Phone Stipend

a. ~~Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)~~¹¹

~~Employees who are not issued cell phones by the City and use their personal cell phones for minimal work-related use are eligible to receive a monthly stipend in the amount of \$20. Employees who believe they are eligible to receive the stipend shall make a request to the City Manager for the stipend. The City Manager or designee shall then decide whether the employee is eligible for the stipend.~~

~~The following City positions are issued cell phones by the City, and employees holding these positions are not eligible to receive the cell phone stipend: Maintenance Leader, Maintenance Supervisor, and Code Enforcement Officer.~~

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Section 2019. Bereavement Leave

The City shall provide bereavement leave to all full-time Appointed Officials, Management/Confidential Employees, and Miscellaneous employees¹².

Regular full-time employees are entitled to up to three (3) working days of leave, with pay, upon the death of an immediate family member, calculated at regular base rate, to arrange and attend the funeral.

¹⁰ See CMEA MOU, p. 24.

¹¹ See CMEA MOU, p. 25.

¹² See CMEA MOU, p. 12.

The City shall administer the provisions of this benefit as defined in the Personnel Rules and the City of Cudahy Miscellaneous Employees' Association MOU. Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Bereavement Leave.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 219. Miscellaneous Leaves of Absence

The City shall provide leaves of absence policies for the following categories:

- a) Paid Bone Marrow or Organ Donor Leave
- b) Paid Time Off for Jury Duty/Witness Duty
- c) Time Off to Vote
- d) Family and Medical Leave (FMLA)/California Family Rights Leave (CFRA)
- e) Pregnancy Disability Leave (PDL)
- f) Work Related Disability Leave
- g) Medical Disability Leave
- h) Industrial Leave
- i) Military Duty Leave
- j) Military Family Leave
- k) Spousal/Registered Domestic Partner Military Leave
- l) School Activities and School Visits Leave
- m) Victims of Domestic Violence, Sexual Assault and Other Crimes Leave
- n) Volunteer Civil Service Leave
- o) Literacy Assistance Leave
- p) Personal Leave/~~Leave of Absence without Pay~~

The City's personnel rules shall serve as the official policy related to eligibility and benefits for the above stated leaves. It is the intent of the City to comply with all state and federal laws related to leaves, and to the extent that state and federal laws provide a greater benefit, the City shall comply and provide such benefits to eligible employees.

Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for ~~under the section Miscellaneous Leaves of Absence Without Pay.~~

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Comment [JR15]: There is no "Misc. Leave of Absence" provision in MOU. Where does this come from? Delete paragraph?

Comment [JH16]: Correction has been made to reflect the proper title "Leave of Absence without Pay"

Section 22. Education Reimbursement

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to education reimbursement on the same terms and conditions as established for Management/Confidential employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City shall reimburse Management/Confidential Employees for the cost of books and tuition for courses taken at any State College, State University, Community College or an approved accredited private college or university as approved by the City Manager.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹³

Comment [JM17]: PAGE 22

~~The City will reimburse employees for 100% of the cost of books, materials, parking and tuition up to a maximum reimbursement equivalent to a part-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college, not to exceed \$5,000 per employee per year. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager or designee must approve all courses in advance in order for the employee to be eligible for the reimbursement.~~

~~The City shall reimburse employees for 100% of the cost of books, parking and tuition up to a maximum reimbursement equivalent to a full time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager must approve all courses in advance.~~

The City shall administer the terms of this provision as further defined under the Education Incentive section of the Cudahy Miscellaneous Employees' Association MOU.

Comment [JM18]: PAGE 23

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Section 23. Educational Seminars

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁴

~~Employees wishing to further their education through short-term courses or one-day seminars at City expense may do so but only with written Department Head approval. The~~

¹³ See CMEA MOU, p. 22.

¹⁴ See CMEA MOU, p. 23.

City shall administer the terms of this provision as further defined under the Education Seminars section of the Cudahy Miscellaneous Employees' Association MOU.

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Section 242. The Extension of Benefits to Other Classifications

a) Appointed Officials (Non-represented)

The fringe benefits set forth herein are minimum benefits; to the extent greater benefits are extended to other employees of the City, the City Clerk, City Treasurer and City Manager shall be entitled to such benefits. All provisions of the Cudahy Municipal Code, any Memorandum of Understanding with represented employees of the City, and the City's Personnel Rules that relate to fringe benefits as those provisions now exist, or hereinafter may be amended, shall apply to the City Clerk, City Treasurer, and City Manager in like manner as they apply to other employees of City.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

All Management/Confidential employees are entitled to and shall enjoy the specific fringe benefits as described and defined within each benefit provision.

Except as otherwise stated within any section of the Fringe Benefits and Salary Plan, all Management/Confidential employees are exempt from the City's Personnel Rules. All Management/Confidential employees are at-will employees.

Section 253. Hourly Employees

a) Eligibility for Benefits

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein.

b) Paid Sick Leave Accrual

Hourly employees, including temporary, extra help, part-time, and seasonal employees who work 30 or more days within a year from when employment commences, shall be entitled to 24 hours of sick leave per fiscal year, effective July 1, 2015, and employees shall receive subsequent annual sick leave accruals of 24 hours added to their leave bank in January of each calendar year. Sick leave must be used in a minimum of 2 hour increments. Unused sick leave under this program may be carried over to the following year not to exceed an accrual cap of six (6) days/forty-eight (48) hours of sick leave. An employee may use no more than twenty-four (24) hours in any one year. Employees are entitled to request and use accrued paid sick days beginning on the 90th day of employment. The rate of pay shall be at the employee's regular hourly wage.

c) FICA Alternative Plan

Hourly employees shall be entitled to receive the City's 3.75% FICA alternative plan contribution in lieu of Social Security and/or participation in CalPERS.

PART II
THE SALARY PLAN

PART II - THE SALARY PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070(2) of the Cudahy Municipal Code to provide for the compensation of City officers and employees and to conform to the principle of equal pay for equal work. Notwithstanding the foregoing, the terms of individual employment agreements shall control over the compensation amounts described in this Salary Plan when determining the salary of individual employees under contract with the City.

Section 2. The Classification Plan

The Classification Plan includes the allocation of class titles to salary ranges for City officers and employees under one Plan in which all positions substantially similar with respect to duties, authority, responsibility and working conditions are included within the same class, and that the same schedules of compensation be made to apply with equity under the working conditions to all positions in the same class.

The Classification Plan further includes the allocation of class titles to salary ranges for those employees which are designated as non-represented Management/Confidential employees who are exempt from the classified service. These exempt classes consist of persons appointed by the City Council, including the City Manager, City Clerk, and City Treasurer, and persons appointed by the City Manager, including department heads or designees, that serve in an "at will" capacity subject to the terms and conditions of an employment agreement, and are exempt from the classified service.

Non-classified positions are entitled to no more than the same benefits as provided to classified employees in a similar position and level in the organization. The Classification Plan as of the date of adoption of this Plan is hereby established as set forth in the addendum, referred to as the **Salary Schedule**, which is attached hereto and incorporated herein by reference. The Classification Plan shall not change the nature of any employee's status as an at-will employee.

Section 3. Basic Compensation Plan

The basic compensation plan for City officers and employees, as of the date of adoption of this Plan is hereby established as set forth in the Addendum, including the following:

- 1) Hourly Range Table
- 2) Association Range Table
- 3) Management/Confidential Range Table
- 4) Salary Schedule

The Salary Plan shall be referred to as the **Salary Schedule** which incorporates the allocation of ranges (defined in the range tables) to classifications, which is attached hereto and incorporated herein by reference.

Range tables for the Cudahy Municipal Employees' Association include ~~the (10)~~ steps with approximately 2.5% between steps.

Range tables for Appointed Officials (City Clerk, City Treasurer, and City Manager) have one step (flat rate).

Range tables for Management/Confidential include ten (10) steps with approximately 2.5% between steps.

Range tables for Hourly employees consist of one (1) to three (3) steps.

Section 4. Pay Philosophy

The City Council establishes a pay philosophy that the base pay of all positions shall be ideally set at the median pay provided by comparable cities of similar size, budget, staff, and geographic area, based on the City's financial ability to pay.

Section 5. Plan Maintenance

Increases to the Range tables and applied to the Salary Schedule are adopted and approved by the City Council via Resolution to amend the Fringe Benefit and Salary Plan.

Such recommended increases are negotiated between the City and the Cudahy Miscellaneous Employees' Association. The City Council may further take appropriate action to extend such increases to unrepresented Management/Confidential Employees, Appointed Officials including the City Clerk, City Treasurer and City Manager, and positions appointed by the City Manager.

In addition to negotiated increases, the City may take steps to maintain the Salary Plan by conducting regularly scheduled salary reviews and/or intermittent salary reviews as determined by changes in the labor market, and the need to compete for talent and/or retain current employees.

Section 6. Eligibility for Salary Advancement

- a) Management/Confidential Employees (Non-represented)

Management/Confidential employees may receive the same considerations for salary advancement as provided to Miscellaneous Employees, at the City Manager's discretion.

- b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁵

Salary step increases shall be considered on a merit basis only, and at prescribed times as defined in the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Any employee receiving a promotion shall receive a salary increase consistent with the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Comment [JR19]: Pages 5-6

¹⁵ See CMEA MOU, pp. 5-6.

Section 7. Merit Ranges

a) Appointed Officials and Management/Confidential Employees (Non-represented)

Appointed City Officials including the City Clerk, City Treasurer and City Manager, as well as non-represented Management/Confidential employees who serve in an at-will capacity and are exempt from the classified service, may, subject to the terms and conditions set forth below, be eligible to have his/her salary increased to a maximum of fifteen percent beyond the regularly assigned top step of his/her salary range or salary set forth in an existing contract. The City Manager shall have administrative authority to assign, create and maintain the merit range (pay band) to implement the provisions of this Section.

Such increase shall be subject to documentation of the eligible employee's outstanding performance, based on performance and achievement of previously defined goals. The City Manager shall solely determine placement within the merit range based on the employee's performance. Notwithstanding the foregoing, with regard to increases for the City Manager and other Officials appointed by the City Council, the City Council shall determine placement within the merit range based on the employee's performance, subject to the Appointed Official's employment agreement, if any.

The continuation of increases pursuant to the provisions of this Section shall not be automatic, and failure to sustain "outstanding performance" shall cause the employee's pay to revert to the regularly assigned step for his/her classification. An employee who fails to sustain "outstanding performance" shall have their compensation reduced to the "regular range", in accordance with this section, and at the City Manager's discretion for Management/Confidential classes, and the City Council's discretion for Appointed Officials. Salary for Appointed Officials/Management/Confidential employees who have an employment agreement with the City shall not be modified prior to an amendment to his/her employment agreement, unless the agreement permits the increase or decrease to be handled administratively.

The regular salary range shall constitute the regularly defined Steps in the Salary Range (A-J). The "merit range" shall constitute a "pay band" with a minimum rate set one dollar above the maximum of the "regular salary range" and the maximum set at an amount not to exceed fifteen percent beyond the regularly assigned top step of the salary range. The "pay band" shall be added to the Salary Schedule for the assigned non-represented Management/Confidential classifications and Appointed Officials when the increase is recommended by the City Manager or City Council.

In no case shall an employee receive additional merit compensation above the designated "merit range" as defined herein.

Eligibility for additional compensation granted to all employees as part of changes authorized by the City Council shall not be adversely affected by the employee's status in steps granted beyond the regularly assigned step pursuant to the provisions of this Section. Salaries granted pursuant to this provision shall be reported to PERS as compensation earned.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of salary that may be contained in this Fringe Benefits and Salary Plan

- b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

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As provided in the Cudahy ~~Miscellaneous~~municipal Employees' Association MOU, employees may be eligible for merit longevity compensation as continuing incentive to career employees upon achieving the "~~J~~" step and completing ten continuous years of service. Employees may be eligible for ~~a 5% stipend one step~~ above their base ~~pay rate~~rate (2.5%), and after twenty (20) years, the ~~stipend shall increase percentage amount shall be increased~~ to a total ~~of of one and one-half steps (7.5%)~~ above the ~~base regular pay~~rate of pay. Such payment shall ~~continue with be granted with the~~ approval of the city Manager, ~~and shall be granted~~ to employees who continue to "Exceed Standards" as evidenced by the performance rating of such employee, ~~which is defined as a comprehensive rating at or above the middle column of the current reporting form, or the equivalent rating on any revised reporting form.~~ Merit Longevity may be removed by the City Manager when the employee's performance does not merit such additional compensation. The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

Section ~~98~~. Compaction Rule

The top step of the salary range of any Management/Confidential classification shall be a minimum of two steps (approximately ten percent) above the top step of the closest subordinate classification, with the exception of those Management/Confidential classifications supervising specialized classifications which are highly compensated due to labor market conditions. In the case of highly compensated positions due to labor market conditions, employees may directly supervise a subordinate classification where the maximum salary range exceeds the supervisory class without the two step minimum (approximately ten percent). Subordinate classification shall be defined as any position classification in which there are employees who are supervised by the Management/Confidential employee.

Section ~~109~~. Salaries Above Market Rate – Use of "Y" Rating Method

The City Manager has the authority to implement a "Y" rating for employees whose range is found to exceed the market rate based on a salary survey. The employee in this case shall receive no increase in salary unless the maximum salary established by this Plan for their classifications exceeds the amount of their "Y" rate.

Section ~~110~~. Trainee Positions

The City Manager has the authority to establish a Trainee class for any class in the system. The salary range for Trainee classes shall be established with a salary range starting fifteen percent

(15%) below the first step of the regular position and ending five percent (5%) below the first step of the regular position. Employees who successfully complete the training program and meet the criteria for the higher level class, may be reclassified to the higher level class upon approval by the City Manager.

Section 121. Salary Differentials/Stipends

Exceptions shall be made to Sections 2 and 3 of this Plan as follows:

a. (5%) Salary Differential

After investigation and approval by the City Manager, a 5% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

b. (10%) Salary Differential

After investigation and approval by the City Manager, a 10% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

~~1) City Manager when assigned to perform the duties of the City Clerk when so designated and approved by the City Council.~~

No current provisions

c. Bi-lingual Pay

1. Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same compensation as provided to Management/Confidential employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

2. Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same compensation as provided to Miscellaneous employees, which shall be provided

as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

3. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁶

Comment [JM20]: PAGE 19

~~Approved and certified E~~employees shall be compensated with a bilingual pay stipend differential in the amount of \$75.00 per month for oral translation duties, and \$125.00 per month for oral and written translations. ~~Such amounts have been added to base pay for all Association job classifications and its members, consistent with the Cudahy Miscellaneous Employees' Association MOU.~~

The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

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d. Temporary Upgrade – Acting Capacity

Comment [JM21]: PAGE 7 - 8

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁷

Comment [JH22]: CMEA Only

d.

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An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, ~~or of a one step increase a stipend of 5% above the base pay~~, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. ~~Positions shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates, as determined by the City Manager or designee. The City Manager or designee may determine that a position filled pursuant to an acting assignment shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates.~~

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e. Temporary Upgrade – Work Out of Class

Comment [JM23]: PAGE 8

~~e.~~ 1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁸

Comment [JH24]: CMEA Only

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class ~~stipend of pay differential increase of the 5% above the employee's base pay equivalent of one salary step shall be authorized with advance approval by the Department Head, upon consultation and approval from the~~ with advance approval by the Department Head, upon consultation and approval

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¹⁶ See CMEA MOU, p. 19.

¹⁷ See CMEA MOU, pp. 7-8.

¹⁸ See CMEA MOU, p. 8.

~~from the City Manager or designee shall be authorized with advance approval by the City Manager or designee~~ when an employee is designated and scheduled to work in an out- of- class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

Section 132. Overtime

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to overtime consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Non-exempt employees shall be paid for hours worked in accordance with all legal requirements. Overtime is calculated at one and one-half (1 ½) times the employee's regular base rate of pay for all time worked over 40 hours in one workweek. Hours paid that are not actually worked, such as holidays, sick days, and vacation hours do not count as hours worked when calculating weekly overtime.

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)¹⁹

1. For all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. ~~In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.~~

2. When an employee is not regularly scheduled to work on Saturdays and Sundays the employee shall receive overtime pay (time and one-half) for all time worked on those days. When an employee works on a designated City holiday, the employee shall receive overtime pay (time and one half) for all time worked on the holiday.

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require.

~~For all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City~~

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¹⁹ See CMEA MOU, pp. 16-17

~~closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.~~

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Section 143. **Compensatory Time Off**

Comment [JM26]: PAGE 18

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee’s Association)²⁰

The City’s pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Compensatory Time consistent with the City’s personnel rules and the Cudahy Miscellaneous Employees’ Association MOU.

~~The City has enacted a special provision for non-exempt employees to provide compensatory time off in lieu of monetary overtime compensation at a rate of one and one half (1 ½) hours of compensatory time for each hour of overtime worked. Compensatory time is an alternative method of overtime payment to nonfor hours worked over 40 hours for non-exempt employees. In lieu of paying a non-exempt employee for overtime worked, employees may be granted compensatory time off at the overtime rate of one and one half (1 ½) for each hour of overtime worked. Employees shall have the option of receiving overtime pay for any overtime worked. Use of earned compensatory time off must be approved in advance by the Department Head or designee.~~ The maximum accrual limit is 120 hours.

Section 154. **Executive Leave**

Management/Confidential employees shall be entitled to take three (3) days (27 hours) of executive leave per fiscal year. The three (3) days (27 hours) may not be carried over to the next fiscal year and their use must have the prior permission of the City Manager. This provision shall be administered in accordance with the City’s Personnel Rules and the Cudahy Miscellaneous Employees’ Association MOU.

²⁰ CMEA MOU, p. 18.

Section 165. On-Call (Standby) Pay

Comment [JH27]: CMEA Only

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee’s Association)²¹

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An employee who has been instructed by their direct supervisor to stand-by is free to use this time for their own benefit. Employees On-Call (Standby) shall receive two (2) hours of compensatory time for an assigned 24 consecutive hour shift, which will not be counted towards over-time calculations.

The City’s pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to On-Call (Standby) Pay consistent with the City’s personnel rules and the Cudahy Miscellaneous Employees’ Association MOU.

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Section 176. Call Back Pay

Comment [JR28]: Page 19

Comment [JH29]: CMEA Only

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee’s Association)²²

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Call back duty occurs when an employee is called back in to work after their regular shift has ended. An employee called back to duty shall be paid a minimum of two (2) hours of compensatory time at a rate equal to time and one-half (1 ½) the regular hourly pay rate, and for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

The City’s pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Call Back Pay consistent with the City’s personnel rules and the Cudahy Miscellaneous Employees’ Association MOU.

²¹ [CMEA MOU, p. 18.](#)

²² [CMEA MOU, p. 19.](#)

Section 187. Additional Approved Increases in Compensation and Changes to the Salary and Classification Plans

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee’s Association)²³

No current provisions

All members shall receive:

- A 3% increase to their base rate effective July 1, 2015;
- A 3% increase to their base rate effective July 1, 2016;
- A 2% increase to their base rate effective July 1 2017; and
- A 2% increase to their base rate effective July 1, 2018.

Comment [JM30]: PAGE 5

Comment [JH31]: CMEA Only

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Section 189. The Provisions of This Plan Shall Be Operative on the Date of Its Adoption.

ADDENDUM:

1. HOURLY RANGE TABLES
2. ASSOCIATION RANGE TABLES
3. MANAGEMENT/CONFIDENTIAL RANGE TABLES
4. SALARY SCHEDULES

²³ CMEA MOU, p. 5.

HOURLY RANGE TABLES

ASSOCIATION RANGE TABLES

MANAGEMENT/CONFIDENTIAL
RANGE TABLES

SALARY SCHEDULES



FRINGE BENEFITS AND SALARY PLAN
(Exhibit A to Resolution No. 16-XX)

Effective January 22, 2016

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

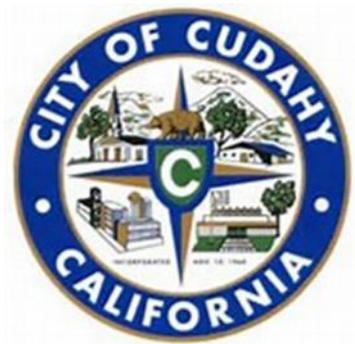


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PART I
THE FRINGE BENEFITS
PLAN

PART I – THE FRINGE BENEFIT PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070 of the Cudahy Municipal Code to provide for the fringe benefits of City officers and employees.

The City of Cudahy has established a number of benefit programs for its eligible employees. This Plan does not restate all of the features of these benefit programs. The purpose of this Plan is to identify the coverage amounts, costs and limitations of specific benefits as applied and approved by the City Council for specific employee groups. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement are included in official plan documents, which, notwithstanding the foregoing, shall control in determining coverage amounts, costs and limitations of specific benefits. Additional administrative guidelines may also be found in the City's Personnel Rules, and other terms and conditions of employment within the Cudahy Miscellaneous Employees' Memoranda of Understanding. The Fringe Benefit and Salary Plan shall not change the nature of any employee's status as an at-will employee.

Section 2. Applicability

This exhibit defines the various benefits provided to City officers and employees. Each category covered herein indicates the specific group and/or classification of employee for which the benefit applies (e.g. Appointed Officials, Management/Confidential Employees, and Miscellaneous Employees).

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein, and defined specifically under Section 23 below.

City employees with employment agreements shall only be entitled to those benefits and salary amounts identified in their individual employment agreements. The Fringe Benefits and Salary Plan identifies benefits and salaries of employees under employment agreements with the City for administrative convenience purposes only, and the Plan shall not supersede any employment agreement provisions or control the benefits and salary provided to employees with employment agreements with the City. To the extent that any benefits described herein conflict with the applicable employment agreement, and as the employment agreements and memorandums of understanding may be amended from time to time, the employment agreement controls.

Section 3. Holidays

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same holidays that Management/Confidential employees receive, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same holidays that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹

Every employee shall be entitled to the following paid holidays each year and such other as may be designated by action of the City Council:

1. New Year's Day – January 1st
2. Martin Luther King Jr. Day - The third Monday in January
3. President's Day - The third Monday in February
4. Memorial Day - The last Monday in May
5. Independence Day - July 4th
6. Labor Day - The first Monday in September
7. Veteran's Day – November 11th
8. Thanksgiving Day
9. Christmas Eve – December 24th
10. Christmas Day – December 25th
11. One Floating Holidays (Pro-rated for New Employees based on hire date)

The observance of holidays, work on a holiday, and other related rules as applied to holiday compensation shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

If the Friday after Thanksgiving or Good Friday fall on a regularly scheduled work day, it shall be considered a designated holiday; alternatively, if the Friday after Thanksgiving or Good Friday fall on the employees day off, it shall not be considered a designated holiday.

¹ See Memorandum of Understanding By and Between Cudahy Miscellaneous Employees' Association and The City of Cudahy, July 1, 2015-June 30, 2019 (hereinafter "CMEA MOU"), pg. 15.

Section 4. Vacation

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall be entitled to the same Vacation benefits that Miscellaneous Employees are entitled to, including buy-back provisions unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive a maximum of eighty (80) hours of vacation leave per year, and may carry over unused leave from year to year, not to exceed a total of 320 hours, at which time accruals shall cease. On December 31st of each year, accumulated and unused vacation leave may be sold back to the City at the regular hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Vacation benefits that Miscellaneous employees are entitled to including buy-back provisions, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)²

1) Accrual of Vacation Leave

Full-time employees shall accrue paid vacation leave on the following scheduled basis.

<u>Years of Service</u>	<u>Hours Per Year</u>	<u>Bi-Weekly Accrual</u>	<u>Maximum Accrual</u>
0-5	80	3.077 hours	160 hours
6-10	120	4.616 hours	240 hours
11+	160	6.154 hours	320 hours

2) Vacation Buy Back

At the end of each calendar year, provided that fifty (50) hours of accrued vacation time remains on the books, employees may request pay in lieu of time off for accrued and unused vacation time. Upon separation from City employment, all accrued but unused vacation time is eligible to be sold back at full value based on the employee's rate of pay at the time of separation.

² See CMEA MOU, pp. 8-10.

3) Vacation Policy

Vacation Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 5. Sick Leave

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to twelve (12) days of sick leave per year (96) hours, and may sell back at full rate of pay accrued but unused sick leave on the same terms and conditions as established for other employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Sick Leave benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)³

1) Accrual of Sick Leave

Employees shall be granted sick leave with pay at the rate of eight (8) hours for each full month of service for a total of ninety-six (96) hours per year, which shall accrue at 3.70 hours per pay period that the employee remains active on the payroll. Any sick leave accrued but unused in any year shall be accumulated to a maximum accumulation of 480 hours. Once this maximum accrual is reached, all additional accrual will stop until usage brings it below the 480.0 hour maximum.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employees' normal rate of sick leave accumulation to be extended by the number of calendar days for which such leave of absence has been granted less the first fifteen (15) calendar days of such leave. Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

2) Sick Leave Buy-Back

On July 1 of each year, employees may sell back at 50% value of the maximum 96 hours of sick leave that they have accrued but did not utilize during the previous fiscal year. This is subject to the condition that an employee must leave at least 58 hours of sick

³ See CMEA MOU pp. 10-11.

leave on the books prior to being eligible for any sick leave buy back. Sick leave buy-back shall be based on the employee's actual rate of pay on June 30 of the fiscal year in which it was accumulated. Employees who are eligible to sell back unused sick leave retain the option of maintaining all or a portion of their accumulated sick leave on the books. Upon retirement from employment with the city, all accumulated sick leave is eligible to be sold back at 50% value of the maximum of 192 hours of sick leave that they have accrued but did not utilize based on the employee's rate of pay at the time of separation.

3) Sick Leave Policy

The use of Sick Leave shall be administered consistent with the City's Personnel Rules and as defined in the Cudahy Miscellaneous Employees' Association MOU.

Section 6. Car Allowance

The City recognizes that various Appointed Officials and Department Heads may require extensive use of an automobile in the ordinary course of performing duties for the City. Accordingly, the City, as added compensation, shall provide an automobile allowance to the following classifications, in the amounts defined below, unless changed by an amendment to this Resolution by the City Council.

<u>POSITION</u>	<u>MONTHLY AMOUNT</u>
City Clerk	\$350.00
City Manager	\$400.00
City Treasurer	\$350.00
Finance Manager	\$350.00
Director of Community Development	\$350.00
Community Development Manager	\$350.00
Public Safety and Services Manager	\$350.00

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 7. Reimbursement for Expenses

The City will reimburse employees for reasonable and authorized expenses incurred on behalf of the City of Cudahy. All travel and other business expenses must be pre-

approved by the department head and the City Manager, and must follow the Travel/Training Expense Policy and be reported within one (1) month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report forms received by Finance. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

Employees shall be reimbursed for the use of their vehicle for City Business at the allowable IRS Standard Mileage Rate for each year. Employees shall be reimbursed upon submittal of a monthly reimbursement form with Department Head approval.

Section 8. Health Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute towards the coverage in a health insurance program available through the Public Employees' Retirement System as provided under the Public Employees' Medical and Hospital Care Act. The City's maximum contribution shall be 100% of plan cost for City Manager and Dependent's Coverage.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a health insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁴

The City shall contribute toward the coverage of employees and their dependents in the medical insurance program available through the Public Employee's Retirement

⁴ See CMEA MOU p. 20.

System as provided for under the Public Employee's Medical and Hospital Care Act as follows:

Effective January 11, 2016, the City shall contribute an amount up to 100% of the coverage amount for the Kaiser Permanente plan that corresponds to the employee's coverage.

Section 9. Health Insurance for Retirees

a) Vesting of Medical Benefits for Appointed Officials (Non-represented)

Appointed officials including the City Clerk, City Treasurer and City Manager may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Appointed officials shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to top management employees, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Vesting of Medical Benefits for Management/Confidential Employees (Non-represented)

Management/Confidential Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules and upon retirement from the City of Cudahy. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

Management/Confidential Employees shall vest with life-time benefits for Dental Insurance and Vision Insurance upon the fifth anniversary of continuous service with the City. The City's maximum contribution shall be that amount that is offered to Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Vesting of Medical Benefits for Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

Miscellaneous Employees may be eligible for vesting of medical benefits under the CalPERS Plan for life-time coverage, including spouse and eligible dependents consistent with CalPERS rules. The City's maximum contribution is \$1,200.00 of the plan cost.

Section 10. Life Insurance

a) Appointed Officials (Non-represented)

The City Clerk and City Treasurer shall receive City paid term life insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

The City Manager shall receive City paid term life insurance policy in the amount of \$1,000,000.00.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same life Insurance benefits that Miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁵

Effective January 11, 2016, the City will provide a term life insurance policy in the amount of \$100,000 per employee. The premium for such insurance shall be paid by the City.

⁵ See CMEA MOU p. 21.

Section 11. Disability Insurance

a) Appointed Officials (Non-represented)

The City Manager, City Clerk, and City Treasurer shall receive a City paid Long Term Disability policy, unless changed by an amendment to this Resolution by the City Council.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same Disability Insurance benefits that miscellaneous employees are entitled to, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁶

The City will provide a sixty (60) day Long Term Disability policy. 100% of the premium coverage for such insurance shall be paid by the City.

⁶ See CMEA MOU, p. 21.

Section 12. Dental Insurance

a) Appointed Officials (Non-represented)

For the City Clerk and City Treasurer, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the dental insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a dental insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁷

The City shall offer a dental plan for employees and their dependents. The City will contribute towards the purchase of said dental coverage if the employee elects coverage as follows:

Effective January 11, 2016, the City shall contribute an amount up to the average amount of the dental plans available that corresponds to the employee's coverage.

⁷ See CMEA MOU, pp. 20-21.

Section 13. Vision Insurance

a) Appointed Officials (Non-represented)

For the City Treasurer and City Clerk, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Management/Confidential employees, unless changed by an amendment to this Resolution by the City Council.

For the City Manager, the City shall contribute 100% towards the cost of the vision insurance plan as provided by the City for employee and eligible dependents.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential Employees, the City shall contribute towards the coverage in a vision insurance program as provided by the City. The City's maximum contribution shall be consistent with the contribution paid by the City for Miscellaneous employees, unless changed by an amendment to this Resolution by the City Council.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁸

For Miscellaneous Employees, the City shall offer vision care insurance for employees and their dependents. The City shall contribute towards the coverage in a vision insurance program as provided by the City. Effective January 11, 2016, the City shall contribute 100% of the coverage amount that corresponds to the employee's coverage.

⁸ See CMEA MOU, p. 21.

Section 14. Deferred Compensation (457 or 401a) Plan

a) Appointed Officials (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City does not make a contribution to said Plan on behalf of employees.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

The City does not make a contribution to said Plan on behalf of employees.

Section 15. Retirement Contribution

Every full-time employee shall participate in the California Public Employees Retirement System (CalPERS) plan as adopted by the City Council, as well as part-time classes that are not formally excluded via the City's CalPERS contract. Hourly classes that are excluded via the City's CalPERS contract shall not be enrolled in the plan. Participation in the retirement plan continues until the employee terminates employment with the City for any reason, and shall then cease under the terms of said plan. An employee is vested after five (5) years and may be eligible for benefits from the CalPERS system.

a) First Tier Retirement Formula ("Classic Members"):

Effective July 1, 2008, the City amended the CalPERS contract to provide the benefit known as 2.7% at 55 retirement formula.

1) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)⁹

For unit members covered under the 2.7% at 55 retirement formula, who are defined as "classic members" under the Public Employees Reform Act of 2013 (PEPRA) (i.e. not defined as "new members" under Gov. Code section 7522.04(f):

Effective January 11, 2016 - Classic members shall pay 3% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS. Effective July 1, 2016 – Classic members shall pay an additional 3% for a total of 6% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

Effective July 1, 2017 – Classic members shall pay an additional 2% for a total of 8% of "compensation earnable" as defined in Gov. Code section 20636, representing the members' employee's contribution to CalPERS.

b) Second Tier Retirement Formula ("Classic Members"):

Effective October 16, 2011, the benefit known as 2% @ 60 retirement formula shall apply to employees hired or who become eligible for enrollment in the CalPERS Retirement Plan on or after the effective date of the City's contract amendment with CalPERS to implement this benefit. For unit members covered under this 2% at 60 retirement formula, who are defined as "classic members" under the PEPRA (i.e. not defined as "new members" under Gov. Code section 7522.04(f)), the City will only contribute the normal employer contribution, and the employee is responsible for paying the entire employee's contribution rate of 7% of "compensation earnable" as defined in Gov. Code section 20636.

⁹ See CMEA MOU, pp. 21-22.

c) Third Tier Retirement Formula (“New Members”): Effective January 1, 2013, in accordance with the Public Employees’ Pension Reform Act (PEPRA) and Gov. Code section 7522.30, new employees hired on or after January 1, 2013 shall be enrolled in the benefit known as 2% @ 62 retirement formula. The City will only contribute the normal employer contribution, and the employee is responsible for paying the employee contribution of 50% of the total normal cost, as defined by CalPERS.

Section 16. Severance Allowance

a) Appointed Officials (Non-represented)

For Appointed Officials, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

b) Management/Confidential Employees (Non-represented)

For Management/Confidential employees, the City shall provide any specified severance allowance in accordance with the agreed upon terms of employment addressed in individual employment contracts.

Section 17. Relocation Allowance

a) Appointed Officials (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

b) Management/Confidential Employees (Non-represented)

Relocation allowance may be provided within individual employment contracts, subject to approval by the City Council.

Section 18. Uniform Allowance

- a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁰

The City shall purchase uniforms for designated employees as budgeted, but not to exceed \$500/year.

Section 19. Cell Phone Stipend

- a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹¹

Employees who are not issued cell phones by the City and use their personal cell phones for minimal work-related use are eligible to receive a monthly stipend in the amount of \$20. Employees who believe they are eligible to receive the stipend shall make a request to the City Manager for the stipend. The City Manager or designee shall then decide whether the employee is eligible for the stipend.

The following City positions are issued cell phones by the City, and employees holding these positions are not eligible to receive the cell phone stipend: Maintenance Leader, Maintenance Supervisor, and Code Enforcement Officer.

Section 20. Bereavement Leave

The City shall provide bereavement leave to all full-time Appointed Officials, Management/Confidential Employees, and Miscellaneous employees¹².

Regular full-time employees are entitled to up to three (3) working days of leave, with pay, upon the death of an immediate family member, calculated at regular base rate, to arrange and attend the funeral.

The City shall administer the provisions of this benefit as defined in the Personnel Rules and the City of Cudahy Miscellaneous Employees' Association MOU. Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for Bereavement Leave.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

¹⁰ See CMEA MOU, p. 24.

¹¹ See CMEA MOU, p. 25.

¹² See CMEA MOU, p. 12.

Section 21. Miscellaneous Leaves of Absence

The City shall provide leaves of absence policies for the following categories:

- a) Paid Bone Marrow or Organ Donor Leave
- b) Paid Time Off for Jury Duty/Witness Duty
- c) Time Off to Vote
- d) Family and Medical Leave (FMLA)/California Family Rights Leave (CFRA)
- e) Pregnancy Disability Leave (PDL)
- f) Work Related Disability Leave
- g) Medical Disability Leave
- h) Industrial Leave
- i) Military Duty Leave
- j) Military Family Leave
- k) Spousal/Registered Domestic Partner Military Leave
- l) School Activities and School Visits Leave
- m) Victims of Domestic Violence, Sexual Assault and Other Crimes Leave
- n) Volunteer Civil Service Leave
- o) Literacy Assistance Leave
- p) Personal Leave/

The City's personnel rules shall serve as the official policy related to eligibility and benefits for the above stated leaves. It is the intent of the City to comply with all state and federal laws related to leaves, and to the extent that state and federal laws provide a greater benefit, the City shall comply and provide such benefits to eligible employees.

Management/Confidential Employees and Appointed Officials shall follow the same provisions and rules as provided to Miscellaneous employees for under the section Leave of Absence Without Pay.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

Section 22. Education Reimbursement

a) Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to education reimbursement on the same terms and conditions as established for Management/Confidential employees.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

The City shall reimburse Management/Confidential Employees for the cost of books and tuition for courses taken at any State College, State University, Community College or an approved accredited private college or university as approved by the City Manager.

c) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹³

The City will reimburse employees for 100% of the cost of books, materials, parking and tuition up to a maximum reimbursement equivalent to a part-time Cal State tuition per fiscal year for courses taken at any state college, state university, private university or community college, not to exceed \$5,000 per employee per year. Courses must be related to the job, to a potential promotional position, or to general educational requirements as approved by the City Manager upon recommendation of the Department Head. The City Manager or designee must approve all courses in advance in order for the employee to be eligible for the reimbursement.

The City shall administer the terms of this provision as further defined under the Education Incentive section of the Cudahy Miscellaneous Employees' Association MOU.

Section 23. Educational Seminars

a. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁴

Employees wishing to further their education through short-term courses or one-day seminars at City expense may do so but only with written Department Head approval. The City shall administer the terms of this provision as further defined under the Education Seminars section of the Cudahy Miscellaneous Employees' Association MOU.

¹³ See CMEA MOU, p. 22.

¹⁴ See CMEA MOU, p. 23.

Section 24. The Extension of Benefits to Other Classifications

a) Appointed Officials (Non-represented)

The fringe benefits set forth herein are minimum benefits; to the extent greater benefits are extended to other employees of the City, the City Clerk, City Treasurer and City Manager shall be entitled to such benefits. All provisions of the Cudahy Municipal Code, any Memorandum of Understanding with represented employees of the City, and the City's Personnel Rules that relate to fringe benefits as those provisions now exist, or hereinafter may be amended, shall apply to the City Clerk, City Treasurer, and City Manager in like manner as they apply to other employees of City.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

b) Management/Confidential Employees (Non-represented)

All Management/Confidential employees are entitled to and shall enjoy the specific fringe benefits as described and defined within each benefit provision.

Except as otherwise stated within any section of the Fringe Benefits and Salary Plan, all Management/Confidential employees are exempt from the City's Personnel Rules. All Management/Confidential employees are at-will employees.

Section 25. Hourly Employees

a) Eligibility for Benefits

Hourly employees shall not be entitled to any City benefits except as otherwise provided herein.

b) Paid Sick Leave Accrual

Hourly employees, including temporary, extra help, part-time, and seasonal employees who work 30 or more days within a year from when employment commences, shall be entitled to 24 hours of sick leave per fiscal year, effective July 1, 2015, and employees shall receive subsequent annual sick leave accruals of 24 hours added to their leave bank in January of each calendar year. Sick leave must be used in a minimum of 2 hour increments. Unused sick leave under this program may be carried over to the following year not to exceed an accrual cap of six (6) days/forty-eight (48) hours of sick leave. An employee may use no more than twenty-four (24) hours in any one year. Employees are entitled to request and use accrued paid sick days beginning on the 90th day of employment. The rate of pay shall be at the employee's regular hourly wage.

c) FICA Alternative Plan

Hourly employees shall be entitled to receive the City's 3.75% FICA alternative plan contribution in lieu of Social Security and/or participation in CalPERS.

PART II
THE SALARY PLAN

PART II - THE SALARY PLAN

Section 1. Purpose

This Exhibit to Resolution No. 15-20 is enacted pursuant to Section 2.04.070(2) of the Cudahy Municipal Code to provide for the compensation of City officers and employees and to conform to the principle of equal pay for equal work. Notwithstanding the foregoing, the terms of individual employment agreements shall control over the compensation amounts described in this Salary Plan when determining the salary of individual employees under contract with the City.

Section 2. The Classification Plan

The Classification Plan includes the allocation of class titles to salary ranges for City officers and employees under one Plan in which all positions substantially similar with respect to duties, authority, responsibility and working conditions are included within the same class, and that the same schedules of compensation be made to apply with equity under the working conditions to all positions in the same class.

The Classification Plan further includes the allocation of class titles to salary ranges for those employees which are designated as non-represented Management/Confidential employees who are exempt from the classified service. These exempt classes consist of persons appointed by the City Council, including the City Manager, City Clerk, and City Treasurer, and persons appointed by the City Manager, including department heads or designees, that serve in an "at will" capacity subject to the terms and conditions of an employment agreement, and are exempt from the classified service.

Non-classified positions are entitled to no more than the same benefits as provided to classified employees in a similar position and level in the organization. The Classification Plan as of the date of adoption of this Plan is hereby established as set forth in the addendum, referred to as the **Salary Schedule**, which is attached hereto and incorporated herein by reference. The Classification Plan shall not change the nature of any employee's status as an at-will employee.

Section 3. Basic Compensation Plan

The basic compensation plan for City officers and employees, as of the date of adoption of this Plan is hereby established as set forth in the Addendum, including the following:

- 1) Hourly Range Table
- 2) Association Range Table
- 3) Management/Confidential Range Table
- 4) Salary Schedule

The Salary Plan shall be referred to as the **Salary Schedule** which incorporates the allocation of ranges (defined in the range tables) to classifications, which is attached hereto and incorporated herein by reference.

Range tables for the Cudahy Municipal Employees' Association include steps with approximately 2.5% between steps.

Range tables for Appointed Officials (City Clerk, City Treasurer, and City Manager) have one step (flat rate).

Range tables for Management/Confidential include ten (10) steps with approximately 2.5% between steps.

Range tables for Hourly employees consist of one (1) to three (3) steps.

Section 4. Pay Philosophy

The City Council establishes a pay philosophy that the base pay of all positions shall be ideally set at the median pay provided by comparable cities of similar size, budget, staff, and geographic area, based on the City's financial ability to pay.

Section 5. Plan Maintenance

Increases to the Range tables and applied to the Salary Schedule are adopted and approved by the City Council via Resolution to amend the Fringe Benefit and Salary Plan.

Such recommended increases are negotiated between the City and the Cudahy Miscellaneous Employees' Association. The City Council may further take appropriate action to extend such increases to unrepresented Management/Confidential Employees, Appointed Officials including the City Clerk, City Treasurer and City Manager, and positions appointed by the City Manager.

In addition to negotiated increases, the City may take steps to maintain the Salary Plan by conducting regularly scheduled salary reviews and/or intermittent salary reviews as determined by changes in the labor market, and the need to compete for talent and/or retain current employees.

Section 6. Eligibility for Salary Advancement

a) Management/Confidential Employees (Non-represented)

Management/Confidential employees may receive the same considerations for salary advancement as provided to Miscellaneous Employees, at the City Manager's discretion.

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁵

Salary step increases shall be considered on a merit basis only, and at prescribed times as defined in the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

Any employee receiving a promotion shall receive a salary increase consistent with the Personnel Rules and the Cudahy Municipal Employees' Association MOU.

¹⁵ See CMEA MOU, pp. 5-6.

Section 7. Merit Ranges

a) Appointed Officials and Management/Confidential Employees (Non-represented)

Appointed City Officials including the City Clerk, City Treasurer and City Manager, as well as non-represented Management/Confidential employees who serve in an at-will capacity and are exempt from the classified service, may, subject to the terms and conditions set forth below, be eligible to have his/her salary increased to a maximum of fifteen percent beyond the regularly assigned top step of his/her salary range or salary set forth in an existing contract. The City Manager shall have administrative authority to assign, create and maintain the merit range (pay band) to implement the provisions of this Section.

Such increase shall be subject to documentation of the eligible employee's outstanding performance, based on performance and achievement of previously defined goals. The City Manager shall solely determine placement within the merit range based on the employee's performance. Notwithstanding the foregoing, with regard to increases for the City Manager and other Officials appointed by the City Council, the City Council shall determine placement within the merit range based on the employee's performance, subject to the Appointed Official's employment agreement, if any.

The continuation of increases pursuant to the provisions of this Section shall not be automatic, and failure to sustain "outstanding performance" shall cause the employee's pay to revert to the regularly assigned step for his/her classification. An employee who fails to sustain "outstanding performance" shall have their compensation reduced to the "regular range", in accordance with this section, and at the City Manager's discretion for Management/Confidential classes, and the City Council's discretion for Appointed Officials. Salary for Appointed Officials/Management/Confidential employees who have an employment agreement with the City shall not be modified prior to an amendment to his/her employment agreement, unless the agreement permits the increase or decrease to be handled administratively.

The regular salary range shall constitute the regularly defined Steps in the Salary Range (A-J). The "merit range" shall constitute a "pay band" with a minimum rate set one dollar above the maximum of the "regular salary range" and the maximum set at an amount not to exceed fifteen percent beyond the regularly assigned top step of the salary range. The "pay band" shall be added to the Salary Schedule for the assigned non-represented Management/Confidential classifications and Appointed Officials when the increase is recommended by the City Manager or City Council.

In no case shall an employee receive additional merit compensation above the designated "merit range" as defined herein.

Eligibility for additional compensation granted to all employees as part of changes authorized by the City Council shall not be adversely affected by the employee's status in steps granted beyond the regularly assigned step pursuant to the provisions of this Section. Salaries granted pursuant to this provision shall be reported to PERS as compensation earned.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of salary that may be contained in this Fringe Benefits and Salary Plan

b) Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)

As provided in the Cudahy Miscellaneous Employees' Association MOU, employees may be eligible for merit longevity compensation as continuing incentive to career employees upon achieving the "J" step and completing ten continuous years of service. Employees may be eligible for a 5% stipend above their base pay rate, and after twenty (20) years, the stipend shall increase to a total of 7.5% above the base pay rate. Such payment shall be granted with the approval of the city Manager to employees who continue to "Exceed Standards" as evidenced by the performance rating of such employee, which is defined as a comprehensive rating at or above the middle column of the current reporting form, or the equivalent rating on any revised reporting form. Merit Longevity may be removed by the City Manager when the employee's performance does not merit such additional compensation. The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

Section 8. Compaction Rule

The top step of the salary range of any Management/Confidential classification shall be a minimum of two steps (approximately ten percent) above the top step of the closest subordinate classification, with the exception of those Management/Confidential classifications supervising specialized classifications which are highly compensated due to labor market conditions. In the case of highly compensated positions due to labor market conditions, employees may directly supervise a subordinate classification where the maximum salary range exceeds the supervisory class without the two step minimum (approximately ten percent). Subordinate classification shall be defined as any position classification in which there are employees who are supervised by the Management/Confidential employee.

Section 9. Salaries Above Market Rate – Use of "Y" Rating Method

The City Manager has the authority to implement a "Y" rating for employees whose range is found to exceed the market rate based on a salary survey. The employee in this case shall receive no increase in salary unless the maximum salary established by this Plan for their classifications exceeds the amount of their "Y" rate.

Section 10. Trainee Positions

The City Manager has the authority to establish a Trainee class for any class in the system. The salary range for Trainee classes shall be established with a salary range starting fifteen percent (15%) below the first step of the regular position and ending five percent (5%) below the first

step of the regular position. Employees who successfully complete the training program and meet the criteria for the higher level class, may be reclassified to the higher level class upon approval by the City Manager.

Section 11. Salary Differentials/Stipends

Exceptions shall be made to Sections 2 and 3 of this Plan as follows:

a. (5%) Salary Differential

After investigation and approval by the City Manager, a 5% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

b. (10%) Salary Differential

After investigation and approval by the City Manager, a 10% Salary Differential shall be assigned to persons found to possess as a regular assignment such additional duties and responsibilities or whose positions entail certain hazards as to warrant additional compensation, which additional salary shall be limited to the following:

No current provisions

c. Bi-lingual Pay

1. Appointed Officials (Non-represented)

The City Clerk, City Treasurer and City Manager shall be entitled to the same compensation as provided to Management/Confidential employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

Notwithstanding the above, provisions of an employment agreement shall supersede and control over any description of benefits/salary that may be contained in this Fringe Benefits and Salary Plan.

2. Management/Confidential Employees (Non-represented)

Management/Confidential employees shall be entitled to the same compensation as provided to Miscellaneous employees, which shall be provided as a stipend rather than incorporated into base pay, when the positions have been designated as bi-lingual positions.

3. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁶

Approved and certified employees shall be compensated with a bilingual pay stipend in the amount of \$75.00 per month for oral translation duties, and \$125.00 per month for oral and written translations.

The provisions of this section shall be administered in accordance with the specific language in the Cudahy Miscellaneous Employees' Association MOU.

d. Temporary Upgrade – Acting Capacity

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁷

An employee who has been designated by the City to serve in an acting capacity for thirty (30) consecutive work days or more shall receive Step A of the pay range for the classification in which the employee is performing active duties, or a stipend of 5% above the base pay, whichever is greater. Service in an acting capacity shall not be used as a basis for, or in support of, a request for reclassification. The City Manager or designee may determine that a position filled pursuant to an acting assignment shall be filled based on a competitive process to afford an equal opportunity for internal/external candidates.

e. Temporary Upgrade – Work Out of Class

1. Miscellaneous Employees (Cudahy Miscellaneous Employees' Association)¹⁸

The City may temporarily assign employees to work out of classification. The selection of employees for an out-of-classification assignment shall be at the discretion of the City Manager or designee. A temporary out-of-class stipend of 5% above the employee's base pay shall be authorized with advance approval by the Department Head, upon consultation and approval from the City Manager or designee when an employee is designated and scheduled to work in an out-of-class assignment. Paid holidays shall be considered as days actually worked. Other forms of authorized leave such as sick leave, emergency leave and vacation shall not be considered as days actually worked.

¹⁶ See CMEA MOU, p. 19.

¹⁷ See CMEA MOU, pp. 7-8.

¹⁸ See CMEA MOU, p. 8.

Section 12. Overtime

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to overtime consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Non-exempt employees shall be paid for hours worked in accordance with all legal requirements. Overtime is calculated at one and one-half (1 ½) times the employee's regular base rate of pay for all time worked over 40 hours in one workweek. Hours paid that are not actually worked, such as holidays, sick days, and vacation hours do not count as hours worked when calculating weekly overtime.

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)¹⁹

1. For all workweeks in which there is no designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God, the employee shall be eligible for overtime pay (time and one half the employee's regular rate of pay as that term is used in the Fair Labor Standards Act) for time worked over 40 hours per workweek. In a workweek where there is a designated holiday that falls during the workweek or a day in which the employee is sent home due to an unexpected City closure, or by management due to lack of work or an act of God and is thus unable to work their regularly scheduled shift, and the employee has not taken any time off or leave during that same week (e.g. vacation, sick or other personal leave), the employee shall be eligible for overtime pay (time and one half) for time worked beyond the employee's scheduled shift(s) during that workweek.
2. When an employee is not regularly scheduled to work on Saturdays and Sundays the employee shall receive overtime pay (time and one-half) for all time worked on those days. When an employee works on a designated City holiday, the employee shall receive overtime pay (time and one half) for all time worked on the holiday.

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require.

Section 13. Compensatory Time Off

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)²⁰

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Compensatory Time consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

¹⁹ See CMEA MOU, pp. 16-17

²⁰ CMEA MOU, p. 18.

Compensatory time is an alternative method of overtime payment to non-exempt employees. In lieu of paying a non-exempt employee for overtime worked, employees may be granted compensatory time off at the overtime rate of one and one half (1 ½) for each hour of overtime worked. Employees shall have the option of receiving overtime pay for any overtime worked. Use of earned compensatory time off must be approved in advance by the Department Head or designee. The maximum accrual limit is 120 hours.

Section 14. Executive Leave

Management/Confidential employees shall be entitled to take three (3) days (27 hours) of executive leave per fiscal year. The three (3) days (27 hours) may not be carried over to the next fiscal year and their use must have the prior permission of the City Manager. This provision shall be administered in accordance with the City's Personnel Rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 15. On-Call (Standby) Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)²¹

An employee who has been instructed by their direct supervisor to stand-by is free to use this time for their own benefit. Employees On-Call (Standby) shall receive two (2) hours of compensatory time for an assigned 24 consecutive hour shift, which will not be counted towards over-time calculations.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to On-Call (Standby) Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 16. Call Back Pay

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)²²

Call back duty occurs when an employee is called back in to work after their regular shift has ended. An employee called back to duty shall be paid a minimum of two (2) hours of compensatory time at a rate equal to time and one-half (1 ½) the regular hourly pay rate, and for actual hours worked at time and one-half the regular hourly pay rate, if hours worked exceeds two (2).

²¹ CMEA MOU, p. 18.

²² CMEA MOU, p. 19.

The City's pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Further, the City shall administer the pay practices related to Call Back Pay consistent with the City's personnel rules and the Cudahy Miscellaneous Employees' Association MOU.

Section 17. Additional Approved Increases in Compensation and Changes to the Salary and Classification Plans

a. Miscellaneous Employees – (Cudahy Miscellaneous Employee's Association)²³
All members shall receive:

- A 3% increase to their base rate effective July 1, 2015;
- A 3% increase to their base rate effective July 1, 2016;
- A 2% increase to their base rate effective July 1 2017; and
- A 2% increase to their base rate effective July 1, 2018.

Section 18. The Provisions of This Plan Shall Be Operative on the Date of Its Adoption.

ADDENDUM:

1. HOURLY RANGE TABLES
2. ASSOCIATION RANGE TABLES
3. MANAGEMENT/CONFIDENTIAL RANGE TABLES
4. SALARY SCHEDULES

²³ CMEA MOU, p. 5.

HOURLY RANGE TABLES

**Compensation Schedule Effective
January 01, 2016**

Hourly Steps			
Ranges	A	B	C
H1	10.00	10.25	10.50
H2	10.50	11.00	11.50
H3	11.56	12.19	12.86
H4	11.91	12.56	13.25
H5	12.56	13.25	13.93
H6	13.35	13.92	14.60
H7	14.50	15.47	16.43
H8	14.89	15.89	16.85
H9	17.20	17.60	18.00
H10	15.40	16.22	18.44
H11	18.20	18.60	19.00
H12	18.85	19.86	21.18

Flat Rates	
Ranges	A
HF25	45.00
HF26	50.00

Account Clerk (B)	H10
Administrative Aide	H7
Administrative Intern	H4
Administrative Assistant	H12
Building Inspector	HF25
CDBG Coordinator	HF26
Clerk Typist	H5
Code Enforcement Officer	H8
Maintenance Aide	H2
Maintenance Worker	H5
Municipal Enforcement Ofc.	H6
Planning Technician	H7
Recreation Aide	H1
Recreation Leader	H2
Sr. Recreation Leader	H3

ASSOCIATION RANGE TABLES

Compensation Schedule Effective

July 1, 2015

Association Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	2899	2972	3046	3122	3200	3280	3362	3447	3533	3621
A2	3039	3114	3192	3272	3354	3438	3524	3612	3702	3795
A3	3190	3270	3351	3435	3521	3609	3699	3792	3887	3984
A4	3344	3428	3514	3602	3692	3784	3878	3975	4075	4177
A5	3508	3596	3686	3778	3872	3969	4068	4170	4274	4381
A6	3684	3776	3871	3968	4067	4168	4273	4379	4489	4601
A7	3717	3810	3905	4003	4103	4206	4311	4419	4529	4642
A8	3867	3963	4062	4164	4268	4375	4484	4596	4711	4829
A9	4057	4159	4263	4369	4478	4590	4705	4823	4943	5067
A10	4260	4367	4476	4588	4702	4820	4940	5064	5190	5320
A11	4472	4584	4699	4816	4937	5060	5186	5316	5449	5585
A12	4530	4643	4759	4878	5000	5125	5253	5385	5519	5657
A13	4692	4809	4929	5052	5179	5308	5441	5577	5716	5859
A14	4923	5046	5173	5302	5435	5570	5710	5852	5999	6149
A15	5165	5295	5427	5563	5702	5844	5990	6140	6294	6451
A16	5419	5554	5693	5835	5981	6131	6284	6441	6602	6767
A17	5687	5829	5975	6124	6277	6434	6595	6760	6929	7102
A18	5966	6115	6268	6424	6585	6750	6918	7091	7269	7450
A19	6259	6416	6576	6741	6909	7082	7259	7440	7626	7817
A20	6569	6734	6902	7074	7251	7433	7618	7809	8004	8204
A21	6894	7066	7243	7424	7609	7800	7995	8195	8399	8609
A22	7235	7416	7601	7791	7986	8185	8390	8600	8815	9035
A23	7592	7782	7976	8176	8380	8590	8805	9025	9250	9482
A24	7969	8168	8373	8582	8796	9016	9242	9473	9710	9952

Compensation Schedule Effective

July 1, 2016

Association										
<u>Steps</u>										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	2986	3061	3138	3216	3296	3379	3463	3550	3639	3730
A2	3130	3208	3288	3370	3455	3541	3629	3720	3813	3909
A3	3286	3368	3452	3538	3627	3717	3810	3906	4003	4103
A4	3445	3531	3619	3710	3802	3897	3995	4095	4197	4302
A5	3613	3704	3796	3891	3989	4088	4190	4295	4403	4513
A6	3795	3890	3987	4087	4189	4294	4401	4511	4624	4739
A7	3829	3925	4023	4123	4226	4332	4440	4551	4665	4782
A8	3983	4082	4184	4289	4396	4506	4619	4734	4852	4974
A9	4179	4283	4390	4500	4613	4728	4846	4967	5092	5219
A10	4388	4498	4610	4725	4843	4964	5089	5216	5346	5480
A11	4606	4722	4840	4961	5085	5212	5342	5476	5612	5753
A12	4666	4782	4902	5025	5150	5279	5411	5546	5685	5827
A13	4832	4953	5077	5204	5334	5467	5604	5744	5888	6035
A14	5071	5198	5328	5461	5598	5737	5881	6028	6179	6333
A15	5320	5453	5590	5730	5873	6020	6170	6324	6482	6644
A16	5581	5721	5864	6011	6161	6315	6473	6635	6800	6970
A17	5857	6004	6154	6308	6465	6627	6793	6962	7136	7315
A18	6145	6298	6456	6617	6783	6952	7126	7304	7487	7674
A19	6447	6608	6773	6943	7116	7294	7477	7664	7855	8052
A20	6766	6936	7109	7287	7469	7656	7847	8043	8244	8450
A21	7101	7278	7460	7647	7838	8034	8235	8440	8651	8868
A22	7452	7638	7829	8025	8225	8431	8642	8858	9079	9306
A23	7820	8015	8216	8421	8632	8847	9069	9295	9528	9766
A24	8208	8413	8624	8839	9060	9287	9519	9757	10001	10251

Compensation Schedule Effective

July 1, 2017

Association										
<u>Steps</u>										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	3046	3122	3200	3280	3362	3446	3533	3621	3711	3804
A2	3192	3272	3354	3438	3524	3612	3702	3795	3889	3987
A3	3351	3435	3521	3609	3699	3792	3887	3984	4083	4185
A4	3514	3601	3692	3784	3878	3975	4075	4177	4281	4388
A5	3686	3778	3872	3969	4068	4170	4274	4381	4491	4603
A6	3871	3968	4067	4168	4273	4379	4489	4601	4716	4834
A7	3905	4003	4103	4206	4311	4419	4529	4642	4758	4877
A8	4062	4164	4268	4375	4484	4596	4711	4829	4949	5073
A9	4262	4369	4478	4590	4705	4823	4943	5067	5193	5323
A10	4476	4588	4702	4820	4940	5064	5190	5320	5453	5589
A11	4699	4816	4936	5060	5186	5316	5449	5585	5725	5868
A12	4759	4878	5000	5125	5253	5385	5519	5657	5799	5944
A13	4929	5052	5179	5308	5441	5577	5716	5859	6006	6156
A14	5173	5302	5434	5570	5709	5852	5999	6149	6302	6460
A15	5427	5562	5702	5844	5990	6140	6293	6451	6612	6777
A16	5693	5835	5981	6131	6284	6441	6602	6767	6936	7110
A17	5974	6124	6277	6434	6595	6759	6928	7102	7279	7461
A18	6268	6424	6585	6750	6918	7091	7269	7450	7636	7827
A19	6576	6740	6909	7082	7259	7440	7626	7817	8012	8213
A20	6902	7074	7251	7432	7618	7809	8004	8204	8409	8619
A21	7243	7424	7609	7800	7994	8194	8399	8609	8824	9045
A22	7601	7791	7986	8185	8390	8600	8815	9035	9261	9492
A23	7976	8176	8380	8590	8804	9024	9250	9481	9718	9961
A24	8372	8582	8796	9016	9242	9473	9709	9952	10201	10456

Compensation Schedule Effective

July 1, 2018

Association										
<u>Steps</u>										
Ranges	A	B	C	D	E	F	G	H	I	J
A1	3107	3185	3264	3346	3430	3515	3603	3693	3786	3880
A2	3256	3337	3421	3506	3594	3684	3776	3870	3967	4066
A3	3418	3504	3591	3681	3773	3868	3964	4063	4165	4269
A4	3584	3674	3765	3859	3956	4055	4156	4260	4367	4476
A5	3759	3853	3950	4048	4150	4253	4360	4469	4580	4695
A6	3948	4047	4148	4252	4358	4467	4579	4693	4810	4931
A7	3983	4083	4185	4290	4397	4507	4620	4735	4853	4975
A8	4144	4247	4353	4462	4574	4688	4805	4925	5048	5175
A9	4348	4456	4568	4682	4799	4919	5042	5168	5297	5430
A10	4565	4679	4796	4916	5039	5165	5294	5427	5562	5701
A11	4793	4912	5035	5161	5290	5422	5558	5697	5839	5985
A12	4854	4976	5100	5228	5358	5492	5630	5770	5915	6062
A13	5028	5153	5282	5414	5550	5688	5831	5976	6126	6279
A14	5276	5408	5543	5682	5824	5969	6119	6271	6428	6589
A15	5535	5674	5816	5961	6110	6263	6419	6580	6744	6913
A16	5807	5952	6101	6253	6410	6570	6734	6903	7075	7252
A17	6094	6246	6402	6562	6726	6895	7067	7244	7425	7610
A18	6393	6553	6717	6885	7057	7233	7414	7599	7789	7984
A19	6708	6875	7047	7223	7404	7589	7779	7973	8173	8377
A20	7040	7216	7396	7581	7771	7965	8164	8368	8577	8792
A21	7387	7572	7761	7955	8154	8358	8567	8781	9001	9226
A22	7753	7947	8145	8349	8558	8772	8991	9216	9446	9682
A23	8136	8339	8548	8761	8980	9205	9435	9671	9913	10161
A24	8540	8753	8972	9196	9426	9662	9904	10151	10405	10665

MANAGEMENT/CONFIDENTIAL
RANGE TABLES

**Compensation Schedule Effective
July 1, 2008**

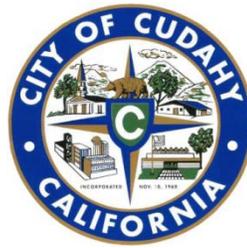
Management Steps										
Ranges	A	B	C	D	E	F	G	H	I	J
M1	5322	5474	5591	5729	5847	6020	6171	6325	6483	6645
M2	6011	6174	6317	6472	6634	6802	6972	7144	7324	7507
M3	7102	7279	7462	7649	7841	8037	8238	8445	8655	8871
M4	8436	8562	8703	8852	9007	9175	9357	9548	9763	9989
M5	9751	9957	10181	10417	10659	10909	11151	11382	11614	11781

SALARY SCHEDULES

ADDENDUM: Salary Schedules

Will be provided under separate cover

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Item Number 4B

STAFF REPORT

Date: January 22, 2016
To: Honorable Chair and Agency Members
From: Jose E. Pulido, Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution for Approval of the Administrative Budget for Fiscal Period of July 1, 2016 to June 30, 2017**

RECOMMENDATION

The Successor Agency is requested to adopt a proposed resolution approving the Administrative Budget for the 15-16B Recognized Obligation Payment Schedule (ROPS) for the fiscal period of July 1, 2016 to June 30, 2017.

BACKGROUND

1. On January 17, 2012, the City Council adopted Resolution No. 12-04 electing to serve as the Successor Agency to the Cudahy Community Development Commission.
2. On February 1, 2012, the former Cudahy Community Redevelopment Agency was dissolved pursuant to ABX1 26 (Stats 2011-12, 1st Ex Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26) and collectively the State legislation identified in this sentence referenced herein as the "State Redevelopment Dissolution Law."
3. On February 1, 2012, the State Redevelopment Dissolution Law requires the Successor Agency to prepare a proposed "Administrative Budget" for the period concurrent with the six-month fiscal period of each ROPS.

4. On February 17, 2015, Successor Agency prepared and approved the Administrative Budget for the six-month fiscal period July 1, 2015 through December 31, 2015.
5. On October 1, 2015, the Oversight Board reviewed and approved the Successor Agency Administrative Budget for the six-month fiscal period January 1, 2016 through June 30, 2016.

ANALYSIS

The approved Administrative Budget will be listed on ROPS 16-17 and accordingly will be considered an enforceable obligation. Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF).

Successor Agency staff and Successor Agency's Fiscal consultant, HdL Coren & Cone, have prepared and now submit to the Successor Agency the Administrative Budget for the period of July 1, 2016 to June 30, 2017 (Exhibit A to Attachment A). Pursuant to Section 34177(j), an Administrative Budget is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the upcoming twelve-month fiscal period (July 1, 2016 to June 30, 2017); (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the City to the Successor Agency.

Under the Dissolution Law, each ROPS includes a line item for the Successor Agency's Administrative Budget for the applicable period and requires that for the 16-17 fiscal period of July 1, 2016 to June 30, 2017 (ROPS 16-17) be approved by the Successor Agency and Oversight Board and submitted to the State Department of Finance (DOF) as a part of the ROPS 16-17 by February 1, 2016. The ROPS is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

CONCLUSION

If approved, the Administrative Budget will be submitted to the Oversight Board for review and approval at a special meeting on January 26, 2016. Under Section 4177(k), the Successor Agency would then provide to the County of Los Angeles Auditor-Controller (County) the

administrative cost estimates from the approved Administrative Budget that are to be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund for such fiscal period.

FINANCIAL IMPACT

The Successor Agency will be reimbursed up to \$250,000 for expenses and costs related to the dissolution of the former Cudahy Community Development Commission for the fiscal period of July 1, 2016 through June 30, 2017, if approved by the Oversight Board, and the State Department of Finance.

ATTACHMENT

Proposed Resolution with Exhibit "A" – Cudahy Successor Agency Administrative Budget

RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER CUDAHY REDEVELOPMENT AGENCY (CUDAHY COMMUNITY DEVELOPMENT COMMISSION) APPROVING AN ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

A. Pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) (“Part 1.85”), the Successor Agency to the former Cudahy Redevelopment Agency (Cudahy Community Development Commission) (“Successor Agency”) is required to undertake a number of actions related to winding down the affairs of the former Cudahy Redevelopment Agency (the “Former Redevelopment Agency”) pursuant to Health and Safety Code Section 34177(h).

B. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City of Cudahy. The City Manager of the City serves as Executive Director of the Successor Agency, the Finance Director serves as Finance Officer of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, legal and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Former Redevelopment Agency’s enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with administration and operations of the Successor Agency.

C. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations and pursuant to Health and Safety Code Sections 34178(a) and 34180(h), and the Successor Agency may enter into agreements with the City with the approval of the Oversight Board for the Successor Agency (the “Oversight Board”).

D. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency is required to prepare a proposed administrative budget for each six month fiscal period and submit each proposed administrative budget to the Oversight Board for its approval. Each proposed administrative budget shall include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the costs identified in (1); and (3) proposals for arrangements for administrative and operations services provided by the City or another entity.

E. Pursuant to Health and Safety Code Section 34177(k), the Successor Agency is required to provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each applicable twelve-month fiscal period.

F. Staff of the Successor Agency seeks the Successor Agency's approval of the administrative budget for the period beginning on July 1, 2016 through June 30, 2017 ("Administrative Budget 16-17"), in the form attached to this Resolution as Exhibit "A", and the Successor Agency's authorization to submit the approved Administrative Budget 16-17 to the Oversight Board for its approval and to forward the information required by Health and Safety Code 34177(k) to the County Auditor-Controller.

G. Administrative Budget 16-17 has been prepared in accordance with Health and Safety Code Section 34177(j) and is consistent with the requirements of the Health and Safety Code and other applicable law. The proposed source of payment of the costs set forth in Administrative Budget 16-17 is property taxes from the Redevelopment Property Tax Trust Fund of Los Angeles County established for the Successor Agency.

H. The activity proposed for approval by this Resolution is not a "project" for purposes of the California Environmental Quality Act ("CEQA"), as that term is defined by CEQA Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, in accordance with CEQA Section 15378(b)(5) of the Guidelines.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE CUDAHY REDEVELOPMENT AGENCY (CUDAHY COMMUNITY DEVELOPMENT COMMISSION) DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to the provisions of Part 1.85.

Section 3. The Successor Agency hereby approves the proposed administrative budget for the twelve-month fiscal period commencing July 1, 2016 and ending June 30, 2017 attached hereto as Exhibit "A" and incorporated herein by reference.

Section 4. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

Section 5. The Successor Agency hereby determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by CEQA Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

Exhibit "A"

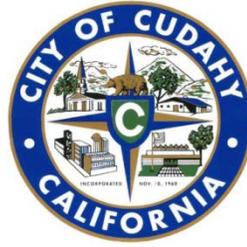
CUDAHY SUCCESSOR AGENCY ADMINISTRATIVE BUDGET COVERING
July 1, 2016 to June 30, 2017

ESTIMATED ANNUAL ADMINISTRATIVE EXPENSES

	Costs	Funding Source
External Consultants		
Attorney Costs	\$ 30,000	RPTTF Administrative Allowance
Consultant Costs	\$ 45,000	RPTTF Administrative Allowance
Auditor Fees	\$ 15,000	RPTTF Administrative Allowance
 Successor Agency Expenses		
Successor Agency rent and utilities	\$ 5,000	RPTTF Administrative Allowance
Successor supplies	\$ 500	RPTTF Administrative Allowance
Successor equipment	\$ 500	RPTTF Administrative Allowance
Salaries and benefits	\$ 140,000	RPTTF Administrative Allowance
Risk management/insurance	\$ 7,000	RPTTF Administrative Allowance
Property maintenance	\$ 1,500	RPTTF Administrative Allowance
 Oversight Board Expenses		
Staff Time	\$ 5,000	RPTTF Administrative Allowance
Materials	\$ 500	RPTTF Administrative Allowance
 Estimated Annual Total	 \$ 250,000	

RPTTF – Redevelopment Property Tax Trust Fund

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Item Number 4C

STAFF REPORT

Date: January 22, 2016
To: Honorable Chair and Agency Members
From: Jose E. Pulido, Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Approval of the Recognized Obligation Payment Schedule for the 16-17 Fiscal Period of July 1, 2016 to June 30, 2017 (ROPS 16-17)**

RECOMMENDATION

The Successor Agency is requested to approve the Recognized Obligation Payment Schedule (ROPS) 16-17 for the fiscal period of July 1, 2016 to June 30, 2017, for submission to the City of Cudahy Oversight Board.

BACKGROUND

1. On January 17, 2012 the City Council adopted Resolution No. 12-04 electing to serve as the Successor Agency to the Cudahy Community Development Commission.
2. On February 1, 2012, the former Cudahy Community Redevelopment Agency was dissolved pursuant to ABX1 26 (Stats 2011-12, 1st Ex Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26) and collectively the state legislation identified in this sentence referenced herein as the Dissolution Law.
3. On February 1, 2012, the Successor Agency to the Community Development Commission of the City began performing its functions under the Dissolution Law, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, the "Dissolution Law"), to administer the enforceable obligations and otherwise unwind the former Agency's affairs, all subject to the review and approval by the Oversight Board.

4. On September 28, 2015, the Successor Agency, pursuant to the Dissolution Law, approved ROPS 15-16B as it had passed all prior ROPS and thereafter submitted to the State Department of Finance (DOF), and ultimately approved. Pursuant to Section 34 171(g) of Part 1.85, ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.

ANALYSIS

AB X1 26 requires the Successor Agency to prepare a ROPS for each twelve-month period, beginning with the twelve month period July 1, 2016 to June 30, 2017. The ROPS essentially serves as an invoice between the Successor Agency and the Los Angeles County Auditor-Controller (County) and dictates how much former property tax increment will be released by the County for the twelve-month period to the Successor Agency to pay for enforceable obligations. Only payments listed on the ROPS may be made by the Successor Agency.

Currently, the Successor Agency's sources of revenue available to pay for costs listed on the approved ROPS include Former Tax Increment, now held by the County in the Redevelopment Property Tax Trust Fund (RPTTF).

Attachment A reflects the twelve-month estimated payment obligations for the Successor Agency in the online format provided by the DOF. The ROPS 16-17 will be submitted to the County, State Controller's Office (SCO) and the DOF by February 1, 2016, the statutory deadline.

The attached ROPS 16-17 reflects the twelve-month estimated payment obligations for the Successor Agency in the online format provided by the DOF. The ROPS 16-17 will be submitted to the County, SCO and the DOF by February 1, 2016, the statutory deadline.

CONCLUSION

It is recommended that the Successor Agency approve ROPS 16-17 for submission to the Oversight Board meeting on January 26, 2016, to ensure a timely submission of ROPS 16-17.

If the Successor Agency does not approve the ROPS 16-17 and accordingly not allow the Oversight Board the opportunity to approve the ROPS 16-17 and submit ROPS 16-17 by February 1, 2016 the Successor Agency will be fined a civil penalty of \$10,000 per day for the failure to submit on time.

FINANCIAL IMPACT

The Successor Agency should receive \$4.1 million, subject to availability of RPTTF, in order to satisfy all former Redevelopment Agency debts and obligations, if approved by the Oversight Board and DOF.

ATTACHMENT

Proposed Recognized Obligation Payment Schedule (ROPS 16-17) – ROPS Detail

Cudahy Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L				M				Q	R					W			
											16-17A									16-17B								
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF					Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)				RPTTF				
											Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Bond Proceeds	Reserve Balance	Other Funds		Non-Admin	Admin	Bond Proceeds	Reserve Balance	Other Funds		Non-Admin	Admin	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A Total	16-17B Total	16-17A Total	16-17B Total														
								\$ 36,523,589		\$ 4,178,364	\$ -	\$ 612,500	\$ -	\$ 2,156,599	\$ 4,178,364	\$ 2,894,099	\$ -	\$ -	\$ -	\$ 1,159,265	\$ 125,000	\$ 1,284,265						
1	Subordinated Tax Allocation	Bonds Issued On or Before	10/28/1999	10/1/2026	The Bank of New York	Bond issue to fund non-housing	Citywide	2,758,103	N	\$ 127,538				63,769	\$ 63,769					63,769		\$ 63,769						
2	Tax Allocation Refunding Bonds, Series 2003A	Bonds Issued On or Before	8/13/2003	10/1/2027	The Bank of New York Mellon Trust Company, N.A.	Bond issue to fund housing projects	Citywide	3,367,263	N	\$ 587,382		195,000		263,761	\$ 458,761					128,621		\$ 128,621						
4	Tax Allocation Refunding Bonds, Series 2003C	Bonds Issued On or Before	8/13/2003	10/1/2027	The Bank of New York Mellon Trust Company, N.A.	Bond issue to fund non-housing projects	Citywide	8,686,400	N	\$ 814,950		102,500		288,050	\$ 390,550					424,400		\$ 424,400						
5	Tax Allocation Bonds, Series 2011A	Bonds Issued After 12/31/10	4/13/2011	10/1/2027	The Bank of New York Mellon Trust Company, N.A.	Bond issue to fund housing projects	Citywide	3,443,700	N	\$ 168,956		2,500		83,228	\$ 85,728					83,228		\$ 83,228						
6	Tax Allocation Bonds, Series 2011A	Bonds Issued After 12/31/10	4/13/2011	10/1/2013	The Bank of New York Mellon Trust Company, N.A.	Bond issue to fund housing projects	Citywide	1,562,611	N	\$ 254,282				254,282	\$ 254,282							\$ -						
7	Tax Allocation Bonds, Series 2011B	Bonds Issued After 12/31/10	4/13/2011	10/1/2027	The Bank of New York Mellon Trust Company, N.A.	Bond issue to fund non-housing projects	Citywide	10,097,575	N	\$ 1,274,344		312,500		550,297	\$ 862,797					411,547		\$ 411,547						
8	Fiscal Agent Fees	Fees	10/28/1999	10/1/2027	The Bank of New York Mellon Trust Company, N.A.	Annual fiscal agent fees for bonds issues	Citywide	86,200	N	\$ 16,322				13,122	\$ 13,122					3,200		\$ 3,200						
9	Bond Disclosure Services	Fees	6/27/2011	3/31/2027	HdL Coren & Cone	Annual continuing disclosure for bond issues	Citywide	65,000	N	\$ 11,000				5,500	\$ 5,500					5,500		\$ 5,500						
13	City Reimbursement	City/County Loans On or Before 6/27/11	6/7/2005	7/2/2048	City of Cudahy	Loan Repayment	Citywide	524,916	N	\$ -					\$ -							\$ -						
14	RDA Legal Counsel	Admin Costs	3/1/2011	7/2/2048	Lewis Brisbois Smith LLP	legal counsel	Citywide	-	N	\$ -					\$ -							\$ -						
15	RDA Legal Counsel	Admin Costs	5/1/2011	7/2/2048	Olivarez, Gallagher, Padilla	legal counsel	Citywide	-	N	\$ -					\$ -							\$ -						
17	County Deferral	Miscellaneous	9/8/1981	9/8/2034	Los Angeles County Taxing Entities	In accordance with the deferral provisions of the contractual agreement with the County and the Community Development Commission of the City of Cudahy	Citywide	579,118	N	\$ -					\$ -							\$ -						
18	County Deferral	Miscellaneous	12/14/1992	7/13/2034	Los Angeles County Taxing Entities	In accordance with the deferral provisions of the contractual agreement with the County and the Community Development Commission of the City of Cudahy	Citywide	374,163	N	\$ -					\$ -							\$ -						
22	Audit Services	Dissolution Audits	8/1/2012	8/1/2015	Sonnenberg CPAS	DDR Audit (AB 1484)	Citywide	-	N	\$ -					\$ -							\$ -						
23	Administrative Reimbursement	RPTTF Shortfall	2/1/2012	7/2/2048	City of Cudahy	Loan to cover shortfall in Administrative Expense	Citywide	219,140	N	\$ 219,140				219,140	\$ 219,140							\$ -						
24	Successor Agency Admin. Cost	Admin Costs	2/1/2012	7/2/2048	Various	Greater of 3% or \$250,000	Citywide	3,375,000	N	\$ 250,000				125,000	\$ 125,000						125,000	\$ 125,000						
25	Long Term Property Management Plan	Property Dispositions	8/19/2014	8/13/2015	Urban Futures, Inc.	Professional Service	Citywide	20,000	N	\$ -					\$ -							\$ -						
27	Legal Counsel	Legal	5/1/2011	7/2/2048	Olivarez, Madruga	legal counsel	Citywide	20,000	N	\$ -					\$ -							\$ -						
28	Professional Service	Professional Services	8/19/2014	9/16/2015	HR Dynamic	Professional Service	Citywide	227,000	N	\$ -					\$ -							\$ -						
29	Legal Counsel	Legal	7/5/2011	7/2/2048	Olivarez, Madruga	Legal Counsel	Citywide	145,000	N	\$ -					\$ -							\$ -						
30	Emergency Loan No. 15-16A.1	City/County Loans After 6/27/11	2/17/2015	12/31/2015	City of Cudahy	Repayment of Loan for expenses related to the Successor Agency	Citywide	20,000	N	\$ -					\$ -							\$ -						
31	Emergency Loan No. 15-16A.2	City/County Loans After 6/27/11	2/17/2015	12/31/2015	City of Cudahy	Repayment of Loan for expenses related to the Successor Agency	Citywide	227,000	N	\$ -					\$ -							\$ -						
32	Emergency Loan No. 15-16A.3	City/County Loans After 6/27/11	2/17/2015	12/31/2015	City of Cudahy	Repayment of Loan for expenses related to the Successor Agency	Citywide	105,000	N	\$ -					\$ -							\$ -						
34	Legal Counsel	Legal	6/22/2015	6/30/2016	Demetriou Del Guercio Springer and Francis LLP	Property Management Plan	Citywide	46,500	N	\$ 46,500				46,500	\$ 46,500							\$ -						
35	Professional Service	Professional Services	9/28/2015	6/30/2016	Andersen Environmental	Property Management Plan	Citywide	47,950	N	\$ 47,950				47,950	\$ 47,950							\$ -						
36	Emergency Loan No 15-16B.4	City/County Loans After 6/27/11	9/28/2015	6/30/2016	City of Cudahy	Repayment of Loan for expenses related to the Successor Agency	Citywide	20,000	N	\$ -					\$ -							\$ -						
37	Emergency Loan No 15-16B.6	City/County Loans After 6/27/11	9/28/2015	6/30/2016	City of Cudahy	Repayment of Loan for expenses related to the Successor Agency	Citywide	46,500	N	\$ -					\$ -							\$ -						
38	Emergency Loan No 15-16B.7	City/County Loans After 6/27/11	9/28/2015	6/30/2016	City of Cudahy	Repayment of Loan for expenses related to the Successor Agency	Citywide	47,950	N	\$ -					\$ -							\$ -						
39	Long Term Property Management Plan	Professional Services	8/19/2014	12/31/2015	Urban Futures, Inc.	Professional Service	Citywide	6,000	N	\$ 6,000				6,000	\$ 6,000							\$ -						
40	Property Management	Project Management Costs				Management on Successor Agency owned properties	Citywide	15,000	N	\$ 15,000				7,500	\$ 7,500					7,500		\$ 7,500						
41	Property Maintenance	Property Maintenance				Ongoing maintenance on Successor Agency owned properties	Citywide	15,000	N	\$ 15,000				7,500	\$ 7,500					7,500		\$ 7,500						
42	Property Maintenance	Property Maintenance				Repair Roof on Successor Agency owned property	Citywide	100,000	N	\$ 100,000				100,000	\$ 100,000							\$ -						
43	Legal Counsel	Legal	1/1/2016	6/30/2016	Olivarez, Madruga	Legal advice for property maintenance issues	Citywide	72,000	N	\$ 72,000				48,000	\$ 48,000					24,000		\$ 24,000						
44	Settlement of Litigation	Litigation	1/26/2016	4/30/2016	Cudahy SA 2012 LLC	Settlement for return of property listed on LRPMP - \$127,000	Citywide	127,000	N	\$ 127,000				127,000	\$ 127,000							\$ -						
45	Insurance	Property Dispositions			Keenan	Property Casualty Insurance Policy	Citywide	76,500	N	\$ 25,000				25,000	\$ 25,000							\$ -						
46									N	\$ -					\$ -							\$ -						
47									N	\$ -					\$ -							\$ -						
48									N	\$ -					\$ -							\$ -						
49									N	\$ -					\$ -							\$ -						
50									N	\$ -					\$ -							\$ -						

Cudahy Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	16-17A					Q	16-17B					W										
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)						RPTTF						Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF				
											L	M	N	O	P		R	S	T	U	V											
																							Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	16-17A Total	16-17B Total																				
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Item Number 4D

STAFF REPORT

Date: January 22, 2016
To: Honorable Chair and Agency Members
From: Jose E. Pulido, Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution Approving an Emergency Loan Agreement for Recognized Obligation Payment Schedule (ROPS) 16-17 for Olivarez Madruga, LLP**

RECOMMENDATION

The Successor Agency is requested to:

1. Adopt the proposed resolution approving Successor Agency Loan Agreement No. 16-17:9 (Attachment A); and
2. Authorize the Executive Director to execute an emergency loan (Attachment B) in the amount not to exceed \$72,000 for Olivarez Madruga, LLP (Olivarez Madruga) for legal services to maintain the properties included in the approved Successor Agency Long-Range Property Management Plan (LRPMP).

BACKGROUND

1. On February 1, 2012, the Successor Agency to the Community Development Commission of the City began performing its functions under the Dissolution Law, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, the "Dissolution Law"), to administer the enforceable obligations reported on a Recognized Obligations Payment Schedule (ROPS) and otherwise unwind the former Agency's affairs, all subject to the review and approval by the Oversight Board. ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period.

2. On February 18, 2014, the Successor Agency amended a Professional Services Agreement (Agreement) with Olivarez Madruga to assist in matters relating to the Successor Agency.
3. On April 15, 2014, the Office of the State Controller (SCO) issued a report entitled "Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011, through January 31, 2012," which ordered the Cudahy Economic Corporation (EDC) to return certain assets that it had received from the Former Cudahy Community Development Commission / Redevelopment Agency to the Successor Agency.
4. On October 21, 2014, The Successor Agency amended the Agreement with Olivarez Madruga to assist in matters relating to the LRPMP.
5. On February 17, 2015, the Successor Agency amended the Agreement with Olivarez Madruga to assist in matters relating to the LRPMP.
6. On March 12, 2015, the Oversight Board to the Successor Agency (Oversight Board) adopted Resolution No. OB15-07 approving the Asset Transfer Agreement.
7. On March 12, 2015, the Successor Agency staff directed consultant Cheryl Murase, HdL Coren & Cone, to transmit Resolution No. OB15-07 to the State Department of Finance (DOF) for its consideration and approval of the Asset Transfer Agreement.
8. On April 23, 2015, the DOF notified the Successor Agency that it would not take a position as to whether the Asset Transfer Agreement complies with SCO's order set forth in the Transfer Report.
9. On May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
10. On June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement that would permit the EDC to transfer all of the real and non-real property assets to the Successor Agency without requiring the approval of the DOF or Oversight Board.
11. On June 15, 2015, Olivarez Madruga filed a Petition for Writ of Mandate and complaint for Declaratory and Injunctive Relief with the Superior Court of the California - County of Sacramento on behalf of the Successor Agency.

12. On October 19, 2015, to comply with the SCO's order quitclaim deeds were recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real properties from the EDC to the Successor Agency.
13. On November 12, 2015, the Successor Agency submitted a LRPMP to the DOF for review and approval prior to January 1, 2016.
14. On December 16, 2015, the DOF approved the LRPMP submitted by the Successor Agency.

ANALYSIS

Based on the DOF's approval of the LRPMP it will be necessary for Olivarez Madruga to provide legal services concerning the property management and maintenance related to assets listed in the LRPMP. Olivarez Madruga would provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal guidance concerning the Successor Agency obligations regarding disposition of the assets of the Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency.

The cost of such legal services generally described in the preceding paragraph will be an aggregate amount of approximately \$72,000.

Pursuant to the Dissolution Law, the costs incurred by Successor Agencies to maintain properties identified in the LRPMP do not constitute administrative costs and are essential to the Successor Agency's implementation of and compliance with State Redevelopment Dissolution Law are considered an "enforceable obligations" and paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF). Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the RPTTF. The ROPS is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

It is anticipated that the costs associated with the services provided by Olivarez Madruga will be \$72,000 for amounts not listed on previous ROPS. The Successor Agency estimates that

the amount of funds which are reasonably anticipated to be remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, for the period of time between January 1, 2016 and June 30, 2016 under ROPS 15-16B, together with the cash and other readily available funds which are reasonably estimated to be available to the Successor Agency on or after January 4, 2016, will not be sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to Olivarez Madruga, which shall become due and payable during the period of time covered by ROPS 15-16B, unless this emergency loan is approved.

CONCLUSION

Once this loan is approved by the City Council, the Successor Agency, and the Oversight Board and listed on ROPS 16-17, the \$72,000 loan becomes a new enforceable obligation of the Successor Agency, subject to the separate approval of the DOF.

This loan must be included upon the final form of ROPS 16-17 in order to be recovered by the City.

FINANCIAL IMPACT

Funds need to be made available to the Successor Agency from the City's General Fund in the amount of \$72,000 for and emergency loan

ATTACHMENTS

- A. Proposed Successor Agency Resolution Approving Successor Agency Loan Agreement No. 16-17:9
- B. Successor Agency Loan Agreement No. 16-17:9

RESOLUTION NO. _____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF CUDAHY AND THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY FOR OLIVAREZ MADRUGA LLC LEGAL SERVICES TO MAINTAIN THE PROPERTY (SUCCESSOR AGENCY LOAN AGREEMENT NO. 16-17:9)

WHEREAS, the City of Cudahy (the “City”) authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law; and

WHEREAS, the former Cudahy Community Development Commission/Cudahy Redevelopment Agency (“RDA”) undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law; and

WHEREAS, the State of California (the “State”) has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law; and

WHEREAS, the Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to third parties, including Olivarez Madruga, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless Loan Agreement No. 16-17:9 is approved; and

WHEREAS, the Successor Agency has retained the legal services of Olivarez Madruga to provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal guidance

concerning the Successor Agency obligations regarding disposition of the assets of the Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency; and

WHEREAS, Olivarez Madruga estimates that the cost of such legal services generally described in the preceding paragraph during the period covered by the Loan Agreement No. 16-17:9 between the City of Cudahy and the Successor Agency, attached to this Resolution as **Exhibit “A,”** (the “Loan Agreement”) will be an aggregate amount of approximately \$72,000 for the period between January 1, 2016 through June 30, 2017; and

WHEREAS, and the costs payable by the Successor Agency to Olivarez Madruga, which are covered by the loan agreement, do not constitute “administrative costs,” and Health and Safety Code Section 34171(b) exempts from the definition of “administrative costs” specific redevelopment dissolution implementation activities such as Olivarez Madruga’s activities identified in the loan agreement, which are essential to the Successor Agency’s implementation of and compliance with State Redevelopment Dissolution Law; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

NOW, THEREFORE, THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. **Recitals**. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval of Loan Agreement**. The Successor Agency hereby approves Loan Agreement No. 16-17:9 between the City of Cudahy and the Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency. The Executive Director is hereby authorized and directed to cause Loan Agreement No. 16-17:9 to be included on the recognized payment

obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. **Execution of Loan Agreement.** The Executive Director is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency at its meeting on this 22nd day of January 2016.

Cristian Markovich,
Mayor of the City of Cudahy, as
Successor Agency to the former Cudahy
Community Development/
Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Secretary of the Successor Agency, do hereby certify that the above and foregoing Resolution No.____ was passed, approved, and adopted by the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency of the City of Cudahy, signed by the Chair and attested by the Chair at a meeting of said Successor held on this 22nd_day of January, 2016, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary of the Successor Agency

EXHIBIT A – LOAN AGREEMENT NO. 16-17:9

2016

CITY OF CUDAHY

-and-

CITY OF CUDAHY AS
SUCCESSOR AGENCY TO THE
FORMER CUDAHY COMMUNITY
DEVELOPMENT COMMISSION/
CUDAHY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. ROPS 16-17:9
(NOT TO EXCEED: \$72,000)

THIS SUCCESSOR AGENCY LOAN AGREEMENT No. ROPS 16-17:9 (the "Loan Agreement") is dated as of January 22, 2016 by and between the City of Cudahy, a municipal corporation (the "City") and the City of Cudahy, as successor agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law.
2. The former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law.
3. The State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
4. The Successor Agency has retained the legal services of Olivarez Madruga to provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal

guidance concerning the Successor Agency obligations regarding disposition of the assets of the Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency.

5. Olivarez Madruga estimates that the cost of such legal services generally described in the preceding paragraph during the period covered by the Loan Agreement No. 16-17:9 between the City of Cudahy and the Successor Agency, (the "Loan Agreement") will be an aggregate amount of approximately \$72,000 for the period between January 1, 2016 through June 30, 2017.
6. The costs payable by the Successor Agency to Olivarez Madruga, which are covered by the loan agreement, do not constitute "administrative costs," and Health and Safety Code Section 34171(b) exempts from the definition of "administrative costs" specific redevelopment dissolution implementation activities such as Olivarez Madruga's activities identified in the Loan Agreement, which are essential to the Successor Agency's implementation of and compliance with State Redevelopment Dissolution Law.
7. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to third parties, including Olivarez Madruga, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless this Loan Agreement is approved.
8. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
9. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan”) a sum not-to-exceed seventy-two thousand DOLLARS (\$72,000.00) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

for legal services of Olivarez Madruga to provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal guidance concerning the Successor Agency obligations regarding disposition of the assets of the Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency.

SECTION 4. **Source of Repayment of the Loan.** The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

SECTION 5. **Placement of Loan Obligation on the Successor Agency’s ROPS 16-17 (July 1, 2016 – June 30, 2017).** Provided that this Loan Agreement is approved, the Successor Agency shall include this Loan Agreement as a listed enforceable obligation on the ROPS 16-17 as shall be considered by the Successor Agency. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Cudahy Community Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the City shall establish a loan repayment ledger for the Loan and shall cause the

outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. **Term**. This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement**. This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies**. In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of _____, 2016.

[SIGNATURES FOLLOW ON NEXT PAGE]

Attachment B

[City of Cudahy and Successor Agency Loan Agreement No. ROPS 16-17:9: Not-to-Exceed \$72,000.00 (ROPS 16-17A: July 1, 2016 - June 30, 2017)]

CITY:

City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido
City Manager

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of Cudahy As Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic

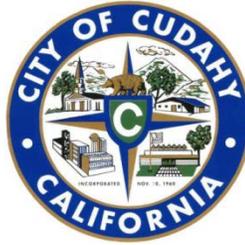
ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

By: _____
Jose E. Pulido
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney



Item Number 4E

STAFF REPORT

Date: January 22, 2016
To: Honorable Chair and Agency Members
From: Jose E. Pulido, Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution for Approving an Emergency Loan Agreement for Recognized Obligation Payment Schedule (ROPS) 16-17**

RECOMMENDATION

1. Adopt the proposed resolution approving Successor Agency Loan Agreement No. 16-17:10 (Attachment A); and
2. Authorize the Executive Director to execute an emergency loan (Attachment B) in the amount not to exceed \$219,140 for Redevelopment Property Tax Trust Fund (RPTTF) shortfall.

BACKGROUND

1. On January 17, 2012, the City Council adopted Resolution No. 12-04 electing to serve as the Successor Agency to the former Cudahy Community Development Commission.
2. On February 1, 2012, the former Cudahy Community Redevelopment Agency was dissolved pursuant to ABX1 26 (Stats 2011-12, 1st Ex Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26) and collectively the State legislation identified in this sentence referenced herein as the "State Redevelopment Dissolution Law."
3. On February 1, 2012, the State Redevelopment Dissolution Law requires the Successor Agency to prepare a proposed "Administrative Budget" for the period concurrent with the six-month fiscal period of each ROPS.

4. On October 1, 2015, the Oversight Board reviewed and approved the Successor Agency Administrative Budget for the six-month fiscal period January 1, 2016 through June 30, 2016
5. On or about October 5, 2015, the Successor Agency, pursuant to the Dissolution Law, approved ROPS 15-16B as it had passed all prior ROPS and thereafter submitted to the State Department of Finance (DOF), and ultimately approved. Pursuant to Section 34 171(g) of Part 1.85, ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.
6. On November 17, 2015, the DOF confirmed to the Successor Agency that a Redevelopment Property Tax Trust Fund (RPTTF) shortfall occurred but since the Successor Agency had not yet submitted the City loan repayment in the amount of \$94,140 to the Oversight Board for approval the DOF determined that the loan repayment in the amount of \$94,140 was not eligible for RPTTF "at this time".
7. On January 4, 2016, the Successor Agency did not receive \$125,000 of administrative cost allowance that was authorized on ROPS 15-16B and was not included in the RPTTF that was remitted to the Successor Agency on January 4, 2016.

ANALYSIS

The Successor Agency experienced an insufficient distribution of RPTTF because of delinquent taxpayers and dissolution expenses, including costs of preparing a LRPMP, being higher than expected, and accordingly was unable to pay approved enforceable obligations, including the full authorized administrative amount of \$125,000. The DOF has indicated in order to obtain RPTTF, any unfunded authorized administrative amounts listed on a ROPS must include Oversight Board approval of City loan. The Successor Agency had \$125,000 of administrative amount included on ROPS 14-15B and \$125,000 on ROPS 15-16B which were approved and authorized yet only \$30,860 of those amounts were funded because of lack of RPTTF. Accordingly, the unfunded administrative allowance for ROPS 14-15B and ROPS 15-16B were \$94,140 and \$125,000, respectively.

Pursuant to the Dissolution Law, administrative costs, up to \$125,000 every six months, incurred by Successor Agencies are considered an "enforceable obligations" and paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF). Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the RPTTF. The ROPS

is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

The Successor Agency estimates that the amount of funds which are reasonably anticipated to be remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, for the period of time between January 1, 2016 and June 30, 2016 under ROPS 15-16B, together with the cash and other immediately available funds which are reasonably estimated to be available to the Successor Agency on or after January 4, 2016, will not be sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, which shall become due and payable during the period of time covered by ROPS 15-16B, unless this emergency loan is approved.

CONCLUSION

Once this loan for RPTTF shortfall is approved by the City Council, the Successor Agency, and the Oversight Board and listed on ROPS 16-17, the \$219,140 loan becomes a new enforceable obligation of the Successor Agency, subject to the separate approval of the DOF.

This loan must be included on the final form of ROPS 16-17 in order to be recovered by the City.

FINANCIAL IMPACT

The Successor Agency will be reimbursed up to \$219,140 for expenses and costs related to the dissolution of the former Cudahy Community Development Commission for the fiscal period of January 1, 2016 through June 30, 2016, if approved by the Oversight Board, and the State Department of Finance.

ATTACHMENTS

- A. Proposed Successor Agency Resolution Approving Successor Agency Loan Agreement No. 16-17:10
- B. Successor Agency Loan Agreement No. 16-17:10

RESOLUTION NO. _____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF CUDAHY AND THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY FOR REDEVELOPMENT PROPERTY TAX TRUST FUND (RPTTF) SHORTFALL RELATED TO UNFUNDED ADMINISTRATIVE ALLOWANCE (SUCCESSOR AGENCY LOAN AGREEMENT NO. 16-17:10)

WHEREAS, the City of Cudahy (the “City”) authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law; and

WHEREAS, the former Cudahy Community Development Commission/Cudahy Redevelopment Agency (“RDA”) undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law; and

WHEREAS, the State of California (the “State”) has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law; and

WHEREAS, the Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency relating to administrative costs, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless Loan Agreement No. 16-17:10, attached to this Resolution as **Exhibit “A,”** (the “Loan Agreement”) is approved; and

WHEREAS, the total shortfall amount for Successor Agency administrative costs is \$219,140 which is comprised of a shortfall from the ROPS 14-15B of \$94,140 and a shortfall from the ROPS 15-16B of \$125,000; and

WHEREAS, the City loaned to the Successor Agency Two Hundred and Nineteen and One Hundred Forty Dollars (\$219,140) to cover authorized administrative costs of the Successor Agency which \$94,140 was incurred and paid by the Successor Agency during the period between January 1, 2015 and June 30, 2015 and in the amount of \$125,000 during the period between January 1, 2016 and June 30, 2016; and

WHEREAS, on or about November 17, 2015, the Department of Finance confirmed to the Successor Agency that a Redevelopment Property Tax Trust Fund (RPTTF) shortfall occurred during the period of January 1, 2015 and June 30, 2015 in the amount of \$94,140 but since the Successor Agency had not yet submitted the City loan repayment in the amount of \$94,140 to the Oversight Board for approval, the Department of Finance determined that the loan repayment in the amount of \$94,140 for such period was not eligible for RPTTF “at this time”; and

WHEREAS, on or about January 4, 2016, the amount of RPTTF disbursed to the Successor Agency was not sufficient for the administrative cost allowance that was authorized on ROPS 15-16B; and

WHEREAS, Health and Safety Code Section 34173(h)(1) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, in order to repay the City, a new loan in the amount of \$219,140 (\$125,000 for missing RPTTF cash for the administrative allowance under ROPS 15-16B plus \$94,140 for missing administrative allowance under ROPS14-15B) must be approved by the Successor Agency and Oversight Board to cover the shortfalls that occurred and which new loan amount is listed on ROPS 16-17; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

NOW, THEREFORE, THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. **Recitals**. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval of Loan Agreement.** The Successor Agency hereby approves Loan Agreement No. 16-17:10 between the City of Cudahy and the Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency. The Executive Director is hereby authorized and directed to cause Loan Agreement No. 16-17:10 to be included on the recognized payment obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. **Execution of Loan Agreement.** The Executive Director is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency at its meeting on this 22nd day of January, 2016.

Cristian Markovich,
Mayor of the City of Cudahy, as
Successor Agency to the former Cudahy
Community Development/
Redevelopment Agency

Attachment A

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Secretary of the Successor Agency, do hereby certify that the above and foregoing Resolution No.____ was passed, approved, and adopted by the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency of the City of Cudahy, signed by the Chair and attested by the Chair at a meeting of said Successor held on this 22nd_day of January, 2016, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary of the Successor Agency

EXHIBIT A – LOAN AGREEMENT NO. 16-17:10

2016

CITY OF CUDAHY

-and-

CITY OF CUDAHY AS
SUCCESSOR AGENCY TO THE
FORMER CUDAHY COMMUNITY
DEVELOPMENT COMMISSION/
CUDAHY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. ROPS 16-17:10
(NOT TO EXCEED: \$219,140)

THIS SUCCESSOR AGENCY LOAN AGREEMENT No. ROPS 16-17:10 (the "Loan Agreement") is dated as of January 22, 2016 by and between the City of Cudahy, a municipal corporation (the "City") and the City of Cudahy, as successor agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law.
2. The former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law.
3. The State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
4. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency relating

to administrative costs, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless this Loan is approved.

5. The total shortfall amount for Successor Agency administrative costs is \$219,140 which is comprised of a shortfall from the ROPS 14-15B period of \$94,140 and a shortfall from the ROPS 15-16B period of \$125,000.
6. City loaned to the Successor Agency Two Hundred and Nineteen and One Hundred Forty Dollars (\$219,140) to cover authorized administrative costs of the Successor Agency which was incurred and paid by the Successor Agency in the amount of \$94,140 during the period between January 1, 2015 and June 30, 2015 and in the amount of \$125,000 during the period between January 1, 2016 and June 2016.
7. On or about November 17, 2015, the Department of Finance confirmed to the Successor Agency that a Redevelopment Property Tax Trust Fund (RPTTF) shortfall occurred during the period of January 1, 2015 and June 30, 2015 in the amount of \$94,140 but since the Successor Agency had not yet submitted the City loan repayment in the amount of \$94,140 to the Oversight Board for approval, the Department of Finance determined that the loan repayment in the amount of \$94,140 for such period was not eligible for RPTTF "at this time".
8. On or about January 4, 2016, the amount of RPTTF disbursed to the Successor Agency was not sufficient for the administrative cost allowance that was authorized on ROPS 15-16B.
9. Health and Safety Code Section 34173(h)(1) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
10. In order to repay the City, a new loan in the amount of \$219,140 (\$125,000 for missing RPTTF cash for the administrative allowance under ROPS 15-16B plus \$94,140 for missing administrative allowance under ROPS14-15B) must be approved by the Successor Agency and Oversight Board to cover the shortfalls that occurred and which new loan amount is listed on ROPS 16-17.
11. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan”) a sum not-to-exceed TWO HUNDRED NINETEEN THOUSAND ONE HUNDRED FORTY DOLLARS (\$219,140) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

to pay for the administrative expenses of the Successor Agency and Oversight Board during the period of January 1, 2016 to June 30, 2016 in light of the fact that the monies received by the Successor Agency as of January 1, 2016 as the remittance from the Redevelopment Property Tax Trust Fund are not estimated to be sufficient when added to other available funds of the Successor Agency, to fully pay for administrative costs of the Successor Agency during such period.

SECTION 4. **Source of Repayment of the Loan.** The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

SECTION 5. **Placement of Loan Obligation on the Successor Agency's ROPS 16-17 (July 1, 2016 - June 30, 2017).** Provided that this Loan Agreement is approved, the Successor Agency shall include this Loan Agreement as a listed enforceable obligation on the ROPS 16-17 as shall be considered by the Successor Agency. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Cudahy Community Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the

Attachment B

City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. **Term.** This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement.** This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies.** In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of _____, 2016.

[SIGNATURES FOLLOW ON NEXT PAGE]

[City of Cudahy and Successor Agency Loan Agreement No. ROPS 16-17:10: Not-to-Exceed \$219,140 (ROPS 16–17: July 1, 2016 - June 30, 2017)]

CITY:

City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido
City Manager

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of Cudahy As Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

By: _____
Jose E. Pulido
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney

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Item Number 4F

STAFF REPORT

Date: January 22, 2016
To: Honorable Chair and Agency Members
From: Jose E. Pulido, Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution Approving an Emergency Loan Agreement for Recognized Obligation Payment Schedule (ROPS) 16-17**

RECOMMENDATION

The Successor Agency is requested to:

1. Adopt a proposed resolution approving Successor Agency Loan Agreement No. 16-17:11 (Attachment A); and
2. Authorize the Executive Director to execute an emergency loan (Attachment B) in the amount not to exceed \$127,000 for settlement costs, real property taxes and escrow costs associated with the transfer of real property to the Successor Agency as described in the approved Successor Agency Long-Range Property Management Plan (LRPMP).

BACKGROUND

1. On March 18, 2011, City of Cudahy (City) created the Cudahy Economic Development Corporation (EDC), a California public benefit corporation, for the purpose of eliminating blight. The EDC's Internal Revenue Service Form 1023 states that the EDC *"will eliminate blight in the City. The [EDC] . . . will work closely with the City to acquire and construct community facilities, low and moderate income housing units and other development which will improve the community for the residents of the City... [EDC] is formed to eliminate governmental burdens..."* and

2. In April 2011, in furtherance of the EDC's mission to enable community redevelopment in the City, the RDA transferred its assets to the EDC prior to the effective date of ABx26; and
3. On February 1, 2012, the Successor Agency to the Community Development Commission of the City began performing its functions under the Dissolution Law, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, the "Dissolution Law"), to administer the enforceable obligations reported on a Recognized Obligations Payment Schedule (ROPS) and otherwise unwind the former Agency's affairs, all subject to the review and approval by the Oversight Board. ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period.
4. On April 15, 2014, the Office of the State Controller (SCO) issued a report entitled "Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011, through January 31, 2012," which ordered the EDC to return certain assets that it had received from the Former Cudahy Community Development Commission / Redevelopment Agency to the Successor Agency.
5. On February 3, 2015, the Cudahy Successor Agency adopted Resolution No. 15-01, approving an asset transfer agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO.
6. On May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
7. On November 12, 2015, the Successor Agency submitted a LRPMP to the DOF for review and approval prior to January 1, 2016.
8. On December 16, 2015, the DOF approved the LRPMP submitted by the Successor Agency.

ANALYSIS

The LRPMP identified certain real property located at 4610 Santa Ana Street in the City of Cudahy, Assessor's Parcel Number 6224-019-014 as "Site No. 3". Site No. 3 was owned by the former Cudahy Community Development Commission/Cudahy Redevelopment Agency and was transferred to the EDC on April 1, 2011. Site No. 3 was subsequently sold to Cudahy SA 2012, LLC (Cudahy LLC) by the Cudahy Economic Development Corporation (EDC).

In order to effectuate the real property transfer of the Property to the Successor Agency and comply with both the SCO Order and a Settlement Agreement and Release (Agreement) between with Cudahy LLC and the Successor Agency, the Successor Agency must incur costs relating to the Agreement (\$90,000), real property taxes (\$25,000), and the escrow costs associated with such real property transfer (\$12,000) for a total of \$127,000.

Pursuant to the Dissolution Law, administrative costs incurred by Successor Agencies are considered an "enforceable obligations" and paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF). Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the RPTTF. The ROPS is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

The Successor Agency estimates that the amount of funds which are reasonably anticipated to be remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, for the period of time between January 1, 2016 and June 30 2016 under ROPS 14-15B, together with the cash and other readily available funds which are estimated to be available to the Successor Agency on or after January 4, 2016, will not be sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, which shall become due and payable during the period of time covered by ROPS 14-15B, unless this emergency loan is approved by the Successor Agency.

CONCLUSION

Once this loan is approved by the City Council, the Successor Agency, and the Oversight Board and listed on ROPS 16-17, the \$127,000 loan becomes a new enforceable obligation of the Successor Agency, subject to the separate approval of the DOF.

This loan must be included on the final form of ROPS 16-17 in order to be recovered by the City.

FINANCIAL IMPACT

Funds need to be made available to the Successor Agency from the City's General Fund in the amount of \$127,000 for an emergency loan.

ATTACHMENTS

- A. Proposed Successor Agency Resolution Approving Successor Agency Loan Agreement No. 16-17:11
- B. Successor Agency Loan Agreement No. 16-17:11

RESOLUTION NO. _____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF CUDAHY AND THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY FOR THE SETTLEMENT BETWEEN THE CUDAHY SA 2012, LLC AND SUCCESSOR AGENCY CONCERNING THE RETURN OF THE PROPERTY LOCATED AT 4610 SANTA ANA STREET TO SUCCESSOR AGENCY (SUCCESSOR AGENCY LOAN AGREEMENT NO. 16-17:11)

WHEREAS, the City of Cudahy (the “City”) authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law; and

WHEREAS, the former Cudahy Community Development Commission/Cudahy Redevelopment Agency (“RDA”) undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law; and

WHEREAS, on March 18, 2011, the City created the Economic Development Corporation (the “EDC”), a California public benefit corporation, for the purpose of eliminating blight. The EDC's Internal Revenue Service Form 1023 states that the EDC "will eliminate blight in the City. The [EDC] . . . will work closely with the City to acquire and construct community facilities, low and moderate income housing units and other development which will improve the community for the residents of the City... [EDC] is formed to eliminate governmental burden . . ."; and

WHEREAS, In April 2011, in furtherance of the EDC's mission to enable community redevelopment in the City, the RDA transferred its assets to the EDC prior to the effective date of ABX1 26.

WHEREAS, the State of California (the “State”) has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law”; and

WHEREAS, the State Controller’s Office issued a report, dated April 15, 2014, titled: Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011 through January 31, 2012 (the “SCO Order”). The SCO Order requires the Successor Agency to

recover the Property and other specified assets, in accordance with the State Redevelopment Dissolution Law; and

WHEREAS, on February 3, 2015 the Successor Agency adopted Resolution No. 15-01, approving an Asset Transfer Agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, on February 5, 2015, the Board of Directors of the EDC adopted Resolution No. EDC-15-01, approving the Asset Transfer Agreement; and

WHEREAS, on March 12, 2015, the Oversight Board to the Successor Agency (the "Oversight Board") adopted Resolution No. OB15-07 approving the Asset Transfer Agreement; and

WHEREAS, on May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, on June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, a preliminary title report identifies CUDAHY SA 2012, LLC ("Cudahy LLC") as the holder of title to that certain real property located at 4610 Santa Ana Street in the City of Cudahy, Assessor's Parcel Number 6224-019-014 (the "Property"); and

WHEREAS, Cudahy LLC and Successor Agency have been involved in a dispute arising out of the ownership and future disposition of the Property and related issues; and

WHEREAS, to avoid costly litigation, Cudahy LLC and Successor Agency engaged in arms-length, good-faith settlement negotiations and agreed that Successor Agency would remit the sum of One Hundred Twenty-Seven Thousand Dollars (\$127,000.00) to Cudahy LLC in exchange for its transfer of title to the Property to the Successor Agency, which is memorialized in that Settlement Agreement and Release, dated on or about January 26, 2016.

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, Health and Safety Code Section 34171 (d)(1)(F) provides that an enforceable obligation includes “contracts necessary for the administration or operation of the successor agency, in accordance with this part, including but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements, judgements and costs of maintaining assets prior to disposition...”; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

NOW, THEREFORE, THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. **Recitals**. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval of Loan Agreement**. The Successor Agency hereby approves Loan Agreement No. 16-17:11 between the City of Cudahy and the Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency. The Executive Director is hereby authorized and directed to cause Loan Agreement No. 16-17:11 to be included on the recognized payment obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. **Execution of Loan Agreement**. The Executive Director is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency at its meeting on this 22nd day of January 2016.

Cristian Markovich,
Mayor of the City of Cudahy, as
Successor Agency to the former Cudahy
Community Development/
Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Secretary of the Successor Agency, do hereby certify that the above and foregoing Resolution No.____ was passed, approved, and adopted by the Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency of the City of Cudahy, signed by the Chair and attested by the Chair at a meeting of said Successor held on this 22nd day of January, 2016, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary of the Successor Agency

EXHIBIT A – LOAN AGREEMENT NO. 16-17:11

2016

CITY OF CUDAHY

-and-

CITY OF CUDAHY AS
SUCCESSOR AGENCY TO THE
FORMER CUDAHY COMMUNITY
DEVELOPMENT COMMISSION/
CUDAHY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. ROPS 16-17:11

(NOT TO EXCEED: \$\$127,000)

THIS SUCCESSOR AGENCY LOAN AGREEMENT No. ROPS 16-17:11 (the "Loan Agreement") is dated as of January 22, 2016 by and between the City of Cudahy, a municipal corporation (the "City") and the City of Cudahy, as successor agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law.
2. The former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law.
3. On March 18, 2011, the City created the Economic Development Corporation (the "EDC"), a California public benefit corporation, for the purpose of eliminating blight. The EDC's Internal Revenue Service Form 1023 states that the EDC "will eliminate blight in the City. The [EDC] . . . will work closely with the City to acquire and construct community facilities, low and moderate income housing units and other development which will improve the community for the residents of the City... [EDC] is formed to eliminate governmental burdens...".
4. In April 2011, in furtherance of the EDC's mission to enable community redevelopment in the City, the RDA transferred its assets to the EDC prior to the effective date of ABX1 26.

Attachment B

5. The State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
6. The State Controller's Office issued a report, dated April 15, 2014, titled: Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011 through January 31, 2012 (the "SCO Order"). The SCO Order requires the Successor Agency to recover the Property and other specified assets, in accordance with the State Redevelopment Dissolution Law.
7. On February 3, 2015 the Successor Agency adopted Resolution No. 15-01, approving an Asset Transfer Agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO.
8. On February 5, 2015, the Board of Directors of the EDC adopted Resolution No. EDC-15-01, approving the Asset Transfer Agreement.
9. On March 12, 2015, the Oversight Board to the Successor Agency (the "Oversight Board") adopted Resolution No. OB15-07 approving the Asset Transfer Agreement.
10. On May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
11. On June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
12. A preliminary title report identifies Cudahy SA 2012, LLC ("Cudahy LLC") as the holder of title to that certain real property located at 4610 Santa Ana Street in the City of Cudahy, Assessor's Parcel Number 6224-019-014 (the "Property").
13. Cudahy LLC and Successor Agency have been involved in a dispute arising out of the ownership and future disposition of the Property and related issues.
14. To avoid costly litigation, Cudahy LLC and Successor Agency engaged in arms-length, good-faith settlement negotiations and agreed that Successor Agency would remit the sum of One Hundred Twenty-Seven Thousand Dollars (\$127,000.00) to Cudahy LLC in exchange for its transfer of title to the Property to the Successor Agency, which is memorialized in that Settlement Agreement and Release, dated on or about January 26, 2016.

15. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
16. Health and Safety Code Section 34171 (d)(1)(F) provides that an enforceable obligation includes “contracts necessary for the administration or operation of the successor agency, in accordance with this part, including but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements, judgements and costs of maintaining assets prior to disposition...”.
17. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan”) a sum not-to-exceed ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS (\$127,000) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

for settlement costs, as provided by the Settlement Agreement and Release between Cudahy LLC and Successor Agency, associated with

the transfer of the Property from Cudahy LLC to the Successor Agency.

SECTION 4. **Source of Repayment of the Loan.** The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

SECTION 5. **Placement of Loan Obligation on the Successor Agency's ROPS 16-17 (July 1, 2016 – June 30, 2017).** Provided that this Loan Agreement is approved, the Successor Agency shall include this Loan Agreement as a listed enforceable obligation on the ROPS 16-17 as shall be considered by the Successor Agency. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Cudahy Community Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. **Term.** This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement.** This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies.** In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of _____, 2016.

[SIGNATURES FOLLOW ON NEXT PAGE]

Attachment B

[City of Cudahy and Successor Agency Loan Agreement No. ROPS 16-17:11: Not-to-Exceed \$127,000 (ROPS 16-17: July 1, 2016 - June 30, 2017)]

CITY:

City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido
City Manager

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of Cudahy As Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

By: _____
Jose E. Pulido
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney



Item Number 4G

STAFF REPORT

Date: January 22, 2016
To: Honorable Mayor and City Council Members
From: Jose E. Pulido, City Manager
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution Approving a Loan Agreement Between the City and the Successor Agency**

RECOMMENDATION

The City Council is requested to:

1. Adopt a proposed resolution approving Successor Agency Loan Agreement No. 16-17:9 (Attachment A); and
2. Authorize the City Manager to execute Successor Agency Loan Agreement No. 16-17:9 in the amount of \$72,000 (Attachment B) and any documents, as necessary, in order to implement the proposed resolution on behalf of the City.

BACKGROUND

1. On February 1, 2012, the Successor Agency to the Community Development Commission of the City began performing its functions under the Dissolution Law, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, the "Dissolution Law"), to administer the enforceable obligations reported on a Recognized Obligations Payment Schedule (ROPS) and otherwise unwind the former Agency's affairs, all subject to the review and approval by the Oversight Board. ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period.

2. On February 18, 2014, the Successor Agency amended a Professional Services Agreement (Agreement) with Olivarez Madruga, LLP (Olivarez Madruga) to assist in matters relating to the Successor Agency.
3. On April 15, 2014, the Office of the State Controller (SCO) issued a report entitled "Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011, through January 31, 2012," which ordered the Cudahy Economic Corporation (EDC) to return certain assets that it had received from the Former Cudahy Community Development Commission / Redevelopment Agency to the Successor Agency.
4. On October 21, 2014, the Successor Agency amended the Agreement with Olivarez Madruga to assist in matters relating to the Long-Range Asset Management Plan of the Successor Agency (LRPMP).
5. On February 17, 2015, the Successor Agency amended the Agreement with Olivarez Madruga to assist in matters relating to the LRPMP.
6. On March 12, 2015, the Oversight Board to the Successor Agency (Oversight Board) adopted Resolution No. OB15-07 approving the Asset Transfer Agreement.
7. On March 12, 2015, the Successor Agency staff directed consultant Cheryl Murase, HdL Coren & Cone, to transmit Resolution No. OB15-07 to the State Department of Finance (DOF) for its consideration and approval of the Asset Transfer Agreement.
8. On April 23, 2015, the DOF notified the Successor Agency that it would not take a position as to whether the Asset Transfer Agreement complies with SCO's order set forth in the Transfer Report.
9. On May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
10. On June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement that would permit the EDC to transfer all of the real and non-real property assets to the Successor Agency without requiring the approval of the DOF or Oversight Board.
11. On June 15, 2015, Olivarez Madruga filed a Petition for Writ of Mandate and complaint for Declaratory and Injunctive Relief with the Superior Court of California - County of Sacramento on behalf of the Successor Agency.

12. On October 19, 2015, to comply with the SCO's order quitclaim deeds were recorded with the office of the County of Los Angeles Registrar-Recorder/County Clerk transferring the affected real properties from the EDC to the Successor Agency.
13. On November 12, 2015, the Successor Agency submitted a LRPMP to DOF for review and approval prior to January 1, 2016.
14. On December 16, 2015, DOF approved the LRPMP submitted by the Successor Agency.

ANALYSIS

Since the approval of the LRPMP it will be necessary for Olivarez Madruga to provide legal services concerning the property management and maintenance related to assets listed in the LRPMP.

Pursuant to the Dissolution Law, the costs incurred by Successor Agencies to identify and catalog its property assets in the LRPMP with DOF-specified information are considered an "enforceable obligations" and paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF). Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the RPTTF. The ROPS is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

It is anticipated that the costs associated with the services provided by Olivarez Madruga will be \$72,000 for amounts not listed on previous ROPS. The Successor Agency estimates that the amount of funds which are reasonably anticipated to be remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, for the period of time between January 1, 2016 and June 30, 2016 under ROPS 15–16B, together with the cash and other immediately available funds which are reasonably estimated to be available to the Successor Agency on or after January 4, 2016, shall not be sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to Olivarez Madruga, which shall become due and payable during the period of time covered by ROPS 15–16B, unless this emergency loan is approved.

CONCLUSION

Once this loan is approved by the City Council, the Successor Agency, and the Oversight Board and listed on ROPS 16-17, the \$72,000 loan becomes a new enforceable obligation of the Successor Agency, subject to the separate approval of DOF.

This loan must be included upon the final form of ROPS 16-17 in order to be recovered by the City.

FINANCIAL IMPACT

Funds need to be made available to the Successor Agency from the City's General Fund in the amount of \$72,000 for an emergency loan.

ATTACHMENTS

- A. Proposed City Council Resolution Approving Successor Agency Loan Agreement No. 16-17:9
- B. Successor Agency Loan Agreement No. 16-17:9

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF CUDAHY AND THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY FOR OLIVAREZ MADRUGA LLC LEGAL SERVICES TO MAINTAIN THE PROPERTY (SUCCESSOR AGENCY LOAN AGREEMENT NO. 16-17:9)

WHEREAS, the City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law; and

WHEREAS, the former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law; and

WHEREAS, the State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law; and

WHEREAS, the Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to third parties, including Olivarez Madruga, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless Loan Agreement No. 16-17:9 is approved; and

WHEREAS, the Successor Agency has retained the legal services of Olivarez Madruga to provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal guidance concerning the Successor Agency obligations regarding disposition of the assets of the

Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency; and

WHEREAS, Olivarez Madruga estimates that the cost of such legal services generally described in the preceding paragraph during the period covered by the Loan Agreement No. 16-17:9 between the City of Cudahy and the Successor Agency, attached to this Resolution as **Exhibit "A,"** (the "Loan Agreement") will be an aggregate amount of approximately \$72,000 for the period between January 1, 2016 through June 30, 2017; and

WHEREAS, and the costs payable by the Successor Agency to Olivarez Madruga, which are covered by the loan agreement, do not constitute "administrative costs," and Health and Safety Code Section 34171(b) exempts from the definition of "administrative costs" specific redevelopment dissolution implementation activities such as Olivarez Madruga's activities identified in the loan agreement, which are essential to the Successor Agency's implementation of and compliance with State Redevelopment Dissolution Law; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. **Recitals.** The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval of Loan Agreement.** The City Council hereby approves Loan Agreement No. 16-17:9 between the City of Cudahy and the Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency. The City Manager is hereby authorized and directed to cause Loan Agreement No. 16-17:9 to be included on the recognized payment obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. **Execution of Loan Agreement.** The City Manager is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the City.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 22nd day of January 2016.

Cristian Markovich
Mayor

ATTEST:

Laura Valdivia
Interim City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Laura Valdivia, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of January, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Laura Valdivia
Interim City Clerk

EXHIBIT A – LOAN AGREEMENT NO. 16-17:9

2016

CITY OF CUDAHY

-and-

CITY OF CUDAHY AS
SUCCESSOR AGENCY TO THE
FORMER CUDAHY COMMUNITY
DEVELOPMENT COMMISSION/
CUDAHY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. ROPS 16-17:9
(NOT TO EXCEED: \$72,000)

THIS SUCCESSOR AGENCY LOAN AGREEMENT No. ROPS 16-17:9 (the "Loan Agreement") is dated as of January 22, 2016 by and between the City of Cudahy, a municipal corporation (the "City") and the City of Cudahy, as successor agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law.
2. The former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law.
3. The State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
4. The Successor Agency has retained the legal services of Olivarez Madruga to provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal

guidance concerning the Successor Agency obligations regarding disposition of the assets of the Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency.

5. Olivarez Madruga estimates that the cost of such legal services generally described in the preceding paragraph during the period covered by the Loan Agreement No. 16-17:9 between the City of Cudahy and the Successor Agency, (the "Loan Agreement") will be an aggregate amount of approximately \$72,000 for the period between January 1, 2016 through June 30, 2017.
6. The costs payable by the Successor Agency to Olivarez Madruga, which are covered by the loan agreement, do not constitute "administrative costs," and Health and Safety Code Section 34171(b) exempts from the definition of "administrative costs" specific redevelopment dissolution implementation activities such as Olivarez Madruga's activities identified in the Loan Agreement, which are essential to the Successor Agency's implementation of and compliance with State Redevelopment Dissolution Law.
7. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency to third parties, including Olivarez Madruga, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless this Loan Agreement is approved.
8. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
9. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan”) a sum not-to-exceed seventy-two thousand DOLLARS (\$72,000.00) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

for legal services of Olivarez Madruga to provide legal counsel to the Successor Agency regarding: (i) legal obligations of the Successor Agency concerning the maintenance of the properties that it holds prior to their disposition, including providing legal guidance to Successor Agency in landlord-tenant matters, administration of tenant relocation claims and other matters relating to the tenants that currently occupy several of the properties that are listed in the approved Long Range Property Management Plan; and (ii) legal guidance concerning the Successor Agency obligations regarding disposition of the assets of the Successor Agency and wind down of the former redevelopment agency, including preparation for the sale of such properties by the Successor Agency.

SECTION 4. **Source of Repayment of the Loan.** The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

SECTION 5. **Placement of Loan Obligation on the Successor Agency’s ROPS 16-17 (July 1, 2016 – June 30, 2017).** Provided that this Loan Agreement is approved, the Successor Agency shall include this Loan Agreement as a listed enforceable obligation on the ROPS 16-17 as shall be considered by the Successor Agency. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Cudahy Community Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the City shall establish a loan repayment ledger for the Loan and shall cause the

outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. **Term**. This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement**. This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies**. In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of _____, 2016.

[SIGNATURES FOLLOW ON NEXT PAGE]

Attachment B

[City of Cudahy and Successor Agency Loan Agreement No. ROPS 16-17:9: Not-to-Exceed \$72,000.00 (ROPS 16-17A: July 1, 2016 - June 30, 2017)]

CITY:

City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido
City Manager

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of Cudahy As Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

By: _____
Jose E. Pulido
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney



Item Number 4H

STAFF REPORT

Date: January 22, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution Approving a Loan Agreement No. 16-17:10 Between the City and the Successor Agency**

RECOMMENDATION

The City Council is requested to:

1. Adopt a proposed resolution approving Successor Agency Loan Agreement No. 16-17:10 (Attachment A); and
2. Authorize the City Manager to execute Successor Agency Loan Agreement No. 16-17:10 in the amount of \$219,140 (Attachment B) and any documents, as necessary, in order to implement the proposed resolution on behalf of the City.

BACKGROUND

1. On January 17, 2012, the City Council adopted Resolution No. 12-04 electing to serve as the Successor Agency to the former Cudahy Community Development Commission.
2. On February 1, 2012, the former Cudahy Community Redevelopment Agency was dissolved pursuant to ABX1 26 (Stats 2011-12, 1st Ex Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26) and collectively the State legislation identified in this sentence referenced herein as the "State Redevelopment Dissolution Law."

3. On February 1, 2012, the State Redevelopment Dissolution Law requires the Successor Agency to prepare a proposed "Administrative Budget" for the period concurrent with the six-month fiscal period of each ROPS.
4. On October 1, 2015, the Oversight Board reviewed and approved the Successor Agency Administrative Budget for the six-month fiscal period January 1, 2016 through June 30, 2016
5. On or about October 5, 2015, the Successor Agency, pursuant to the Dissolution Law, approved ROPS 15-16B as it had passed all prior ROPS and thereafter submitted to the State Department of Finance (DOF), and ultimately approved. Pursuant to Section 34 171(g) of Part 1.85, ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivision (m) of Section 34177.
6. On November 17, 2015, the DOF confirmed to the Successor Agency that a Redevelopment Property Tax Trust Fund (RPTTF) shortfall occurred but since the Successor Agency had not yet submitted the City loan repayment in the amount of \$94,140 to the Oversight Board for approval the DOF determined that the loan repayment in the amount of \$94,140 was not eligible for RPTTF "at this time".
7. On January 4, 2016, the Successor Agency did not receive \$125,000 of administrative cost allowance that was authorized on ROPS 15-16B and was not included in the RPTTF that was remitted to the Successor Agency on January 4, 2016.

ANALYSIS

The Successor Agency experienced an insufficient distribution of RPTTF because of delinquent taxpayers and dissolution expenses, including costs of preparing a LRPMP, being higher than expected, and accordingly was unable to pay approved enforceable obligations, including the full authorized administrative amount of \$125,000. The DOF has indicated in order to obtain RPTTF, any unfunded authorized administrative amounts listed on a ROPS must include Oversight Board approval of City loan. The Successor Agency had \$125,000 of administrative amount included on ROPS 14-15B and \$125,000 on ROPS 15-16B which were approved and authorized yet only \$30,860 of those amounts were funded because of lack of RPTTF. Accordingly, the unfunded administrative allowance for ROPS 14-15B and ROPS 15-16B were \$94,140 and \$125,000, respectively.

Pursuant to the Dissolution Law, administrative costs, up to \$125,000 every six months, incurred by Successor Agencies are considered an "enforceable obligations" and paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF), to the extent such funds are available. Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the RPTTF. The ROPS is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

The Successor Agency estimates that the amount of funds which are reasonably anticipated to be remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, for the period of time between January 1, 2016 and June 30, 2016 under ROPS 15-16B, together with the cash and other immediately available funds which are reasonably estimated to be available to the Successor Agency on or after January 4, 2016, will not be sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, which shall become due and payable during the period of time covered by ROPS 15-16B, unless this emergency loan is approved.

CONCLUSION

Once this loan for RPTTF shortfall is approved by the City Council, the Successor Agency, and the Oversight Board and listed on ROPS 16-17, the \$219,140 loan becomes a new enforceable obligation of the Successor Agency, subject to the separate approval of the DOF.

This loan must be included on the final form of ROPS 16-17 in order to be recovered by the City.

FINANCIAL IMPACT

Funds need to be made available to the Successor Agency from the City's General Fund in the amount of \$219,140 for an emergency loan.

ATTACHMENTS

- A. Proposed City Council Resolution Approving Successor Agency Loan Agreement No. 16-17:10
- B. Successor Agency Loan Agreement No. 16-17:10

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF CUDAHY AND THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY FOR REDEVELOPMENT PROPERTY TAX TRUST FUND (RPTTF) SHORTFALL RELATED TO UNFUNDED ADMINISTRATIVE ALLOWANCE (SUCCESSOR AGENCY LOAN AGREEMENT NO. 16-17:10)

WHEREAS, the City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law; and

WHEREAS, the former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law; and

WHEREAS, the State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law; and

WHEREAS, the Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency relating to administrative costs, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless Loan Agreement No. 16-17:10, attached to this Resolution as **Exhibit "A,"** (the "Loan Agreement") is approved; and

WHEREAS, the total shortfall amount for Successor Agency administrative costs is \$219,140 which is comprised of a shortfall from the ROPS 14-15B of \$94,140 and a shortfall from the ROPS 15-16B of \$125,000; and

WHEREAS, the City loaned to the Successor Agency Two Hundred and Nineteen and One Hundred Forty Dollars (\$219,140) to cover authorized administrative costs of the Successor Agency which \$94,140 was incurred and paid by the Successor

Agency during the period between January 1, 2015 and June 30, 2015 and in the amount of \$125,000 during the period between January 1, 2016 and June 30, 2016; and

WHEREAS, on or about November 17, 2015, the Department of Finance confirmed to the Successor Agency that a Redevelopment Property Tax Trust Fund (RPTTF) shortfall occurred during the period of January 1, 2015 and June 30, 2015 in the amount of \$94,140 but since the Successor Agency had not yet submitted the City loan repayment in the amount of \$94,140 to the Oversight Board for approval, the Department of Finance determined that the loan repayment in the amount of \$94,140 for such period was not eligible for RPTTF “at this time”; and

WHEREAS, on or about January 4, 2016, the amount of RPTTF disbursed to the Successor Agency was not sufficient for the administrative cost allowance that was authorized on ROPS 15-16B; and

WHEREAS, Health and Safety Code Section 34173(h)(1) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, in order to repay the City, a new loan in the amount of \$219,140 (\$125,000 for missing RPTTF cash for the administrative allowance under ROPS 15-16B plus \$94,140 for missing administrative allowance under ROPS14-15B) must be approved by the Successor Agency and Oversight Board to cover the shortfalls that occurred and which new loan amount is listed on ROPS 16-17; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. **Recitals**. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval of Loan Agreement**. The City Council hereby approves Loan Agreement No. 16-17:10 between the City of Cudahy and the Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency. The City Manager is hereby authorized and directed to cause Loan Agreement No. 16-17:10 to be included on the recognized payment obligation schedule of the

Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. **Execution of Loan Agreement.** The City Manager is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the City.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 22nd day of January 2016.

Cristian Markovich
Mayor

ATTEST:

Laura Valdivia
Interim City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Laura Valdivia, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of January, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Laura Valdivia
Interim City Clerk

EXHIBIT A – LOAN AGREEMENT NO. 16-17:10

2016

CITY OF CUDAHY

-and-

CITY OF CUDAHY AS
SUCCESSOR AGENCY TO THE
FORMER CUDAHY COMMUNITY
DEVELOPMENT COMMISSION/
CUDAHY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. ROPS 16-17:10
(NOT TO EXCEED: \$219,140)

THIS SUCCESSOR AGENCY LOAN AGREEMENT No. ROPS 16-17:10 (the "Loan Agreement") is dated as of January 22, 2016 by and between the City of Cudahy, a municipal corporation (the "City") and the City of Cudahy, as successor agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law.
2. The former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law.
3. The State of California (the "State") has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."
4. The Successor Agency has determined that the amount of funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, for the period of time corresponding with ROPS 15-16B, between January 1, 2016 and June 30, 2016, together with the cash and other immediately available funds on deposit in the Redevelopment Obligation Retirement Fund of the Successor Agency, is not sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency relating

to administrative costs, which shall become due and payable during the period of time covered by Cudahy ROPS 15-16B, unless this Loan is approved.

5. The total shortfall amount for Successor Agency administrative costs is \$219,140 which is comprised of a shortfall from the ROPS 14-15B period of \$94,140 and a shortfall from the ROPS 15-16B period of \$125,000.
6. City loaned to the Successor Agency Two Hundred and Nineteen and One Hundred Forty Dollars (\$219,140) to cover authorized administrative costs of the Successor Agency which were incurred and paid by the Successor Agency in the amount of \$94,140 during the period between January 1, 2015 and June 30, 2015 and in the amount of \$125,000 during the period between January 1, 2016 and June 2016.
7. On or about November 17, 2015, the Department of Finance confirmed to the Successor Agency that a Redevelopment Property Tax Trust Fund (RPTTF) shortfall occurred during the period of January 1, 2015 and June 30, 2015 in the amount of \$94,140 but since the Successor Agency had not yet submitted the City loan repayment in the amount of \$94,140 to the Oversight Board for approval, the Department of Finance determined that the loan repayment in the amount of \$94,140 for such period was not eligible for RPTTF "at this time".
8. On or about January 4, 2016, the amount of RPTTF disbursed to the Successor Agency was not sufficient for the administrative cost allowance that was authorized on ROPS 15-16B.
9. Health and Safety Code Section 34173(h)(1) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
10. In order to repay the City, a new loan in the amount of \$219,140 (\$125,000 for missing RPTTF cash for the administrative allowance under ROPS 15-16B plus \$94,140 for missing administrative allowance under ROPS14-15B) must be approved by the Successor Agency and Oversight Board to cover the shortfalls that occurred and which new loan amount is listed on ROPS 16-17.
11. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan") a sum not-to-exceed TWO HUNDRED NINETEEN THOUSAND ONE HUNDRED FORTY DOLLARS (\$219,140) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

to pay for the administrative expenses of the Successor Agency and Oversight Board during the period of January 1, 2016 to June 30, 2016 in light of the fact that the monies received by the Successor Agency as of January 1, 2016 as the remittance from the Redevelopment Property Tax Trust Fund are not estimated to be sufficient when added to other available funds of the Successor Agency, to fully pay for administrative costs of the Successor Agency during such period.

SECTION 4. **Source of Repayment of the Loan.** The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

SECTION 5. **Placement of Loan Obligation on the Successor Agency's ROPS 16-17 (July 1, 2016 - June 30, 2017).** Provided that this Loan Agreement is approved, the Successor Agency shall include this Loan Agreement as a listed enforceable obligation on the ROPS 16-17 as shall be considered by the Successor Agency. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Cudahy Community Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the

City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. **Term.** This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement.** This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies.** In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of _____, 2016.

[SIGNATURES FOLLOW ON NEXT PAGE]

[City of Cudahy and Successor Agency Loan Agreement No. ROPS 16-17:10: Not-to-Exceed \$219,140 (ROPS 16–17: July 1, 2016 - June 30, 2017)]

CITY:

City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido
City Manager

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of Cudahy As Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

By: _____
Jose E. Pulido
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney



Item Number 4I

STAFF REPORT

Date: January 22, 2016
To: Honorable Mayor and City Council Members
From: Jose E. Pulido, City Manager/Executive Director
By: Steven Dobrenen, Finance Director
Subject: **Adoption of a Proposed Resolution Approving a Loan Agreement No. 16-17:11 Between the City and the Successor Agency**

RECOMMENDATION

The City Council is requested to:

1. Adopt a proposed resolution approving Successor Agency Loan Agreement No. 16-17:11 (Attachment A); and
2. Authorize the City Manager to execute Successor Agency Loan Agreement No. 16-17:11 in the amount of \$127,000 (Attachment B) and any documents, as necessary, in order to implement the proposed resolution on behalf of the City.

BACKGROUND

1. On March 18, 2011, City of Cudahy (City) created the Cudahy Economic Development Corporation (EDC), a California public benefit corporation, for the purpose of eliminating blight. The EDC's Internal Revenue Service Form 1023 states that the EDC *"will eliminate blight in the City. The [EDC] . . . will work closely with the City to acquire and construct community facilities, low and moderate income housing units and other development which will improve the community for the residents of the City... [EDC] is formed to eliminate governmental burdens..."* and
2. In April 2011, in furtherance of the EDC's mission to enable community redevelopment in the City, the RDA transferred its assets to the EDC prior to the effective date of ABx26; and

3. On February 1, 2012, the Successor Agency to the Community Development Commission of the City began performing its functions under the Dissolution Law, Parts 1.8 and 1.85 of the Health and Safety Code, as amended by Assembly Bill 1484 and other subsequent legislation (together, the "Dissolution Law"), to administer the enforceable obligations reported on a Recognized Obligations Payment Schedule (ROPS) and otherwise unwind the former Agency's affairs, all subject to the review and approval by the Oversight Board. ROPS means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period.
4. On April 15, 2014, the Office of the State Controller (SCO) issued a report entitled "Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011, through January 31, 2012," which ordered the EDC to return certain assets that it had received from the Former Cudahy Community Development Commission / Redevelopment Agency to the Successor Agency.
5. On February 3, 2015, the Cudahy Successor Agency adopted Resolution No. 15-01, approving an asset transfer agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO.
6. On May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
7. On November 12, 2015, the Successor Agency submitted a Long-Range Property Management Plan (LRPMP) to the DOF for review and approval prior to January 1, 2016.
8. On December 16, 2015, the DOF approved the LRPMP submitted by the Successor Agency.

ANALYSIS

The LRPMP identified certain real property located at 4610 Santa Ana Street in the City of Cudahy, Assessor's Parcel Number 6224-019-014 as "Site No. 3". Site No. 3 was owned by the former Cudahy Community Development Commission/Cudahy Redevelopment Agency and was transferred to the EDC on April 1, 2011. Site No. 3 was subsequently sold to Cudahy SA 2012, LLC (Cudahy LLC) by the Cudahy Economic Development Corporation (EDC).

In order to effectuate the real property transfer of the Property to the Successor Agency and comply with both the SCO Order and a Settlement Agreement and Release (Agreement) between with Cudahy LLC and the Successor Agency, the Successor Agency must incur costs

relating to the Agreement (\$90,000), real property taxes (\$25,000), and the escrow costs associated with such real property transfer (\$12,000) for a total of \$127,000.

Pursuant to the Dissolution Law, administrative costs incurred by Successor Agencies are considered an "enforceable obligations" and paid by funds from the Redevelopment Property Tax Trust Fund (RPTTF). Only those enforceable obligations listed and approved on the ROPS may be paid by funds from the RPTTF. The ROPS is subject to review by the Oversight Board, DOF, and the County-Auditor Controller. If the DOF approves the ROPS enforceable obligations, the County-Auditor Controller allocates and remits funds from the RPTTF to be used for payments of the enforceable obligations listed on the ROPS.

The Successor Agency estimates that the amount of funds which are reasonably anticipated to be remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, for the period of time between January 1, 2015 and June 30, 2016 under ROPS 14-15B, together with the cash and other readily available funds which are estimated to be available to the Successor Agency on or after January 4, 2016, will not be sufficient to pay the enforceable obligations of the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, which shall become due and payable during the period of time covered by ROPS 14-15B, unless this emergency loan is approved by the Successor Agency.

CONCLUSION

Once this loan is approved by the City Council, the Successor Agency, and the Oversight Board and listed on ROPS 16-17, the \$127,000 loan becomes a new enforceable obligation of the Successor Agency, subject to the separate approval of the DOF.

This loan must be included on the final form of ROPS 16-17 in order to be recovered by the City.

FINANCIAL IMPACT

Funds need to be made available to the Successor Agency from the City's General Fund in the amount of \$127,000 for an emergency loan.

ATTACHMENTS

- A. Proposed City Council Resolution Approving Successor Agency Loan Agreement No. 16-17:11
- B. Successor Agency Loan Agreement No. 16-17:11

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF CUDAHY AND THE SUCCESSOR AGENCY TO THE FORMER CUDAHY COMMUNITY DEVELOPMENT COMMISSION/CUDAHY REDEVELOPMENT AGENCY FOR THE SETTLEMENT BETWEEN THE CUDAHY SA 2012, LLC AND SUCCESSOR AGENCY CONCERNING THE RETURN OF THE PROPERTY LOCATED AT 4610 SANTA ANA STREET TO SUCCESSOR AGENCY (SUCCESSOR AGENCY LOAN AGREEMENT NO. 16-17:11)

WHEREAS, the City of Cudahy (the “City”) authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law; and

WHEREAS, the former Cudahy Community Development Commission/Cudahy Redevelopment Agency (“RDA”) undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law; and

WHEREAS, on March 18, 2011, the City created the Economic Development Corporation (the “EDC”), a California public benefit corporation, for the purpose of eliminating blight. The EDC's Internal Revenue Service Form 1023 states that the EDC "will eliminate blight in the City. The [EDC] . . . will work closely with the City to acquire and construct community facilities, low and moderate income housing units and other development which will improve the community for the residents of the City... [EDC] is formed to eliminate governmental burden . . ."; and

WHEREAS, In April 2011, in furtherance of the EDC's mission to enable community redevelopment in the City, the RDA transferred its assets to the EDC prior to the effective date of ABX1 26.

WHEREAS, the State of California (the “State”) has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law”; and

WHEREAS, the State Controller’s Office issued a report, dated April 15, 2014, titled: Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011 through January 31, 2012 (the “SCO Order”). The SCO Order requires the Successor Agency to recover the Property and other specified assets, in accordance with the State Redevelopment Dissolution Law; and

ATTACHMENT A

WHEREAS, on February 3, 2015 the Successor Agency adopted Resolution No. 15-01, approving an Asset Transfer Agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, on February 5, 2015, the Board of Directors of the EDC adopted Resolution No. EDC-15-01, approving the Asset Transfer Agreement; and

WHEREAS, on March 12, 2015, the Oversight Board to the Successor Agency (the "Oversight Board") adopted Resolution No. OB15-07 approving the Asset Transfer Agreement; and

WHEREAS, on May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, on June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, a preliminary title report identifies CUDAHY SA 2012, LLC ("Cudahy LLC") as the holder of title to that certain real property located at 4610 Santa Ana Street in the City of Cudahy, Assessor's Parcel Number 6224-019-014 (the "Property"); and

WHEREAS, Cudahy LLC and Successor Agency have been involved in a dispute arising out of the ownership and future disposition of the Property and related issues; and

WHEREAS, to avoid costly litigation, Cudahy LLC and Successor Agency engaged in arms-length, good-faith settlement negotiations and agreed that Successor Agency would remit the sum of Ninety Thousand Dollars (\$90,000.00) to Cudahy LLC in exchange for its transfer of title to the Property to the Successor Agency, which is memorialized in that Settlement Agreement and Release, dated January ____, 2016.

WHEREAS, to effectuate the real property transfer of the Property to the Successor Agency and comply with both the SCO Order and the Settlement Agreement and Release, and the Successor Agency must incur costs relating to the Property's real property taxes and the escrow costs associated with such real property transfer, which comprise the sum of approximately \$127,000_____; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the

Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, Health and Safety Code Section 34171 (d)(1)(F) provides that an enforceable obligation includes “contracts necessary for the administration or operation of the successor agency, in accordance with this part, including but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements, judgements and costs of maintaining assets prior to disposition...”; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. **Recitals**. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. **Approval of Loan Agreement**. The City Council hereby approves Loan Agreement No. 16-17:11 between the City of Cudahy and the Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency. The City Manager is hereby authorized and directed to cause Loan Agreement No. 16-17:11 to be included on the recognized payment obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3. **Execution of Loan Agreement**. The City Manager is hereby authorized and directed to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the City.

SECTION 4. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 22nd day of January 2016.

Cristian Markovich
Mayor

ATTEST:

Laura Valdivia
Interim City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Laura Valdivia, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of January, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Laura Valdivia
Interim City Clerk

EXHIBIT A – LOAN AGREEMENT NO. 16-17:11

2016

CITY OF CUDAHY

-and-

CITY OF CUDAHY AS
SUCCESSOR AGENCY TO THE
FORMER CUDAHY COMMUNITY
DEVELOPMENT COMMISSION/
CUDAHY REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. ROPS 16-17:11

(NOT TO EXCEED: \$\$127,000)

THIS SUCCESSOR AGENCY LOAN AGREEMENT No. ROPS 16-17:11 (the "Loan Agreement") is dated as of January 25, 2016 by and between the City of Cudahy, a municipal corporation (the "City") and the City of Cudahy, as successor agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City of Cudahy (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to California state law.
2. The former Cudahy Community Development Commission/Cudahy Redevelopment Agency ("RDA") undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law.
3. On March 18, 2011, the City created the Economic Development Corporation (the "EDC"), a California public benefit corporation, for the purpose of eliminating blight. The EDC's Internal Revenue Service Form 1023 states that the EDC "will eliminate blight in the City. The [EDC] . . . will work closely with the City to acquire and construct community facilities, low and moderate income housing units and other development which will improve the community for the residents of the City... [EDC] is formed to eliminate governmental burdens...;"
4. In April 2011, in furtherance of the EDC's mission to enable community redevelopment in the City, the RDA transferred its assets to the EDC prior to the effective date of ABX1 26.

ATTACHMENT B

5. The State of California (the “State”) has ordered the former Cudahy Community Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the “State Redevelopment Dissolution Law.”
6. The State Controller’s Office issued a report, dated April 15, 2014, titled: Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011 through January 31, 2012 (the “SCO Order”). The SCO Order requires the Successor Agency to recover the Property and other specified assets, in accordance with the State Redevelopment Dissolution Law.
7. On February 3, 2015 the Successor Agency adopted Resolution No. 15-01, approving an Asset Transfer Agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO.
8. On February 5, 2015, the Board of Directors of the EDC adopted Resolution No. EDC-15-01, approving the Asset Transfer Agreement.
9. On March 12, 2015, the Oversight Board to the Successor Agency (the "Oversight Board") adopted Resolution No. OB15-07 approving the Asset Transfer Agreement.
10. On May 19, 2015, the Cudahy Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
11. On June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
12. A preliminary title report identifies Cudahy SA 2012, LLC (“Cudahy LLC”) as the holder of title to that certain real property located at 4610 Santa Ana Street in the City of Cudahy, Assessor’s Parcel Number 6224-019-014 (the “Property”).
13. Cudahy LLC and Successor Agency have been involved in a dispute arising out of the ownership and future disposition of the Property and related issues.
14. To avoid costly litigation, Cudahy LLC and Successor Agency engaged in arms-length, good-faith settlement negotiations and agreed that Successor Agency would remit the sum of Ninety Thousand Dollars (\$90,000.00) to Cudahy LLC in exchange for its transfer of title to the Property to the Successor Agency, which is memorialized in that Settlement Agreement and Release, dated January _____, 2016.

ATTACHMENT B

15. To effectuate the real property transfer of the Property to the Successor Agency and comply with both the SCO Order and the Settlement Agreement and Release, and the Successor Agency must incur costs relating to the Property's real property taxes and the escrow costs associated with such real property transfer, which comprise the sum of approximately \$127,000.
16. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency.
17. Health and Safety Code Section 34171 (d)(1)(F) provides that an enforceable obligation includes "contracts necessary for the administration or operation of the successor agency, in accordance with this part, including but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements, judgements and costs of maintaining assets prior to disposition...".
18. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan") a sum not-to-exceed ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS (\$127,000) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board, the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

for real property acquisition costs, as mandated by the SCO Order and provided by the Settlement Agreement and Release between Cudahy LLC and Successor Agency, associated with the transfer of the Property from Cudahy LLC to the Successor Agency, including payment for a sole interest in the Property, real property taxes, and escrow fees.

SECTION 4. **Source of Repayment of the Loan.** . The Loan shall be repaid by the Successor Agency from revenues available to the Successor Agency.

SECTION 5. **Placement of Loan Obligation on the Successor Agency's ROPS 16-17 (July 1, 2016 – June 30, 2017).** Provided that this Loan Agreement is approved, the Successor Agency shall include this Loan Agreement as a listed enforceable obligation on the ROPS 16-17 as shall be considered by the Successor Agency. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Cudahy Community Redevelopment Agency, until the City is repaid the principal balance of the Loan Amount as actually drawn by the Successor Agency as evidenced by the written Loan Draw Requests as set forth in Section 2. The City Manager of the City shall establish a loan repayment ledger for the Loan and shall cause the outstanding unpaid principal balance of the Loan to the Successor Agency, as hereby approved, to be identified in the accounting records of the City, as a financial asset of the City which is payable to the City by the Successor Agency, in accordance with the terms set forth herein.

SECTION 6. **Term.** This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement.** This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement, and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies.** In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

ATTACHMENT B

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of _____, 2016.

[SIGNATURES FOLLOW ON NEXT PAGE]

[City of Cudahy and Successor Agency Loan Agreement No. ROPS 16-17:11: Not-to-Exceed \$127,000 (ROPS 16-17: July 1, 2016 - June 30, 2017)]

CITY:

City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido
City Manager

ATTEST:

By: _____
Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

SUCCESSOR AGENCY:

City of Cudahy As Successor Agency to the former Cudahy Community Development Commission/Cudahy Redevelopment Agency, a public body corporate and politic

ATTEST:

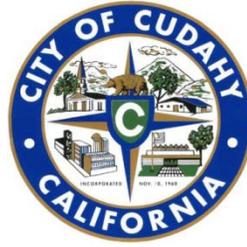
By: _____
Laura Valdivia
Interim City Clerk

By: _____
Jose E. Pulido
City Manager

APPROVED AS TO FORM:

By: _____
City Attorney

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Item Number 5A

STAFF REPORT

Date: January 22, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: City Attorney
Subject: **Consideration to Adopt a Proposed Urgency Ordinance of the City Council of the City of Cudahy Amending Section 2.04.010 of Chapter 2.04 (Council Chambers) of Title 2 (Administration and Personnel) of the Cudahy Municipal Code Regarding Location of Council Meetings**

RECOMMENDATION

The City Council is requested to adopt a proposed urgency ordinance amending Section 2.04.010 of Chapter 2.04 (Council Chambers) of Title 2 (Administration & Personnel) of the Cudahy Municipal Code Regarding Location of Council meetings.

ATTACHMENT

Proposed Ordinance

URGENCY ORDINANCE NO. _____

**AN URGENCY ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF CUDAHY AMENDING SECTION
2.04.010 OF CHAPTER 2.04 (CITY COUNCIL) OF
TITLE 2 (ADMINISTRATION AND PERSONNEL) OF
THE CUDAHY MUNICIPAL CODE REGARDING
LOCATION OF COUNCIL MEETINGS**

WHEREAS, the City Council conducts its public meetings in the Council Chambers of City Hall in accordance with The Ralph M. Brown Act (Gov. Code § 549501 et seq.); and

WHEREAS, in recent years our country has seen a rise in the frequency of violence in public places, including the recent shooting in a public building in San Bernardino County, and such violence is often politically motivated and directed at public servants; and

WHEREAS, in keeping with the public's expectation that its government servants strive to protect the public, City officials have discussed with the Los Angeles County Sheriff's Department, the issues of security and fire and life safety at public meetings; and

WHEREAS, the municipal codes of other cities provide flexibility to hold meetings at alternate locations for a variety of reasons not limited to security concerns, as long as proper notice is given and the location complies with State law; and

WHEREAS, the Cudahy Municipal Code provision that meetings of the City Council shall be held at City Hall is unnecessarily limiting, because it precludes City staff and the Los Angeles County Sheriff's Department from determining that an alternate location is more suitable, convenient, secure, and in the public interest; and

WHEREAS, the City desires to provide such reasonable flexibility in the location of public meetings in the interest of public safety, security, convenience, and the general welfare; and

WHEREAS, Government Code Section 36937 authorizes ordinances to take effect immediately for the immediate preservation of the public peace, health or safety, provided the ordinance is approved by four-fifths vote of the City Council.

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

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

SECTION 2. Urgency Findings: The City Council finds as follows, pursuant to Government Code Section 36937(b):

- A. Adoption of this Urgency Ordinance will amend the Cudahy Municipal Code immediately to ensure that the City is not unnecessarily limited in determining locations for public meetings that are suitable, convenient, secure, and in the public interest.
- B. This Urgency Ordinance is for the immediate preservation of the public peace, health, and safety because reasonable flexibility in the location of public meetings will allow City officials and the Los Angeles County Sheriff's Department to improve protection of the public by considering features of various alternate buildings relevant to security concerns.
- C. The subject of this ordinance is appropriately deemed urgent because it is sensible to avoid delay in matters of security and fire and life safety, while the amendment fully protects the right to advance public notice and the openness of public meetings.
- D. Flexibility in the location of public meetings will improve the City's ability to consider many factors, including the size and suitability of the venue, convenient access, parking, as well as safety features, and thereby promote the health, safety, and general welfare of residents and others in the City.

SECTION 3. Section 2.04.010 (Council Chambers) of Chapter 2.04 (City Council) of Title 2 (Administration and Personnel) of the Cudahy Municipal Code is amended as follows (underlining denotes additions; strikethrough denotes deletions):

The room designated as the Council Chambers, located in the Community Building, Cudahy Civic Center, 5240 Santa Ana Street, Cudahy, California, shall be the Council Chambers of the City Hall of the city, and all meetings of the council shall be held therein unless another location is noticed in accordance with state law ; ~~provided, however, the council may from time to time designate meetings to be held at the City Hall, 5220 Santa Ana Street, Cudahy, California, when the council deems it appropriate.~~

SECTION 4. Inconsistent Provisions. Any provision of the Cudahy Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Urgency Ordinance.

SECTION 5. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Urgency Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Urgency Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 6. Publication and Effective Date. Upon adoption of this Urgency Ordinance by no less than four-fifths (4/5) vote of the Council, the Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in newspaper of general circulation within fifteen (15) days after its adoption. This Urgency Ordinance shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this _____ day of January, 2016.

Cristian Markovich, Mayor

ATTEST:

Laura Valdivia
Interim City Clerk

APPROVED AS TO FORM:

Isabel Birrueta
Assistant City Attorney

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF CUDAHY)

I, Laura Valdivia, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Urgency Ordinance No. _____ was approved and adopted by said Council at its regular meeting held on the _____ day of January, 2016 by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Laura Valdivia
Interim City Clerk