AGENDA

JUNE 24, 2014

SPECIAL MEETING
CITY COUNCIL
CITY OF YUBA CITY

5:00 P.M. – CLOSED SESSION: BUTTE ROOM
6:00 P.M. – SPECIAL MEETING: COUNCIL CHAMBERS

MAYOR	• Kash Gill
VICE MAYOR	• John Dukes
COUNCILMEMBER	• John Buckland
COUNCILMEMBER	• Tej Maan
COUNCILMEMBER	• Craig Starkey
CITY MANAGER	• Steven Kroeger
CITY ATTORNEY	• Timothy Hayes

1201 Civic Center Blvd
Yuba City CA 95993

Wheelchair Accessible

If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to assist you. Please contact City offices at 530/822-4817 at least 72 hours in advance so such aids or services can be arranged. ***City Hall TTY: 530-822-4732***

AGENDA
SPECIAL MEETING OF THE
CITY COUNCIL
CITY OF YUBA CITY
COUNCIL CHAMBERS
JUNE 24, 2014
5:00 P.M. – CLOSED SESSION
6:00 P.M. – SPECIAL MEETING

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City's website at www.yubacity.net subject to staff's availability to post the documents before the meeting.

Closed Session—Butte Room

Public Comment: Any member of the public wishing to address the City Council on any item listed on the closed session agenda will have an opportunity to present testimony to the City Council prior to the City Council convening into closed session. Comments from the public will be limited to three (3) minutes. No member of the public will be allowed to be present once the City Council convenes into closed session. Contact the City Clerk in advance of the closed session either in person at City Hall, by phone 822-4817, or email tlocke@yubacity.net to allow for time for testimony.

A. Confer with legal counsel and Steven Kroeger regarding two (2) existing Worker's Compensation Claim of employee pursuant to Government Code Section 54956.9(a), Roebuck-Kunde v. City of Yuba City, Claim No. NCWA-335236 & Roebuck-Kunde v. City of Yuba City, Claim No. NCWA-485148

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

Special Meeting—Council Chambers

Call to Order

Roll Call: _____Mayor Gill
_____Vice Mayor Dukes
_____Councilmember Buckland
_____Councilmember Maan
_____Councilmember Starkey

Invocation

Pledge of Allegiance to the Flag

Presentations and Proclamations

1. Sapphire Group Recognition – California Chrome Event

2. Proclamation for Sexual Assault Awareness Month

3. Retirement Proclamation for Officer Scotty Clinkenbeard

Public Communication

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

4. Written Requests

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

5. Appearance of Interested Citizens

Members of the public may address the City Council on items of interest that are within the City's jurisdiction. Individuals addressing general comments are encouraged to limit their statements to 3 minutes.

Consent Calendar

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

6. Minutes of May 27, 2014 and June 3, 2014

Recommendation: Approve the City Council Meeting Minutes of May 27 and June 3, 2014.

7. Lot Line Adjustment – Live Oak Boulevard/Clark Avenue

Recommendation: Adopt a Resolution authorizing the City Manager to execute a Grant Deed, to confirm a Lot Line Adjustment for City properties: (APN: 51-580-012, 51-580-013, 51-580-014)

8. Transfer of former Redevelopment Agency Properties to the Successor Agency as required by State Law

Recommendation:

a) Adopt a Resolution authorizing the City Manager to execute the necessary deeds and documents required to grant the City property that was acquired from the Redevelopment Agency of the City of Yuba City, to the "Successor Agency of the

Redevelopment Agency of the City of Yuba City", as required by State law

b) Adopt a Resolution declaring portions of City owned property, known as Town Square, as public road right of way as described in Exhibit A and depicted in Exhibit B

General Items

9. Retirement Health Savings (RHS) Plan Adoption and Related Plan Documents

Recommendation: Adopt a Resolution approving the plan documents for the City's pre-January 1, 2014 RHS plan, Plan No. 801145, with ICMA and approving a post-Affordable Care Act RHS plan, Plan No. 803499, with ICMA with an effective date of January 1, 2014

10. Fiscal Year 2014-2015 Citywide Purchases

Recommendation: Approve citywide reoccurring purchases over $50,000 from July 1, 2014 through June 30, 2015, based on each purchase recommendation being in the best interest of the City

Business from the City Council

11. City Council Reports

- Councilmember Buckland
- Councilmember Maan
- Councilmember Starkey
- Vice Mayor Dukes
- Mayor Gill

Adjournment

Driven by Horse Power

Recognition

of the City Council

Thank you - Sapphire Marketing Group

For your dedication on coordinating a wonderful event for our community to come together and watch the California Chrome Event on Plumas Street, on Saturday, June 7, 2014.

Proclamation

of the City Council

Sexual Assault Awareness in the City of Yuba City, July 2014

WHEREAS, sexual assault is an intolerable violent crime with public health implications for every person as a victim/survivor or as a family member, significant other, neighbor or co-worker of a victim/survivor; and

WHEREAS, no one person, organization, agency or community can eliminate sexual assault on their own, we must work together to educate our entire population about what can be done to prevent sexual assault, support victim/survivors and their significant other, and increase support for agencies providing services to victim/survivors; and

WHEREAS, Casa de Esperanza has led the way in addressing sexual assault by providing 24 hour hotline services to victims/survivors and their significant others, responding to emergency calls, offering support and comfort to those impacted by sexual assault during medical exams, criminal proceedings, and empowering those impacted by sexual assault to chart their own course for healing; and

WHEREAS, ending sexual assault must include active public and private efforts to End Sexual Violence in collaboration with Casa de Esperanza including conversation about what sexual violence is, how to prevent it, how to help survivors connect with crucial counseling and other supportive services, and how every segment of our society can work together to better address sexual violence; and

WHEREAS, staff and volunteers of sexual assault programs work year round to encourage every person to end sexual violence and to support survivors by providing prevention education and survivor empowerment information to schools, churches, civic organizations, as well as medical, mental health, law enforcement, education, and criminal justice personnel regarding sexual assault issues; and

WHEREAS, Casa de Esperanza has set an important example of how forging collaborative relationships between service agencies and organizations serves to improve the quality of service for those most profoundly and directly impacted by sexual violence, thus setting an important example for how the rest of the community might work together to speak out and find solutions to sexual violence;

WHEREAS, Casa de Esperanza requests public support and assistance as it continues its efforts to bring real hope for freeing victims from the tragedy of sexual violence to create a future where all women, men and children can live free from violence and exploitation.

NOW, THEREFORE BE IT RESOLVED, that in recognition of the important work done by sexual assault programs, in cooperation with Casa de Esperanza, Inc., the City Council of the City of Yuba City hereby proclaims in the month of July 2014 that "**No Means No." Women and men working together can make a difference in the fight against sexual assault and gender violence in our community**, proclaimed this 24th day of July, 2014.

Kash Gill, Mayor

Agenda Item **2**

Proclamation

of the City Council

Scotty Dale Clinkenbeard

In Recognition of your Retirement from the City of Yuba City as a

Police Investigator

August 1, 1987 – June 13, 2014

WHEREAS, Scotty Dale Clinkenbeard was hired as a Police Officer by the City of Yuba City on August 1, 1987, after a very competitive hiring process; and

WHEREAS, Police Investigator Clinkenbeard successfully competed and was selected to the position of Field Training Officer, Net-5 Investigator, Two Year Investigator, and Five Year Investigator while at the Yuba City Police Department; and

WHEREAS, Scotty has been recognized with numerous awards and commendations for his exemplary professional performance most notably in the area of major felony investigations; and

WHEREAS, Police Investigator Clinkenbeard has always completed each and every case he was assigned "as if his family" was the victim, ensuring that no stone was left unturned, no victim's question was left unaddressed and each case was fully investigated, most often with a suspect left to answer for their criminal behavior in front of our criminal justice system; and

WHEREAS, Scotty continuously improved his knowledge as an Officer, beginning with his initial graduation from California State University of Sacramento in 1986 with a Bachelor of Science in Criminal Justice. Until the date he retired, he served as an example to all with a perfect ratio of formal education to street level education; and

WHEREAS, Scotty Clinkenbeard took an oath when he was hired to, "Preserve, Protect and Defend the Constitution," an oath he never broke; and

WHEREAS, Police Investigator Clinkenbeard kept faith with the public he so honorably served for more than 27 years.

NOW, THEREFORE, BE IT RESOLVED, that I, Kash Gill, Mayor of the City of Yuba City, on behalf of the entire Council and citizens we serve, do hereby congratulate Police Investigator Scotty Dale Clinkenbeard on the occasion of his honorable retirement, June 13th, 2014. We wish Scotty and his family, the very best in the future.

Done on this 24th day of June, 2014 in the City of Yuba City, County of Sutter, State of California.

Kash Gill, Mayor

CITY OF YUBA CITY

Written Requests

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

Procedure

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

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

Or email to:

Terrel Locke, City Clerk tlocke@yubacity.net

The Mayor will call you to the podium when it is time for you to speak.

CITY OF YUBA CITY

Appearance of Interested Citizens

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

Procedure

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

- For Items on the Agenda

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

- Items not listed on the Agenda

Public comments on items not listed on the agenda will be heard during the Public Communication portion of the meeting.

MINUTES (DRAFT)
SPECIAL MEETING - BUDGET WORKSHOP
CITY COUNCIL
CITY OF YUBA CITY
SUTTER ROOM
MAY 27, 2014 - 5:00 P.M.

Special Meeting—Council Chambers

The City of Yuba City City Council Special meeting was called to order by Vice-Mayor Dukes at 5:05 p.m.

Roll Call

Present: Councilmembers Buckland, Maan, Starkey and Vice-Mayor Dukes

Absent: Mayor Gill

1. Proposed 2014 – 2015 Operating and CIP Budgets

Conducted a workshop to review the Proposed Fiscal Year 2014-2015 Operating and Capital Improvement Project Budgets. Discussion and direction to staff.

Public Communication on Items on the Agenda

The following person spoke:

Dr. Larry Ozeran, Northwest Yuba City

Adjournment

Vice-Mayor Dukes adjourned the Special Meeting of the City Council of the City of Yuba City at 7:07 p.m.

Kash Gill, Mayor

ATTEST:

Terrel Locke, City Clerk

MINUTES (DRAFT)
REGULAR MEETING OF THE
CITY COUNCIL
CITY OF YUBA CITY
COUNCIL CHAMBERS
JUNE 3, 2014
5:00 P.M. – CLOSED SESSION
6:00 P.M. – REGULAR MEETING

Closed Session—Butte Room

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

Regular Meeting—Council Chambers

The City of Yuba City City Council meeting was called to order by Mayor Gill at 6:00 p.m.

Roll Call

Present: Councilmembers Buckland, Dukes, Maan, Starkey and Mayor Gill

Absent: None

Invocation

Councilmember Dukes gave the invocation.

Pledge of Allegiance to the Flag

Ariana Didbal led the Pledge of Allegiance

Presentations and Proclamations

1. Planning Commission Presentation

Yuba City Planning Commission Chairman Preet Didbal provided a report to the City Council regarding responsibilities and activities of the Planning Commission

Public Hearings

2. 2014-2015 Edward Byrne Memorial Justice Assistance Grant in the Amount of $15,388

Mayor Gill opened the public hearing. Hearing no comment, he closed the public hearing.

Councilmember Starkey moved to A) adopt **Resolution No. 14-035** authorizing the Chief of Police to accept the FY 2014/2015 Edward Byrne Memorial Justice Assistance Grant funding and approve expenditure recommendations; B) Authorize the Mayor to execute the associated memorandum of understanding with Sutter County on behalf of the City, following approval by the City Attorney; and C) Authorize the Chief Financial Officer to make budget adjustments as necessary. Councilmember Dukes seconded the motion that passed with a unanimous vote.

Public Communication

3. Written Requests - none

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

4. Appearance of Interested Citizens

The following person spoke:

Pat Miller, Sutter County Tax Payer's Association regarding trip to China

Consent Calendar

Councilmember Starkey moved to adopt the Consent Calendar as presented. Councilmember Buckland seconded the motion that passed with a unanimous vote.

5. Minutes of May 20, 2014

Approved the City Council Meeting Minutes of May 20, 2014.

General Items

6. Abandonment of intended parkland designation on approximately 15.2 acres of City Owned Property between Live Oak Boulevard and Clark Avenue

Councilmember Starkey moved to adopt **Resolution No. 14-036** declaring City Council's intention to abandon an intended park for City-owned property located between Live Oak Blvd. and Clark Avenue, north of the City's Water Treatment Plant and setting a time for a public hearing thereon. Councilmember Maan seconded the motion that passed with a unanimous vote.

7. Adoption of the City of Yuba City's Fiscal Year 2014-2015 Operating and Capital Budgets and Fiscal Year 2014-2015 Appropriations Limit

Councilmember Maan moved to A) adopt **Resolution No. 14-037** approving the proposed Fiscal Year 2014-2015 Operating Budget; B) adopt **Resolution No. 14-038** approving the Fiscal Year 2014-2015 Capital Improvement Program. Project Summaries by Funding Source are attached to the Resolution; and C) Adopt **Resolution No. 14-039** approving the City's Appropriations Limit for Fiscal Year 2014-15. Councilmember Starkey seconded the motion that passed with a unanimous vote.

8. Presentation of Investment Report – Quarter Ended March 31, 2014

Noted & Filed Quarterly Investment Report

Business from the City Council

9. Appointments to City of Yuba City Boards and Commissions

Councilmember Starkey moved to approve the City Council Screening Committee Recommendations for Appointments. Councilmember Buckland seconded the motion that assed with a unanimous vote.

10. Summer 2014 City Council Meeting Schedule

Councilmember Starkey moved to approve the Proposed Summer Schedule for 2014 Council Meeting Calendar as recommended. Councilmember Dukes seconded the motion that passed with a unanimous vote.

11. City Council Reports

- Councilmember Buckland
- Councilmember Maan
- Councilmember Starkey
- Vice Mayor Dukes
- Mayor Gill

Adjournment

Mayor Gill adjourned the Regular Meeting of the City Council of the City of Yuba City at 6:47 p.m.

_____
Kash Gill, Mayor

ATTEST:

_____
Terrel Locke, City Clerk

CITY OF YUBA CITY
STAFF REPORT

Date: June 24, 2014

To: Honorable Mayor & Members of the City Council

From: Department of Public Works

Presentation by: Benjamin Moody, Senior Engineer – City Surveyor

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Summary

Subject: Lot Line Adjustment – Live Oak Blvd. / Clark Ave.

Recommendation: Adopt a resolution authorizing the City Manager to execute a Grant Deed, to confirm a Lot Line Adjustment for City properties: (APN 51-580-012, 51-580-013, 51-580-014)

Fiscal Impact: Minor staff time

Purpose:

To finalize a lot line adjustment between City properties, that changes the existing three parcel configuration to a two parcel configuration.

Background:

The City of Yuba City owns three parcels totaling approximately 15.4 acres of land between Live Oak Boulevard and Clark Avenue, just north of the Water Treatment Plant. The City is currently in the process of taking the necessary steps to move towards the sale of ten acres of land that fronts Live Oak Boulevard. The City will retain the remainder parcel for an existing storm water detention basin.

Analysis:

To adjust the configuration of the existing parcel boundaries staff is proposing to process a lot line adjustment. The lot line adjustment will reconfigure the boundaries to meet the needs of the City.

To finalize the lot line adjustment staff is recommending that Council authorize the City Manager to execute the necessary documentation.

Fiscal Impact:

Minor staff time costs associated with preparing and recording the lot line adjustment will occur.

Alternatives:

Modify the parcel boundaries or deny the proposed lot line adjustment

Recommendation:

Adopt a resolution authorizing the City Manager to execute a Grant Deed, to confirm a Lot Line Adjustment for City properties: (APN 51-580-012, 51-580-013, 51-580-014)

Prepared by:

/s/ Benjamin K. Moody
Benjamin K. Moody
Senior Engineer – City Surveyor

Submitted by:

/s/ Steven C. Kroeger
Steven C. Kroeger
City Manager

Reviewed by:

Department Head DL

Finance RB

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT DEED, TO CONFIRM A LOT LINE ADJUSTMENT FOR CITY PROPERTIES: (APNs 51-580-012, 51-580-013, 51-580-014)

WHEREAS, The City of Yuba City owns the properties known as Assessor Parcel Numbers 51-580-012, 51-580-013, and 51-580-014; and

WHEREAS, The City desires to adjust the existing, adjacent, property boundaries; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the City Manager, Steven C. Kroeger is hereby authorized to execute a Grant Deed to confirm a Lot Line Adjustment for City properties, APNs 51-580-012, 51-580-013, 51-580-014.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 24th day of June 2014.

AYES:

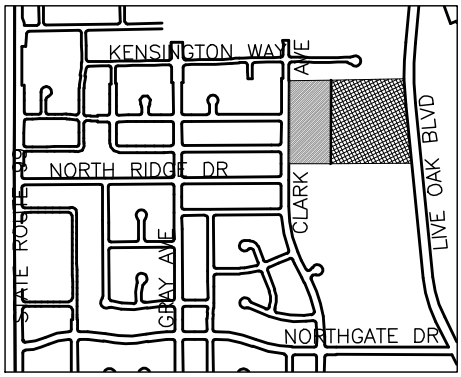
NOES:

ABSENT:

_____
MAYOR

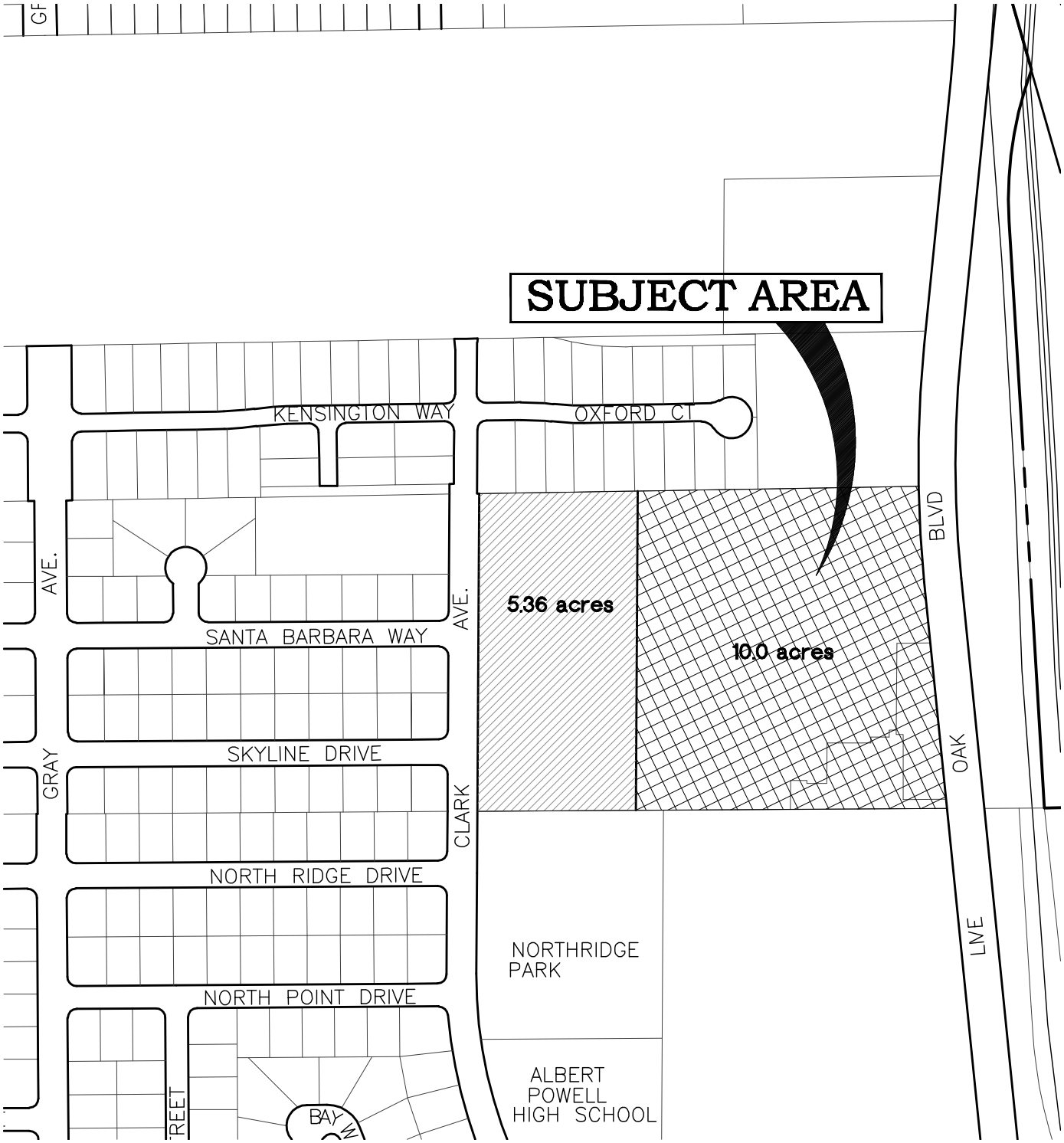
ATTEST:

_____
CITY CLERK



SCALE: 1" = 300'

LOT LINE ADJUSTMENT
LIVE OAK BLVD. / CLARK AVE. SURPLUS PROPERTY



Exh_surplus property.dwg

AND WHEN RECORDED MAIL TO

CITY OF YUBA CITY
1201 CIVIC CENTER BLVD.
YUBA CITY, CA. 95993

MAIL TAX STATEMENTS TO

CITY OF YUBA CITY
1201 CIVIC CENTER BLVD.
YUBA CITY, CA. 95993

GRANT DEED

The undersigned grantor(s) declare(s):
Documentary transfer tax is $ ……..
( ) computed on full value of property conveyed, or
( ) computed on full value less liens and encumbrances remaining at time of sale.
( ) Unincorporated area: (X) City of Yuba City, and
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Assessor's Parcel Number : 51-580-012,
51-580-013, &
prn 51-580-014

CITY OF YUBA CITY, a Municipal Corporation

Hereby GRANT(S) to

CITY OF YUBA CITY, a Municipal Corporation

The following described property in the City of Yuba City, County of Sutter, State of California more particularly described as follows:

SEE EXHIBIT A

DATED ……..

……..

STEVEN C. KROEGER
CITY MANAGER
CITY OF YUBA CITY

EXHIBIT A

All that real property being a portion of Lot 7 and Lot 8 of the “Kelly and Eager Tract”, filed in the Office of the County Recorder of Sutter County, California on November 22, 1920 in Book 3 of Surveys at Page 50 and located in the North half of Section 10, in Township 15 North, Range 3 East, Mount Diablo Base & Meridian and being more particularly described as follows:

Parcel A

The westerly 373.00 feet of that parcel of land as described in the Grant Deed from Parmjit K. Brar to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on January 8, 1996 at document number 199600186.

Parcel B

Description 1

That parcel of land as described in the Grant Deed from Parmjit K. Brar to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on January 8, 1996 at document number 199600186.

EXCEPTING THEREFROM the westerly 373.00 feet of said parcel that lies parallel with the western boundary.

TOGETHER WITH:

Description 2

That parcel of land as described in the Grant Deed from Odie Nancy Basari to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on October 29, 1998 at document number 199816814.

END OF DESCRIPTION

PREPARED BY

_____

DATE : _____

AND WHEN RECORDED MAIL TO

CITY OF YUBA CITY
1201 CIVIC CENTER BLVD.
YUBA CITY, CA. 95993

MAIL TAX STATEMENTS TO

CITY OF YUBA CITY
1201 CIVIC CENTER BLVD.
YUBA CITY, CA. 95993

GRANT DEED

The undersigned grantor(s) declare(s):
Documentary transfer tax is $ ……..
( ) computed on full value of property conveyed, or
( ) computed on full value less liens and encumbrances remaining at time of sale.
( ) Unincorporated area: (X) City of Yuba City, and
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Assessor's Parcel Number : 51-580-012,
51-580-013, &
prn 51-580-014

CITY OF YUBA CITY, a Municipal Corporation

Hereby GRANT(S) to

XXXXXXXXXXXXXXXXXXXXXXXXXX

The following described property in the City of Yuba City, County of Sutter, State of California more particularly described as follows:

SEE EXHIBIT A

DATED ……..

……..

STEVEN C. KROEGER
CITY MANAGER
CITY OF YUBA CITY

EXHIBIT A

All that real property being a portion of Lot 7 and Lot 8 of the “Kelly and Eager Tract”, filed in the Office of the County Recorder of Sutter County, California on November 22, 1920 in Book 3 of Surveys at Page 50 and located in the North half of Section 10, in Township 15 North, Range 3 East, Mount Diablo Base & Meridian and being more particularly described as follows:

Portion 1
That parcel of land as described in the Grant Deed from Parmjit K. Brar to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on January 8, 1996 at document number 199600186.

> EXCEPTING THEREFROM the westerly 373.00 feet of said parcel that lies parallel with the western boundary.

TOGETHER WITH AS ONE PARCEL:

Portion 2
That parcel of land as described in the Grant Deed from Odie Nancy Basari to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on October 29, 1998 at document number 199816814.

END OF DESCRIPTION

PREPARED BY

_____

DATE : _____

CITY OF YUBA CITY
STAFF REPORT

Date: June 24, 2014

To: Honorable Mayor & Members of the City Council

From: Department of Public Works

Presentation by: Benjamin Moody, Senior Engineer – City Surveyor

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Summary

Subject: Transfer of former Redevelopment Agency Properties to the Successor Agency as required by State law

Recommendation: a) Adopt a resolution authorizing the City Manager to execute the necessary deeds and documents required to grant the City property that was acquired from the Redevelopment Agency of the City of Yuba City, to the "Successor Agency of the Redevelopment Agency of the City of Yuba City", as required by State law.

b) Adopt a resolution declaring portions of City owned property, known as Town Square, as public road right of way as described in Exhibit A and depicted in Exhibit B.

Fiscal Impact: None

Purpose:

Transfer previous RDA property to the Successor Agency as required by State law.

Background:

With the State requirements of the Yuba City Redevelopment Agency (RDA) being dissolved, land assets were transferred to the City to reduce the RDA's debt amount owed to the City in 2011. The State has since determined that the transfer of RDA assets was not in compliance with State law, and that the City needs to transfer those assets to the Successor Agency.

See Table A – List of Agency Properties.

With the transfer of parcel 52-380-019 the City needs to reconfigure the parcel to account for the public roadway, Town Square, and to separate the City fountain area as a separate City owned parcel prior to dedication of the eastern portion of the property to the Successor Agency.

Analysis:

Staff will prepare the necessary documentation to transfer title of the determined properties to the Successor Agency.

With Council approval staff can then process the property transfers to abide with current State law.

Fiscal Impact:

Associated staff time is anticipated for processing and recording the necessary documentation.

Alternatives:

Modify or deny the proposed recommendations

Recommendation:

a) Adopt a resolution authorizing the City Manager to execute the necessary deeds and documents required to grant the City property that was acquired from the Redevelopment Agency of the City of Yuba City, to the "Successor Agency of the Redevelopment Agency of the City of Yuba City", as required by State law

b) Adopt a resolution declaring portions of City owned property, known as Town Square, as public road right of way as described in Exhibit A and depicted in Exhibit B.

Prepared by:

/s/ Benjamin K. Moody

Benjamin K. Moody
Senior Engineer – City Surveyor

Submitted by:

/s/ Steven C. Kroeger

Steven C. Kroeger
City Manager

Reviewed by:

Department Head DL

Finance RB

VICINITY MAP

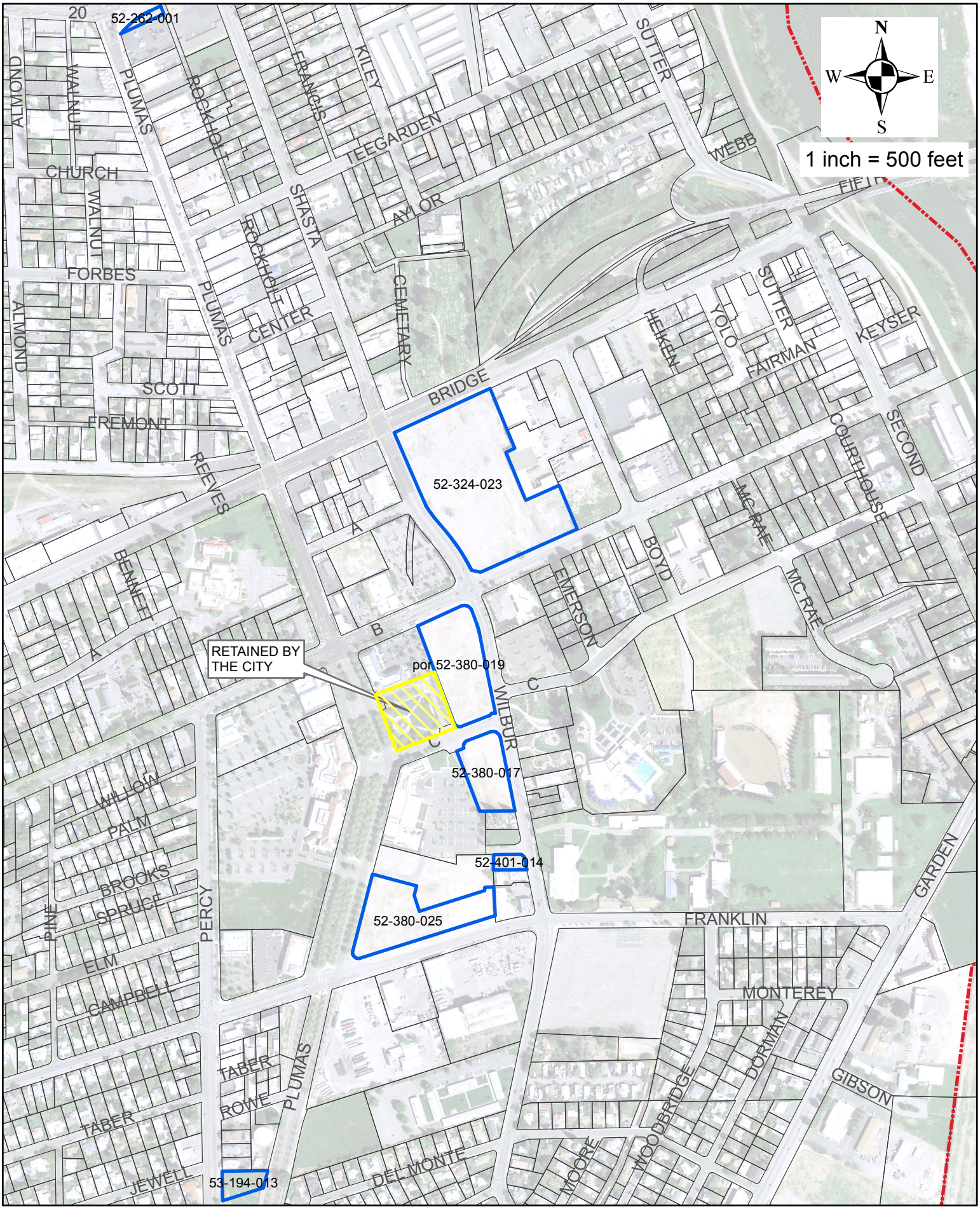


TABLE A

List of Properties to be Transferred to the
Successor Agency of the Yuba City Redevelopment Agency

	APN	Address	Area (acres)
1	52-262-001	444 Colusa Ave.	0.11
2	52-324-023	Bridge Street	6.56
3	(1)52-380-019	442 B St.	2.15
4	52-380-017	Wilbur Ave. and C St.	1.09
5	52-401-014	454 Stevens Ave.	0.2
6	52-380-025	425 Franklin Ave.	2.46
7	53-194-013	Percy Ave.	0.34
		Total:	**12.91**

Notes:

(1) APN 52-380-019 will be divided to grant only the property east of the Town Square right of way

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER TO EXECUTE THE NECESSARY DEEDS AND DOCUMENTS REQUIRED TO TRANSFER PROPERTIES TO THE SUCCESSOR AGENCY OF THE YUBA CITY REDEVELOPMENT AGENCY

WHEREAS, The City of Yuba City owns the properties known as Assessor Parcel Numbers 52-262-001, 52-324-023, 52-380-019, 52-380-017, 52-401-014, 52-380-025, and 53-194-013; and

WHEREAS, The City desires to transfer the required properties in accordance with State law; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the City Manager, Steven C. Kroeger is hereby authorized to execute the necessary deeds and documents required to grant the City property that was acquired from the Redevelopment Agency of the City of Yuba City, to the "Successor Agency of the Redevelopment Agency of the City of Yuba City", as required by State law

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 24th day of June 2014.

AYES:

NOES:

ABSENT:

_____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY DECLARING PORTIONS OF CITY PROPERTY; APN: 52-380-019 PUBLIC ROAD RIGHT-OF-WAY

WHEREAS, the City of Yuba City owns the property; Assessor Parcel Number 52-380-019; and

WHEREAS, the City of Yuba City desires to implement the policies and recommendations of the City General Plan to provide for the necessary road right of way; and

THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Yuba City that the public road right-of-way hereinafter described in Exhibit A and depicted in Exhibit B, is necessary for present and prospective public use and hereby declares that the City of Yuba City establish a public road right-of-way in, upon, over and across that portion of APN 52-380-019 more particularly defined in Exhibit A and Exhibit B, which are attached hereto and made a part of by this reference.

BE IT FURTHER RESOLVED AND ORDERED by the City Council of the City of Yuba City that the Department of Public Works shall cause a certified copy of this resolution, including Exhibit A and Exhibit B, attested by the City Clerk, to be recorded in the office of the Sutter County Recorder.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 24th day of June 2014.

AYES:

NOES:

ABSENT:

_____
MAYOR

ATTEST:

_____
CITY CLERK

EXHIBIT A

The City of Yuba City, a Municipal Corporation, hereby declares a public road right-of-way over, under, and across the real property in the City of Yuba City, County of Sutter, State of California described as follows:

All that portion of Lot 4 of the New Helvetia Rancho and Lot 38 of Township 15 North, Range 3 East Mount Diablo Base and Meridian and located in the City of Yuba City, Sutter County, California, described as follows:

Commencing at the centerline monument in the intersection of Wilbur Avenue and C Street as shown on that certain Parcel Map No. 908 filed on March 21, 1994 in the Office of the Sutter County Recorder in Book 5 of Parcel Maps at Page 118; thence South 69°07'34" West along the centerline of C Street a distance of 228.68 feet; thence North 20°44'28" West a distance of 57.00 feet to a point on the northerly line of C Street as shown on said Parcel Map, said point also being the Point of Beginning; thence North 69°01'21" East a distance of 32.00 feet to a point on the westerly boundary of "The Agency Parcel" as shown on document number 2011-0003178 filed on March 4, 2011 in the Office of the Sutter County Recorder; thence North 20°44'27" West along the westerly boundary of said Agency Parcel a distance of 218.92 feet; thence South 69°07'34" West along the southerly boundary of that parcel of land conveyed by the Redevelopment Agency of the City of Yuba City in document number 2001-0011194 filed on June 27, 2001 in the Office of the Sutter County Recorder a distance of 238.97 feet to a point on the easterly line of Plumas Boulevard as shown on said Parcel Map 908; thence South 20°38'14" East along said easterly line of Plumas Boulevard a distance of 64.00 feet; thence North 69°07'34" East parallel to the southerly boundary of said parcel of land conveyed by the Redevelopment Agency of the City of Yuba City a distance of a distance of 150.03 feet to the beginning of a tangent curve concave to the southwest having a radius of 25.00 feet; Thence easterly along the arc of said curve through a central angle of 90°07'59" a distance of 39.33 feet to a point on a line that is parallel to the westerly line of said Agency Parcel; thence South 20°44'27" East along said line a distance of 130.00 feet to a point on the northerly line of C Street as shown on said Parcel Map; thence North 69°01'21" East along the northerly line of C Street a distance of 32.00 feet to the Point of Beginning and containing .58 acres of land, more or less.

END OF DESCRIPTION

PREPARED BY

_____

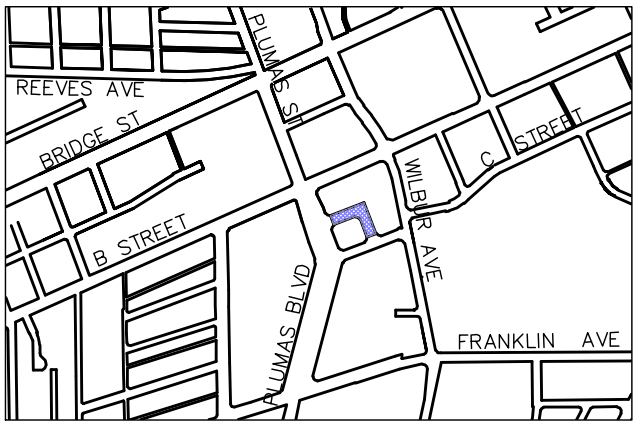
DATE : _____

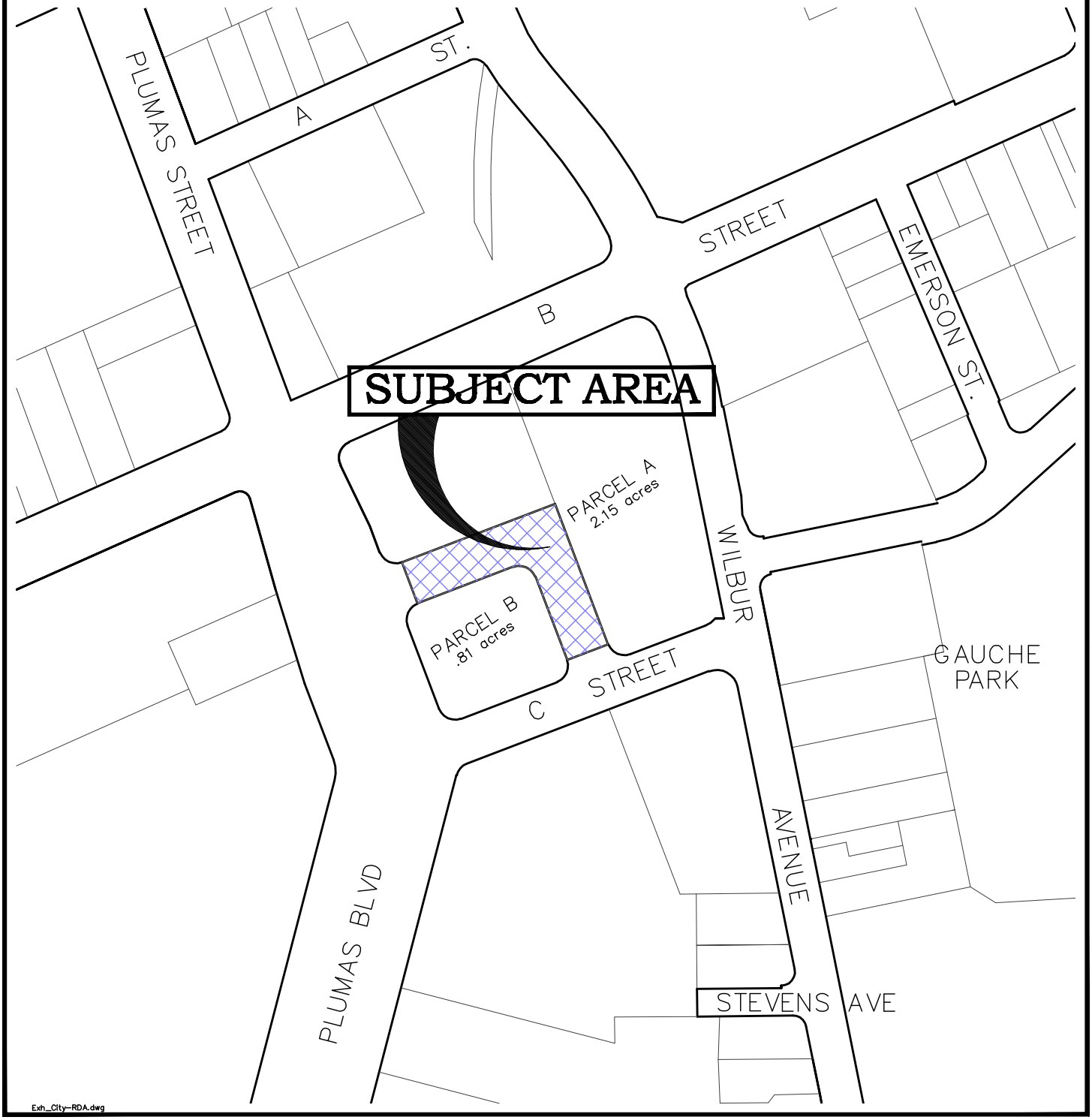
Exhibit B

RIGHT-OF-WAY DECLARATION TOWN SQUARE

RIGHT-OF-WAY TO BE DECLARED
.58 acres

SCALE: 1" = 200'





Exh_City-RDA.dwg

CITY OF YUBA CITY
STAFF REPORT

Date: June 24, 2014

To: Honorable Mayor & Members of the City Council

From: Human Resources Department

Presentation By: Natalie Walter, Human Resources Director

Summary

Subject: Retirement Health Savings (RHS) Plan Adoption and Related Plan Documents

Recommendation: Adopt a Resolution approving the plan documents for the City's pre-January 1, 2014 RHS plan, Plan No. 801145, with ICMA and approving a post-Affordable Care Act RHS plan, Plan No. 803499, with ICMA with an effective date of January 1, 2014.

Fiscal Impact: None. All contributions are funded by the employee.

Purpose:

1. To properly enact the required RHS plan documents for the City's plan with ICMA that will be closed for all new participants and contributions effective December 31, 2013, Plan No. 801145.

2. To establish a post-Affordable Care Act RHS plan with ICMA effective January 1, 2014, Plan No. 803499.

Background:

Discussions between City staff and bargaining units began in the early to mid-2000's on the options for employees to better plan for retiree health care costs. As a result of these discussions and related research, the recommendation was to implement a RHS plan with ICMA. A RHS plan allows pre-tax contributions to be used for post-retirement medical costs. In September 2005, this process came to fruition when City staff recommended and City Council approved a Citywide RHS plan that, complied with then current IRS regulations, allowed all employees to voluntarily contribute pre-tax money for post-retirement medical costs. For the City's RHS plan, all the RHS dollars are contributed solely by the employee; the City does not contribute to the funding of the RHS plan.

Several years later, IRS regulations changed and limited the conditions of the RHS plan. The new IRS regulations require mandatory contributions to the plan with compulsory participation by bargaining unit or employee group. In response to these IRS Regulatory changes, Fire Management and Firefighters Association, Local 3793 negotiated mandatory contributions to the RHS plan, effective January 1, 2008. Additionally, in April 2010, the RHS plan was amended to include mandatory contribution upon retirement by any departments heads hired prior to July 1, 2006. There are no other bargaining units or groups of employees beyond the ones listed above that contribute to the City's RHS plan.

Once again, changes in the law that were effective January 1, 2014 have necessitated a modification to the City's RHS plan. A provision in the RHS plan (No. 801145) allows an active employee to become eligible to receive benefits from the RHS plan upon a medical emergency of the employee and/or eligible dependents. With the passage of the Affordable Care Act, this provision of the plan is no longer permissible without substantial changes to bring it into compliance with the Affordable Care Act. For example, the use of RHS plan assets by active employees for medical emergencies would need to be eliminated, the types of medical expenses that could be reimbursed would be restricted, and all participants would have to be enrolled in a group health plan. Instead, plan participants have elected to "grandfather in" the previous RHS Plan, No. 801145, to allow these participants to maximize this provision in time of a medical emergency. RHS Plan No. 801145 ended on December 31, 2013. The new proposed RHS Plan, No. 803499 would be exempt from the Affordable Care Act provisions that have triggered this action because it is a retiree only plan and does not allow active employees to utilize the RHS pre-tax dollars for medical emergencies.

When City staff began work on the necessary documents to establish the RHS Plan effective on January 1, 2014 with ICMA, it was discovered that the "grandfathered" RHS Plan (No. 801145) required additional documents to comply with IRS regulations. This oversight is attributed to a clerical technicality. Due to this clerical technicality and in the spirit of proceeding with an abundance of caution, there are plan documents for this RHS plan that need approval from City Council to ensure the plan complies with IRS regulations. These documents include the Declaration of Trust and the Welfare Benefits Plan. From past Staff Reports and Resolutions, the intent was to implement these documents and clearly a clerical oversight resulted in these documents not being completed when the plan was originally established. Today's City Council meeting will rectify this oversight and ensure that the RHS plan maintains the pre-tax designation. The complete Vantage Care Retirement Health Savings Plan Adoption booklet is available upon request at the Human Resources Department.

Fiscal Impact:

None. All contributions are funded by mandatory contributions by employees.

Alternatives:

Do not adopt the Resolution.

Recommendation:

Adopt a Resolution approving the plan documents for the City's pre-January 1, 2014 RHS plan, Plan No. 801145, with ICMA and approving a post-Affordable Care Act RHS plan, Plan No. 803499, with ICMA with an effective date of January 1, 2014.

Prepared By:

/s/ Natalie Walter

Natalie Walter
Human Resources Director

Submitted By:

/s/ Steven C. Kroeger

Steven C. Kroeger
City Manager

Reviewed By:

Human Resources	NL
Finance	RB
City Attorney	TH

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER TO EXECUTE THE NECESSARY AGREEMENTS RELATED TO THE ICMA RETIREMENT CORPORATION VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN

WHEREAS, on September 20, 2005, the City Council adopted Resolution No. 05-187 establishing the City of Yuba City 2006 VantageCare Retirement Health Savings Plan effective January 1, 2006 ("2006 RHS Plan") for the benefit of certain employees; and

WHEREAS, the 2006 RHS Plan refers to an arrangement consisting of a retiree welfare benefits plan, the VantageCare RHS Plan Declaration of Trust, the VantageCare RHS Plan adoption agreement, an administrative services agreement, and certain other ancillary documents; and

WHEREAS, the action taken by the City Council pursuant to Resolution No. 05-187 included approval for the assets of the 2006 RHS Plan to be held in trust, with the City serving as trustee, for the exclusive benefit of 2006 RHS Plan participants and their beneficiaries, and further noted that the City had executed the Declaration of Trust of the City of Yuba City Integral Part Trust ("2006 Trust") in the form of the model trust made available by the ICMA Retirement Corporation; and

WHEREAS, while the 2006 RHS Plan assets have been held in trust pursuant to the City's agreement with ICMA Retirement Corporation and as directed by Resolution No. 05-187, the City has been unable to find a copy of the executed Trust and out of an abundance of caution wishes to reaffirm the City's adoption of the Trust, in the form enclosed herein as Exhibit "A" and incorporated herein by reference; and

WHEREAS, the City has been informed by ICMA Retirement Corporation and Best Best & Krieger LLP that the 2006 RHS Plan is considered an in-service plan which makes reimbursements related to medical emergencies available to active employees in addition to retired employees, and is also a stand-alone plan which is not integrated with another group health plan, and as such, the 2006 RHS Plan does not comply with the prohibition on annual and lifetime limits added through Section 2711 of the Public Health Services Act, as required by the Patient Protection and Affordable Care Act of 2010 ("ACA"), which became effective on January 1, 2014; and

WHEREAS, the City was informed that it could either substantially reform the 2006 RHS Plan to bring it into compliance with the ACA effective January 1, 2014, or alternatively, it could cease all contributions to the 2006 RHS Plan effective December 31, 2013, permit existing participants to spend down account balances in accordance with the 2006 RHS Plan terms and adopt a retiree only VantageCare Retirement Health Savings Plan effective January 1, 2014 which is exempt from the prohibition on annual and lifetime limits of the ACA; and

WHEREAS, all contributions to the 2006 RHS Plan ceased effective December 31, 2013; and

WHEREAS, City staff recommends that the City Council formally close the 2006 RHS Plan to all contributions and new participants as of December 31, 2013 and that it amend and restate the welfare benefits plan which comprises part of the 2006 RHS Plan accordingly to allow active employees to continue having access to 2006 RHS Plan assets for medical emergencies;

WHEREAS, Best Best & Krieger LLP has prepared an amended and restated Yuba City 2006 Welfare Benefit Plan, in the form enclosed herein as "Exhibit "B" and incorporated herein by reference, which makes the necessary modifications to eliminate contributions thereto effective December 31, 2013 and closes the Plan to all new participants effective December 31, 2013; and

WHEREAS, it is also necessary that the City of Yuba City VantageCare Retirement Health Savings Plan Adoption Agreement ("2006 Adoption Agreement") for the 2006 RHS Plan be amended to conform to the changes being proposed to the Yuba City 2006 Welfare Benefit Plan and, as such, Best Best & Krieger LLP has prepared an amendment to the 2006 Adoption Agreement, in the form enclosed herein as "Exhibit "C" and incorporated herein by reference.

WHEREAS, City staff further recommends that the City Council adopt a second VantageCare Retirement Health Savings Plan effective January 1, 2014 which will only provide benefits to eligible employees that retire on or after January 1, 2014, and as such, will be exempt from the prohibition on annual and lifetime limits of the ACA; and

WHEREAS, the ICMA Retirement Corporation has provided the City with a model of a retiree welfare benefits plan, in the form enclosed herein as Exhibit "D" and incorporated herein by reference, for the benefit of eligible retirees that retire on or after January 1, 2014 ("Yuba City 2014 Retiree Welfare Benefits Plan"); and

WHEREAS, Yuba City 2014 Retiree Welfare Benefits Plan is a component of the City of Yuba City 2014 VantageCare Retirement Health Savings Plan which shall be effective January 1, 2014 ("2014 RHS Plan") which also includes the VantageCare RHS Plan Declaration of Trust, the VantageCare RHS Plan adoption agreement for the 2014 RHS Plan, an administrative services agreement, and certain other ancillary documents; and

WHEREAS, the 2014 RHS Plan shall cover only those employees which are identified in the VantageCare RHS Plan adoption agreement for the 2014 RHS Plan ("2014 Adoption Agreement"), in the form enclosed herein in as Exhibit "E" and incorporated herein by reference; and

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF YUBA CITY AS FOLLOWS:

(1) That the 2006 Trust previously approved by the City Council pursuant to Resolution No. 05-187 is hereby ratified and approved and the City Manager, or his designee, is hereby directed to execute the 2006 Trust in the form enclosed at Exhibit "A" on behalf of the City as the Employer and the Trustee.

(2) That the amended and restated Yuba City 2006 Welfare Benefits Plan in the form enclosed at Exhibit "B" is hereby approved and the City Manager, or his designee, is hereby directed to execute the plan on behalf of the City.

(3) That the amendment to the 2006 Adoption Agreement in the form enclosed at Exhibit "C" is hereby approved and the City Manager, or his designee, is hereby directed to execute the amendment on behalf of the City.

(4) That the Yuba City 2014 Retiree Welfare Benefits Plan is hereby approved in the form enclosed at Exhibit "D" and the City Manager, or his designee, is hereby directed to execute the plan on behalf of the City and any other administrative documents which are necessary to establish the 2014 RHS Plan, including the 2014 Adoption Agreement in the form enclosed at Exhibit "E".

(5) That the assets of the 2014 RHS Plan shall be held in trust, with the City serving as trustee, for the exclusive benefit of 2014 RHS Plan participants and their beneficiaries, and the assets of the 2014 RHS Plan shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the 2014 RHS Plan, and the City Manager, or his designee, is hereby directed to execute the Declaration of Trust of the City of Yuba City Integral Part Trust for the 2014 RHS Plan, in the form enclosed herein in as Exhibit "F" and incorporated herein by reference.

(6) That the Human Resources Director shall be the coordinator and contact for the 2006 RHS Plan and the 2014 RHS Plan (collectively, "RHS Plans") and shall receive all necessary reports, notices or other documents corresponding to the RHS Plans.

The foregoing resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 24th day of June, 2014.

AYES:
NOES:
ABSENT:

_____
KASH GILL, Mayor

ATTEST:

_____
City Clerk

EXHIBIT "A"

See form of "Declaration of Trust of the City of Yuba City Integral Part Trust" dated January 1, 2006.

EXHIBIT "B"

See form of "City of Yuba City 2006 Welfare Benefits Plan."

EXHIBIT "C"

See form of "Amendment to City of Yuba City 2006 VantageCare Retirement Health Savings Plan Adoption Agreement."

EXHIBIT "D"

See form of "Yuba City 2014 Retiree Welfare Benefits Plan."

EXHIBIT "E"

See form of "Employer VantageCare Retirement Health Savings (RHS) Plan Adoption Agreement" effective January 1, 2014.

EXHIBIT "F"

See form of "Declaration of Trust of the City of Yuba City Integral Part Trust" dated January 1, 2014.

ICMA RC
Building Retirement Security

DECLARATION OF TRUST OF THE

CITY OF YUBA CITY

NAME OF EMPLOYER

INTEGRAL PART TRUST

DECLARATION OF TRUST OF THE

NAME OF EMPLOYER

INTEGRAL PART TRUST

Declaration of Trust made as of the 1st day of January, 20 06, by and between the City of Yuba City (Name of Employer), California (State) a municipal corporation (Type of Entity) (hereinafter referred to as the "Employer") and City of Yuba City (Name or Title of Trustee) or its designee (hereinafter referred to as the "Trustee").

RECITALS

WHEREAS, the Employer is a political subdivision of the State of California (State) exempt from federal income tax under the Internal Revenue Code of 1986; and

WHEREAS, the Employer provides for the security and welfare of its eligible employees (hereinafter referred to as "Participants"), their Spouses and Dependents by the maintenance of one or more post-retirement welfare benefit plans, programs or arrangements which provide for life, sickness, medical, disability, severance and other similar benefits through insurance and self-funded reimbursement plans (collectively the "Plan"); and

WHEREAS, it is an essential function and integral part of the exempt activities of the Employer to assist Participants, their Spouses and Dependents by making contributions to and accumulating assets in the trust, a segregated fund, for post-retirement welfare benefits under the Plan; and

WHEREAS, the authority to conduct the general operation and administration of the Plan is vested in the Employer or its designee, who has the authority and shall be subject to the duties with respect to the trust specified in this Declaration of Trust; and

WHEREAS, the Employer wishes to establish this trust to hold assets and income of the Plan for the exclusive benefit of Plan Participants, their Spouses and Dependents;

NOW, THEREFORE, the parties hereto do hereby establish this trust, by executing the

Declaration of Trust of the City of Yuba City (Name of Employer) Integral Part Trust (hereinafter referred to as the "Trust"), and agree that the following constitute the Declaration of Trust (hereinafter referred to as the "Declaration"):

ARTICLE I

Definitions

1.1 Definitions. For the purposes of this Declaration, the following terms shall have the respective meanings set forth below unless otherwise expressly provided.

(a) **"Account"** means the individual recordkeeping account maintained under the Plan to record the interest of a Participant in the Plan in accordance with Section 7.3.

(b) **"Administrator"** means the Employer or the entity designated by the Employer to carry out administrative services as are necessary to implement the Plan.

(c) **"Beneficiary"** means the Spouse and Dependents, who will receive any benefits payable hereunder in the event of the Participant's death. In the case where there is no Spouse or Dependents, any amount of contributions, plus accrued earnings thereon, remaining in the Account must, under the terms of the Plan, be returned to the Trust.

(d) **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

(e) **"Dependent"** means (a) the Participant's lawful spouse, (b) the Participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.

(f) **"Investment Fund"** means any separate investment option or vehicle selected by the Employer in which all or a portion of the Trust assets may be separately invested as herein provided. The Trustee shall not be required to select any Investment Fund.

(g) **"Nonforfeitable Interest"** means the interest of the Participant or the Participant's Spouse and Dependent (whichever is applicable) in the percentage of Participant's Employer's contribution which has vested pursuant to the vesting schedule specified in the Employer's Plan. A Participant shall, at all times, have a one hundred percent (100%) Nonforfeitable Interest in the Participant's own contributions.

(h) **"Spouse"** means the Participant's lawful spouse as determined under the laws of the jurisdiction in which the Participant was married.

(i) **"Trust"** means the trust established by this Declaration.

(j) **"Trustee"** means the Employer or the person or persons appointed by the Employer to serve in that capacity.

ARTICLE II

Establishment of Trust

2.1 The Trust is hereby established as of the date set forth above for the exclusive benefit of Participants, their Spouses and Dependents.

ARTICLE III

Construction

3.1 This Trust and its validity, construction and effect shall be governed by the laws of the State of California.

3.2 Pronouns and other similar words used herein in the masculine gender shall be read as the feminine gender where appropriate, and the singular form of words shall be read as the plural where appropriate.

3.3 If any provision of this Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions, and such provisions shall be construed to effectuate the purpose of this Trust.

ARTICLE IV

Benefits

4.1 **Benefits.** This Trust may provide benefits to the Participant, the Participant's Spouse and Dependents pursuant to the terms of the Plan.

4.2 **Form of Benefits.** This Trust may provide benefits by cash payment. This Trust may reimburse the Participant, his Spouse and Dependents for insurance premiums or other payments expended for permissible benefits described under the Plan. This trust may reimburse the Employer, or the Administrator for insurance premiums.

ARTICLE V

General Duties

5.1 It shall be the duty of the Trustee to hold title to assets held in respect of the Plan in the Trustee's name as directed by the Employer or its designees in writing. The Trustee shall not be under any duty to compute the amount of contributions to be paid by the Employer or to take any steps to collect such amounts as may be due to be held in trust under the Plan. The Trustee shall not be responsible for the custody, investment, safekeeping or disposition of any assets comprising the Trust, to the extent such functions are performed by the Employer or the Administrator, or both.

5.2 It shall be the duty of the Employer, subject to the provisions of the Plan, to pay over to the Administrator or other person designated hereunder from time to time the Employer's contributions and Participants' contributions under the Plan and to inform the Trustee in writing as to the identity and value of the assets titled in the Trustee's name hereunder and to keep accurate books and records with respect to the Participants of the Plan.

ARTICLE VI

Investments

6.1 The Employer may appoint one or more investment managers to manage and control all or part of the assets of the Trust and the Employer shall notify the Trustee in writing of any such appointment.

6.2 The Trustee shall not have any discretion or authority with regard to the investment of the Trust and shall act solely as a directed Trustee of the assets of which it holds title. To the extent directed by the Employer (or Participants or their Spouses and Dependents to the extent provided herein) the Trustee is authorized and empowered with the following powers, rights and duties, each of which the Trustee shall exercise in a nondiscretionary manner:

(a) To cause stocks, bonds, securities, or other investments to be registered in its name as Trustee or in the name of a nominee, or to take and keep the same unregistered;

(b) To employ such agents and legal counsel as it deems advisable or proper in connection with its duties and to pay such agents and legal counsel a reasonable fee. The Trustee shall not be liable for the acts of such agents and counsel or for the acts done in good faith and in reliance upon the advice of such agents and legal counsel, provided it has used reasonable care in selecting such agents and legal counsel;

(c) To exercise where applicable and appropriate any rights of ownership in any contracts of insurance in which any part of the Trust may be invested and to pay the premiums thereon; and

(d) At the direction of the Employer (or Participants, their Spouses, their Dependents, or the investment manager, as the case may be) to sell, write options on, convey or transfer, invest and reinvest any part thereof in each and every kind of property, whether real, personal or mixed, tangible or intangible, whether income or non-income producing and wherever situated, including but not limited to, time deposits (including time deposits in the Trustee or its affiliates, or any successor thereto, if the deposits bear a reasonable rate of interest), shares of common and preferred stock, mortgages, bonds, leases, notes, debentures, equipment or collateral trust certificates, rights, warrants, convertible or exchangeable securities and other corporate, individual or government securities or obligations, annuity, retirement or other insurance contracts, mutual funds (including funds for which the Trustee or its affiliates serve as investment advisor, custodian or in a similar or related capacity), or in units of any other common, collective or commingled trust fund.

6.3 Notwithstanding anything to the contrary herein, the assets of the Plan shall be held by the Trustee as title holder only. Persons holding custody or possession of assets titled to the Trust shall include the Employer, the Administrator, the investment manager, and any agents and subagents, but not the Trustee. The Trustee shall not be responsible or liable for any loss or expense which may arise from or result from compliance with any direction from the Employer, the Administrator, the investment manager, or such agents to take title to any assets nor shall the Trustee be responsible or liable for any loss or expense which may result from the Trustee's refusal or failure to comply with any direction to hold title, except if the same shall involve or result from the Trustee's negligence or intentional misconduct. The Trustee may refuse to comply with any direction from the Employer, the Administrator, the investment manager, or such agents in the event that the Trustee, in its sole and absolute discretion, deems such direction illegal.

6.4 The Employer hereby indemnifies and holds the Trustee harmless from any and all actions, claims, demands, liabilities, losses, damages or reasonable expenses of whatsoever kind and nature in connection with or arising out of (i) any action taken or omitted in good faith by the Trustee in accordance with the directions of the Employer or its agents and subagents hereunder, or (ii) any disbursements of any part of the Trust made by the Trustee in accordance with the directions of the Employer, or (iii) any action taken by or omitted in good faith by the Trustee with respect to an investment managed by an investment manager in accordance with any direction of the investment manager or any inaction with respect to any such investment in the absence of directions from the investment manager. Notwithstanding anything to the contrary herein, the Employer shall have no responsibility to the Trustee under the foregoing indemnification if the Trustee fails negligently, intentionally or recklessly to perform any of the duties undertaken by it under the provisions of this Trust.

6.5 Notwithstanding anything to the contrary herein, the Employer or, if so designated by the Employer, the Administrator and the investment manager or another agent of the Employer, will be responsible for valuing all assets so acquired for all purposes of the Trust and of holding, investing, trading and disposing of the same. The Employer will indemnify and hold the Trustee harmless against any and all claims, actions, demands, liabilities, losses, damages, or expenses of whatsoever kind and nature, which arise from or are related to any use of such valuation by the Trustee or holding, trading, or disposition of such assets.

6.6 The Trustee shall and hereby does indemnify and hold harmless the Employer from any and all actions, claims, demands, liabilities, losses, damages and reasonable expenses of whatsoever kind and nature in connection with or arising out of (a) the Trustee's failure to follow the directions of the Employer, the Administrator, the investment manager, or agents thereof, except as permitted by the last sentence of Section 6.3 above; (b) any disbursements made without the direction of the Employer, the Administrator, the investment manager or agents thereof; and (c) the Trustee's negligence, willful misconduct, or recklessness with respect to the Trustee's duties under this Declaration.

ARTICLE VII

Contributions

7.1 **Employer Contributions.** The Employer shall contribute to the Trust such amounts as specified in the Plan or by resolution.

7.2 **Accrued Leave.** Contributions up to an amount equal to the value of accrued sick leave, vacation leave, or other type of accrued leave, as permitted under the Plan. The Employer's Plan must provide a formula for determining the value of the Participant's contribution of accrued leave . The Employer's Plan must contain a forfeiture provision that will prevent Participants from receiving the accrued leave in cash in lieu of a contribution to the Trust.

7.3 **Accounts.** Employer contributions, including mandatory Participant contributions, and contributions of accrued leave, all investment income and realized and unrealized gains and losses, and forfeitures allocable thereto will be deposited into an Account in the name of the Participant for the exclusive benefit of the Participant, his Spouse and Dependents. The assets in each Participant's Account may be invested in Investment Funds as directed by the Participant (or, after the Participant's death, by the Spouse or Dependents) or the Employer, as required under the Plan, from among the Investment Funds selected by the Employer.

7.4 **Receipt of Contributions.** The Employer or, if so designated by the Employer, the Administrator or investment manager or another agent of the Employer, shall receive all contributions paid or delivered to it hereunder and shall hold, invest, reinvest and administer such contributions pursuant to this Declaration, without distinction between principal and income. The Trustee shall not be responsible for the calculation or collection of any contribution under the Plan, but shall hold title to property received in respect of the Plan in the Trustee's name as directed by the Employer or its designee pursuant to this Declaration.

7.5 No amount in any Account maintained under this Trust shall be subject to transfer, assignment, or alienation, whether voluntary or involuntary, in favor of any creditor, transferee, or assignee of the Employer, the Trustee, any Participant, his Spouse, or Dependent.

7.6 Upon the satisfaction of all liabilities under the Plan to provide such benefits, any amount of Employer contributions, plus accrued earnings thereon, remaining in such separate Accounts must, under the terms of the Plan, be returned to the Employer.

ARTICLE VIII

Other Plans

If the Employer hereafter adopts one or more other plans providing life, sickness, accident, medical, disability, severance, or other benefits and designates the Trust hereby created as part of such other plan, the Employer or, if so designated by the Employer, the Administrator or an investment manager or an-other agent of the Employer shall, subject to the terms of this Declaration, accept and hold hereunder contributions to such other plans. In that event (a) the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer, may commingle for investment purposes the contributions received under such other plan or plans with the contributions previously received by the Trust, but the books and records of the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer, shall at all times show the portion of the Trust Fund allocable to each plan; (b) the

term "Plan" as used herein shall be deemed to refer separately to each other plan; and (c) the term "Employer" as used herein shall be deemed to refer to the person or group of persons which have been designated by the terms of such other plans as having the authority to control and manage the operation and administration of such other plan.

ARTICLE IX

Disbursements and Expenses

9.1 The Employer or its designee shall make such payments from the Trust at such time to such persons and in such amounts as shall be authorized by the provisions of the Plan provided, however, that no payment shall be made, either during the existence of or upon the discontinuance of the Plan (subject to Section 7.6), which would cause any part of the Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants, their Spouses and Dependents pursuant to the provisions of the Plan.

9.2 All payments of benefits under the Plan shall be made exclusively from the assets of the Accounts of the Participants to whom or to whose Spouse or Dependents such payments are to be made, and no person shall be entitled to look to any other source for such payments.

9.3 The Employer, Trustee and Administrator may be reimbursed for expenses reasonably incurred by them in the administration of the Trust. All such expenses, including, without limitation, reasonable fees of accountants and legal counsel to the extent not otherwise reimbursed, shall constitute a charge against and shall be paid from the Trust upon the direction of the Employer.

ARTICLE X

Accounting

10.1 The Trustee shall not be required to keep accounts of the investments, receipts, disbursements, and other transactions of the Trust, except as necessary to perform its title-holding function hereunder. All accounts, books, and records relating thereto shall be maintained by the Employer or its designee.

10.2 As promptly as possible following the close of each year, the Trustee shall file with the Employer a written account setting forth assets titled to the Trust as reported to the Trustee by the Employer or its designee.

ARTICLE XI

Miscellaneous Provisions

11.1 Neither the Trustee nor any affiliate thereof shall be required to give any bond or to qualify before, be appointed by, or account to any court of law in the exercise of its powers hereunder.

11.2 No person transferring title or receiving a transfer of title from the Trustee shall be obligated to look to the propriety of the acts of the Trustee in connection therewith.

11.3 The Employer may engage the Trustee as its agent in the performance of any duties required of the Employer under the Plan, but such agency shall not be deemed to increase the responsibility or liability of the Trustee under this Declaration.

11.4 The Employer shall have the right at all reasonable times during the term of this Declaration and for three (3) years after the termination of this Declaration to examine, audit, inspect, review, extract information from, and copy all books, records, accounts, and other documents of the Trustee relating to this Declaration and the Trustees' performance hereunder.

ARTICLE XII

Amendment and Termination

12.1 The Employer reserves the right to alter, amend, or (subject to Section 9.1) terminate this Declaration at any time for any reason without the consent of the Trustee or any other person, provided that no amendment affecting the rights, duties, or responsibilities of the Trustee shall be adopted without the execution of the Trustee to the amendment. Any such amendment shall become effective as of the date provided in the amendment, if requiring the Trustee's execution, or on delivery of the amendment to the Trustee, if the Trustee's execution is not required.

12.2 Upon termination of this Declaration and upon the satisfaction of all liabilities under the Plan to provide such benefits, any amount of Employer contributions, plus accrued earnings thereon, remaining in such separate Accounts must, under the terms of the Plan, be returned to the Employer.

ARTICLE XIII

Successor Trustees

13.1 The Employer reserves the right to discharge the Trustee for any or no reason, at any time by giving ninety (90) days' advance written notice.

13.2 The Trustee reserves the right to resign at any time by giving ninety (90) days' advance written notice to the Employer.

13.3 In the event of discharge or resignation of the Trustee, the Employer may appoint a successor Trustee who shall succeed to all rights, duties, and responsibilities of the former Trustee under this Declaration, and the terminated Trustee shall be deemed discharged of all duties under this Declaration and responsibilities for the Trust.

ARTICLE XIV

Limited Effect of Plan and Trust

Neither the establishment of the Plan and the Trust or any modification thereof, the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustee, the Administrator, the Employer or any officer or employee thereof, except as may otherwise be expressly provided in the Plan or in this Declaration.

ARTICLE XV

Protective Clause

Neither the Administrator, the Employer, nor the Trustee shall be responsible for the validity of any contract of insurance or other arrangement maintained in connection with the Plan, or for the failure on the part of the insurer or provider to make payments provided by such contract, or for the action of any per-son which may delay payment or render a contract void or unenforceable in whole or in part.

IN WITNESS WHEREOF, the Employer and the Trustee have executed this Declaration by their respective duly authorized officers, as of the date first hereinabove mentioned.

EMPLOYER:

By: _____ Title: _____

TRUSTEE(S):

By: _____ Title: _____

By: _____ Title: _____

By: _____ Title: _____

YUBA CITY
2006 WELFARE BENEFITS PLAN

A. The City Council of the CITY OF YUBA CITY ("Employer") approved the implementation of a health reimbursement plan for the benefit to its employees on September 20, 2005. The plan became effective as of January 1, 2006 and was thereafter known as the YUBA CITY 2006 WELFARE BENEFITS PLAN (the "Plan").

B. The Employer desires to amend and restate the Plan in order to ensure that the plan document properly reflects the Employer's practices and to ensure that the plan document complies with applicable requirements of the Internal Revenue Code.

C. The Employer further desires to amend and restate the Plan to cease all contributions hereunder effective December 31, 2013 to comply with the prohibition on annual and lifetime limits added through Section 2711 of the Public Health Services Act, as required by the Patient Protection and Affordable Care Act of 2010.

D. Accordingly, the Employer hereby adopts the following amended and restated plan document for the YUBA CITY 2006 WELFARE BENEFIT PLAN, effective as of December 31, 2013.

ARTICLE I
TITLE AND PURPOSE

The Plan is intended as an uninsured health reimbursement arrangement to provide reimbursement of medical, hospitalization and dental expenses that exceed the deductible or co-payment limits of any insurance policies covering such costs or which are otherwise not covered by insurance. The Employer intends that the Plan qualify as an accident and health plan within the meaning of Section 106 of the Internal Revenue Code (the "Code") so that the Employer's contributions on behalf of participating Employees will be excludable from gross income for federal income tax purposes and Section 105 of the Code so that the benefits provided under the Plan are eligible for exclusion from the Participant's income.

ARTICLE II
DEFINITIONS

The following words and phrases as used herein shall have the following meanings, unless a different meaning is plainly required by the context. Pronouns shall be interpreted so that the masculine pronoun shall include the feminine and the singular shall include the plural, and the following rules of interpretation shall apply in reading this instrument:

2.1 Benefit Credits. "Benefit Credits" means that amount of Employer Allowance allocated to a Participant's reimbursement account under this Plan pursuant to Section 5.1 herein.

2.2 Benefits. "Benefits" means any amounts paid to a Participant in the Plan as reimbursement for Eligible Medical Expenses.

2.3 Code. "Code" means the Internal Revenue Code of 1986, and the same as may be amended from time to time.

2.4 Dependent. "Dependent" means an individual who is the Spouse or Dependent of a Participant, as defined in Section 152 of the Code and determined without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B), and any child of the Participant (as defined in Code Section 152(f)(1)) who as of the end of the Plan Year has not attained age 27 years.

2.5 Effective Date. "Effective Date" shall mean January 1, 2006, the date this Plan first became effective.

2.6 Eligible Medical Expenses. "Eligible Medical Expenses" means those health and medical expenses (as defined in Section 213(d) of the Code, as it may be amended from time to time) incurred by the Participant or his or her Spouse or Dependents, after the Participant's Retirement Date except as provided under Section 4.2 of this Plan. Such expenses shall include amounts paid for medical deductibles and premiums on accident or health insurance and amounts paid as premiums under Part B of Title XVIII of the Social Security Act, related to supplementary medical insurance for the aged) for the Participant and his or her Spouse and Dependent. Eligible Medical Expenses shall not include expenses for direct long-term care expenses or premiums for any qualified long-term care insurance contract (as defined in Code Section 7702B(b).

For purposes of this Plan, an expense is "incurred" when the Participant or beneficiary is furnished the medical care or services giving rise to the claimed expense.

2.7 Employee. "Employee" means an Employee of the Employer who has satisfied the conditions for eligibility to participate in the Plan and, to the extent necessary, a retired or terminated Employee who is entitled to benefits as of his or her Retirement Date.

2.8 Employer. "Employer" means the CITY OF YUBA CITY.

2.9 Employer Allowance. "Employer Allowance" means the amount of the Employer contribution made by the Employer on behalf of each Participant under the Plan. The amount of the Employer Allowance to be contributed each Plan Year shall be set pursuant to a resolution adopted by the City Council or a memorandum of understanding between the Employer and a bargaining unit.

Notwithstanding the foregoing, effective as of December 31, 2013, the Employer shall make no further contributions to the Plan. All Benefit Credits held under the trust account for the Plan will be available solely to provide benefits for Participants in the manner dictated by the provisions of the Plan.

2.10 Entry Date. "Entry Date" means, for all newly hired Employees, the first day of the month following the completion of forty-five (45) days of employment with the Employer. In all other cases, the "Entry Date" means the first day of the Plan Year.

2.11 Participant. "Participant" means any Employee who enrolls in the Plan pursuant to Article III. Participant shall also mean a Retired Employee who is eligible to receive Benefits under this Plan after his or her Retirement Date.

2.12 Plan. "Plan" means the YUBA CITY 2006 WELFARE BENEFITS PLAN, described herein.

2.13 Plan Administrator. "Plan Administrator" or "Administrator" means the Employer. The Human Resources Director shall be responsible for the administration of the Plan, including the delegation of various Plan responsibilities and duties.

2.14 Plan Year. "Plan Year" means each twelve-month period commencing each January 1 and ending on December 31.

2.15 Retirement Date. "Retirement Date" shall mean the date of Retired Employee's separation from service with the Employer.

2.16 Spouse. "Spouse" means the person to whom the Participant is legally married but shall include an individual legally separated from a Participant under a decree of legal separation. Notwithstanding, a Participant's registered domestic partner shall be entitled to and receive the same rights and coverage attributable to medical and health benefits offered under the Plan pursuant to the California Domestic Partner Rights and Responsibilities Act of 2003.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. Each Employee of the Employer who is a member of the one of the classifications or groups of Employees identified below is eligible to participate in the Plan.

(a) Effective as of January 1, 2010, members of the Yuba City Employees' Association who are eligible to participate in the Employer's Early Retirement Incentive Program.

(b) Effective as of January 1, 2010, members of the City of Yuba City First Level Managers' bargaining unit who are eligible to participate in the Employer's Early Retirement Incentive Program.

(c) Effective as of January 1, 2006, all members of the Yuba City Fire Management.

(d) Effective as of January 1, 2006, all members of the Yuba City Firefighters Local 3793.

Notwithstanding the foregoing, effective December 31, 2013, the Plan shall be closed to new Participants regardless of the Employee's date of hire or classification. Participants who enrolled in the Plan prior to January 1, 2014, shall continue to participate in the Plan for the purpose of spending down Benefits Credits that accrued prior to January 1, 2014 in accordance with the terms of this Plan.

3.2 Commencement of Participation. An Employee who has become eligible to participate in the Plan and satisfied the election requirements of Section 3.3 shall become a Participant on his or her Entry Date.

3.3 Irrevocable Election to Participate. As a condition of participation, an Employee must submit a completed one-time irrevocable election to the Employer. Until such time as the election is made, the Employee shall not participate in the Plan or receive an allocation of Benefit Credits.

3.4 Cessation of Participation. A Participant will cease to participate in the Plan upon the exhaustion of his or her Benefits Credits under the Plan.

ARTICLE IV
AVAILABLE BENEFITS

4.1 Provision of Benefits. Benefits under this Plan shall take the form of reimbursement by the Employer for Eligible Medical Expenses incurred by a Participant following his or her Retirement Date subject to the claims procedures of Article VI. Reimbursement shall not be made for any amount that does not qualify as an Eligible Medical Expense, and no Participant shall receive any reimbursement which exceeds the amount actually incurred for the expense. An active Employee participating in the Plan shall not be entitled to receive reimbursement for Eligible Medical Expenses unless he or she is eligible to receive an emergency distribution pursuant to Section 4.2.

4.2 Hardship Distributions. A Participant who is an active Employee of the Employer may request an emergency distribution of his or her Benefit Credits by submitting a written request to the Plan Administrator in accordance with the following provisions:

(a) Distribution. A Participant shall be eligible to receive an emergency distribution, in an amount to be determined by the Plan Administrator, upon experiencing a "medical emergency" as described in paragraph (b) below.

(b) Medical Emergency Defined. For purposes of this Section 4.2, a "medical emergency" shall mean an injury, health condition or illness of the Participant or the Participant's Spouse or Dependent that is acute and poses an immediate risk to such person's life or long term health.

(c) Amount Necessary to Satisfy Emergency Medical Need. The Plan Administrator shall review the request and determine whether a distribution is justified under this Section 4.2. If so determined, the distribution shall be limited to an amount reasonably necessary to satisfy those medical expenses incurred by the Participant, or the Participant's Spouse or Dependent, as a direct result of the medical emergency, including expenses incurred for non-refundable deductibles, prescription drug medication, emergency transportation, hospitalization and other medical services which are not covered by any insurance plan in which the Participant, the Participant's Spouse or Dependents are enrolled.

(d) Distribution Standard. Whether circumstances constitute a medical emergency depends on the facts of each case, but, in any case, payment may not be made to the extent that such emergency medical expenses are or may be relieved through reimbursement or compensation by insurance.

4.3 Claims for Benefits. No benefit shall be paid under the Plan unless a Participant has first submitted a written claim for Benefits to the Plan Administrator on a form specified by the Plan Administrator.

4.4 Substantiation. Benefit Credits are intended for purpose of reimbursing a Participant for Eligible Medical Expenses actually paid by the Participant and shall only be reimbursed upon the City receiving satisfactory substantiation of the Participant's payment of Eligible Medical Expenses.

ARTICLE V
CONTRIBUTIONS AND FUNDING

5.1 Funding. The Benefits provided herein shall be paid by the Employer; provided, however, that the Employer's payments from the Plan shall be limited to such amounts contributed by the Employer as an Employer Allowance, as follows:

(a) Yuba City Employees' Association and Yuba City First Level Managers'. The maximum Employer Allowance to be contributed each year on behalf of each Participant who satisfies the eligibility requirements of Section 3.1(a) or (b) shall be an amount equal to 100% of such Participant's incentive under the Employer's Early Retirement Incentive Program at $500 per full year of service not to exceed $18,000.

(b) Yuba City Fire Management. The maximum Employer Allowance to be contributed on behalf of each Participant who satisfies the eligibility requirements of Section 3.1(c) shall be an amount equal to 100% of such Participant's eligible and accrued sick leave balance as outlined in the Yuba City Rules and Regulations based upon length of service. An additional Employer Allowance shall be contributed at the time of the Participant's severance from employment with the Employer, in a maximum amount of 50% of such Participant's accrued vacation time, administrative leave time and/or comp time.

Notwithstanding the foregoing, a Participant who satisfies the eligibility requirements of Section 3.1(c) shall also be required to fund the Plan with mandatory contributions equal to two (2) percent of their compensation. These contributions shall be mandatory such that the Participant shall not be permitted to elect to receive the contribution as salary or benefits in lieu of making the mandatory contribution. As such, these mandatory contributions shall be treated as employer contributions and included in the Employer Allowance.

(c) Yuba City Firefighters Local 3793. The maximum Employer Allowance to be contributed on behalf of each Participant who satisfies the eligibility requirements of Section 3.1(d) shall be an amount equal to 100% of such Participant's eligible and accrued sick leave balance as outlined in the Yuba City Rules and Regulations based upon length of service. An additional Employer Allowance shall be contributed at the time of the Participant's severance from employment with the Employer, in a maximum amount of 100% of such Participant's accrued vacation time, administrative leave time and/or comp time.

Notwithstanding the foregoing, a Participant who satisfies the eligibility requirements of Section 3.1(d) shall also be required to fund the Plan with mandatory contributions equal to three (3) percent of their compensation. These contributions shall be mandatory such that the Participant shall not be permitted to elect to receive the contribution as salary or benefits in lieu of making the mandatory contribution. As such, these mandatory contributions shall be treated as employer contributions and included in the Employer Allowance.

(d) Effective as of December 31, 2013, the Employer shall make no further contributions to the Plan. However, all Benefit Credits under in the Plan shall remain in trust for purposes of providing benefits for Participants in the manner dictated by the provisions of the Plan.

5.2 Participant Accounts. No money shall actually be allocated to any account(s) on behalf of Participants but Employer Allowances contributed pursuant to Section 5.1 shall be credited to a separate ledger account in the Participant's name. Such amounts or Benefit Credits credited to a Participant's account for any Plan Year shall be used only toward the payment of or reimbursement for Participant's Eligible Medical Expenses, and only if the Participant applies for reimbursement.

5.3 Amount of Reimbursement. A Participant shall be entitled to benefits under this Plan in an amount that does not exceed his Benefit Credits. Each payment hereunder shall be a charge to the Participant's Benefit Credits. No Participants shall be permitted to maintain a negative account balance.

5.4 Carryover of Unused Benefits. In the event that, at the end of the Plan Year, a Participant's account contains Benefit Credits which are unused during a Plan Year, any such remaining amount shall be carried over to the subsequent Plan Year.

5.5 Nondiscriminatory Benefits. The Plan is intended not to discriminate in favor of "highly compensated individuals" (as defined under Section 105(h) of the Code) as to eligibility to participate, contributions and benefits, and to comply in this respect with the requirements of the Code. If, in the judgment of the Plan Administrator, the operation of the Plan in any Plan Year would result in such discrimination, then the Plan Administrator shall select and exclude from coverage under the Plan such highly compensated individuals who are Participants, and/or reduce contributions under the Plan made on behalf of highly compensated individuals who are Participants, to the extent necessary to assure that, in the judgment of the Plan Administrator, the Plan does not discriminate.

ARTICLE VI
PAYMENT OF BENEFITS

6.1 Claims for Benefits. No benefit shall be paid under the Plan unless a Participant has first submitted a written claim for Benefits to the Plan Administrator pursuant to the procedures set out in Section 6.2.

6.2 Reimbursement of Eligible Medical Expenses. Each Participant who desires to receive reimbursement under the Plan for Eligible Medical Expenses shall submit to the Plan Administrator, within the time period specified in Section 6.3, on a form provided by the Plan Administrator, or responses to other supplementary factual requests, containing the following information:

(a) the name of the person or persons on whose behalf Eligible Medical Expenses have been incurred;

(b) the nature of the expenses so incurred;

(c) the date of the expenses so incurred;

(d) the amount of the requested reimbursement; and

(e) that such expenses have not otherwise been paid through insurance or reimbursed from any other source.

The form shall be accompanied by substantiation for the expense. As soon as is administratively feasible following the end of each month, the Plan Administrator or his or her designated claims administration representative shall review all the forms submitted by Participants during that month in accordance with the foregoing procedures and shall pay each Participant the Benefits which he or she is entitled to receive under the Plan, in accordance with the Plan.

6.3 Time Limit. No expense shall be reimbursed for any Plan Year unless the Participant submits a claim for such reimbursement within ninety (90) days after the end of such Plan Year.

6.4 Source of Benefit Payments. The sole source for payment of Benefits under this Plan shall be the accounts established for each Participant pursuant to Section 5.2. The Plan Administrator shall pay to each Participant the Benefits which he or she is entitled to receive under this Plan, and his or her account shall be debited accordingly. A Participant shall not be entitled to receive reimbursement for any Eligible Medical Expenses, or any portion thereof, which exceeds the Participant's available Benefit Credits.

ARTICLE VII
ADMINISTRATION

7.1 Administrator. The Employer shall be the Plan Administrator of the Plan.

7.2 Fiduciary. The Employer shall be the fiduciary responsible for administration of the Plan. The Employer may, however, delegate any of its powers or duties under the Plan in writing to any person or entity. The delegate shall become the fiduciary for only that part of the administration which has been delegated by the Employer and any references to the Employer shall instead apply to the delegate. However, if the Employer assigns any of the Employer's responsibility to an employee of Employer, it will not be considered a delegation of Employer responsibility but rather how the Employer internally is assigning responsibility.

7.3 Rules of Administration. The Employer may adopt such rules for administration of the Plan as it considers desirable, provided they do not conflict with the Plan, and may construe the Plan, correct defects, supply omissions and reconcile inconsistencies to the extent necessary to effectuate the Plan, and such action shall be conclusive. Records of administration of the Plan shall be kept, and Participants and their beneficiaries may examine records pertaining directly to themselves.

7.4 Services to the Plan. The Employer may contract for legal, actuarial, investment advisory, medical accounting, clerical, claims administration and other services to carry out the Plan. The costs of such services and other administrative expenses shall be paid by the Employer.

7.5 Funding Policy. The Employer may periodically, at its discretion, review and determine the funding policy of the Plan, with the advice of such experts as the Employer deems appropriate.

7.6 Claims Review Procedure.

(a) To receive benefits under the Plan, a Participant must submit a written claim for benefits to the Plan Administrator in accordance with Section 6.2. The Plan

Administrator will review the claim and will advise the Participant of any Benefit to which he or she is entitled. If a Participant believes he or she has not been reimbursed in accordance with the Plan or has not been advised of his or her Benefits, he or she may submit a written request to the Plan Administrator to provide either an explanation of how Benefits are reimbursed or further information of his or her Benefits. The Plan Administrator must respond to such a request within a reasonable time. Additionally, the Plan Administrator will provide to every claimant, who is denied a claim for Benefits, a written notice stating in a format determined to be understood by the claimant:

(1) the specific reason or reasons for the denial;

(2) specific reference to pertinent plan provisions on which the denial is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim; and

(4) an explanation of the claim review procedure set forth in Paragraph (b) below.

(b) Within sixty (60) days of receipt by a claimant of a notice denying a claim under Paragraph (a), the claimant or his or her duly authorized representative may request in writing a full and fair review of the claim by the Plan Administrator or by the Administrator which may be appointed by the Employer for that purpose. The Plan Administrator may extend the sixty (60) day period where the nature of the benefit involved or other attendant circumstances make such extension appropriate. In connection with such review, the claimant or his or her duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Plan Administrator or Administrator shall make a decision promptly, and not later than 60 days after the Plan Administrator's receipt of a request for review, unless special circumstances (such as the need to hold a hearing, if the Administrator deems one necessary) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based. If the decision on review is not made within such period, the claim will be considered denied.

7.7 Nondiscriminatory Operation. All rules, decisions and designations by the Employer and each administrative committee under the Plan shall be made in a nondiscriminatory manner, and persons similarly situated shall be treated alike.

7.8 Liability of Administrative Personnel. Neither the Employer, nor any of its employees, nor any provider of services under Section 7.4 herein, shall be liable for any loss due to an error or omission in administration of the Plan unless the loss is due to the gross negligence or willful misconduct of the party to be charged or is due to the failure of the party to be charged to exercise a fiduciary responsibility, if one is owed, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

7.9 Annual Statement. The Plan Administrator shall furnish each Participant with an annual statement of his or her available Benefit Credits after the end of each Plan Year.

7.10 Use of Electronic Medium for Participant Notices.

(a) Definition of Electronic Medium. "Electronic Medium" means an electronic method of communication between the Plan Administrator (or its designated representative) and Employee thereby allowing each party to send and receive notices, elections and claims through the same medium. The only form of electronic communication permitted by the Plan shall be via electronic mail on the Employer's network or intranet, through an interactive website, or to a private e-mail address supplied to the Employer by the Employee for communication purposes. The electronic medium must be designed so that the information provided is no less understandable to the receiving party than a written paper document. The electronic medium shall be designed to alert the Employee, at the time a notice is provided, to the significance of the information in the notice (including identification of the subject matter of the notice), and provide any instructions needed to access the notice, in a manner than is readily understandable. The electronic medium shall be designed to preclude any person, other than the appropriate individual, from making a Participant election or claim, or accessing individual participant account information.

(b) Disclosure and Consent Requirements.

(1) Disclosure Statement. Prior to electronically transmitting any consent or notice to the Employee, the Plan Administrator shall provide a statement which contains the following: (i) informs the Employee of the right to receive a paper document of the notice or other Plan-related material either prior to or after giving consent to electronic transmission; (ii) informs the Employee of the right to withdraw his or her consent at any time and the procedures for withdrawal, including any conditions or consequences arising from such withdrawal; (iii) describes the scope and duration of the consent as it related to various plan transactions; (iv) describes the procedures for updating Employee contact information; and (v) describes the hardware or software requirements needed to access and retain the notice.

(2) Consent. The Plan Administrator shall be exempt from the consent requirements of Section 101(c) of the Electronic Signatures in Global and National Commerce Act (E-SIGN) provided the Electronic Medium used to provide notices and Plan-related material is a medium that the Employee has the effective ability to access and the Employee is advised, each time a notice is transmitted, that he or she can request to receive the notice in paper form at no charge. The form of Electronic Medium utilized by this Plan shall be through an interactive website requiring the Employee to register an e-mail address for communication purposes.

(3) Changes in Hardware or Software Requirements. In the event of any changes in the hardware or software requirements needed to access the Electronic Medium, the Plan Administrator, or its designated representative, shall provide a statement to each Employee of the revised requirements and the right to withdraw consent to receive electronic delivery of Plan-related materials without consequence.

(c) Participant Claims. The Plan Administrator, or its designated representative, shall be permitted to electronically distribute participant claims by Electronic Medium. Each Employee who is provided with participation or claims information via Electronic Medium will also be informed by the Plan Administrator that he or she may receive a paper copy of the relevant documents upon request. A participant election will not be treated as

being made available to an individual if such individual cannot effectively access the Electronic Medium for purposes of making the claim or election. A claim completed by an Employee via Electronic Medium shall be deemed as being provided in written form so long as the following requirements are satisfied:

(1) The Employee has a reasonable opportunity to review, confirm, modify or rescind the terms of the claim before the claim is submitted; and

(2) The Employee receives, within a reasonable time, a confirmation of the claim either through written paper form or by electronic mail (e-mail).

(d) Timing and Content of Elections and Notices. The provisions of this Section 7.10 shall in no way affect or alter the timing or content requirements applicable to each individual notice or document.

ARTICLE VIII
MISCELLANEOUS

8.1 Amendment and Termination. The Employer may amend or terminate this Plan at any time by action of the Employer. The Employer may amend or modify this Plan retroactively to enable the Plan to provide non-taxable medical expense reimbursement benefits under Section 105 of the Code. No amendment shall deprive any Participant of any benefit to which he or she is entitled under this Plan with respect to contributions previously made, and no amendment shall provide for the use of funds or assets other than for the benefit of Participants, except as may be specifically authorized by statute or regulation.

8.2 Effect of Plan on Employment. The Plan shall not be deemed to constitute a contract of employment between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge will have upon him as a Participant of this Plan.

8.3 Alienation of Benefits. No benefit under this Plan may be voluntarily or involuntarily assigned or alienated.

8.4 Death of Participant. Upon the death of a Participant, the surviving Spouse and/or surviving Dependent of the deceased Participant shall be eligible to spend down the remaining Benefit Credits allocated to Participant's account in accordance with the terms of this Plan. Any amounts remaining upon the death of the surviving Spouse and/or surviving Dependent shall be forfeited.

8.5 Facility of Payment. If the Employer deems any person incapable of receiving Benefits to which he or she is entitled by reason of minority, illness, infirmity, or other incapacity, it may direct that payment be made directly for the benefit of such person or to any person selected by the Employer to disburse it, whose receipt shall be a complete acquittance therefor. Such payments shall, to the extent thereof, discharge all liability of the Employer.

8.6 Proof of Claim. As a condition of receiving Benefits under the Plan, any person shall be required to submit whatever proof the Employer may require (either directly to the Employer or to any person delegated by it).

8.7 Status of Benefits. The Employer believes that this Plan is written in accordance with Sections 105 and 106 of the Code and that it provides certain benefits to Employees which are free from Federal income tax under the Code. This Plan has not been submitted to the Internal Revenue Service for approval and thus there can be and is no assurance that intended tax benefits will be available. Any Participant, by accepting a benefit under this Plan, agrees to be liable for any tax plus interest that may be imposed with respect to those Benefits.

8.8 Applicable Law. The Plan shall be construed and enforced according to the laws of the State of California to the extent not pre-empted by any federal law.

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

8.10 Heirs and Assigns. This Plan shall be binding upon the heirs, executors, administrators, successors and assigns of all parties, including each Participant and beneficiary.

8.11 Headings and Captions. The headings and captions set forth in the Plan are provided for convenience only, shall not be considered part of the Plan, and shall not be employed in construction of the Plan.

8.12 Gender and Form. Unless the context clearly indicates otherwise, pronouns shall be interpreted so that the masculine pronoun shall include the feminine, and the singular shall include the plural.

8.13 Source of Payments. The Employer shall be the sole source of Benefits under the Plan. No Employee or beneficiary shall have any right to, or interest in, any assets of the Employer except as provided from time to time under the Plan, and then only to the extent of the Benefits which are payable under the Plan to such Employee or beneficiary.

[*Signatures Follow on Next Page*]

IN WITNESS WHEREOF, the Employer has caused this restated plan to be executed on _____, 2014.

EMPLOYER:

CITY OF YUBA CITY

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: _____
Attorneys for Employer

AMENDMENT
TO
CITY OF YUBA CITY 2006 VANTAGECARE
RETIREMENT HEALTH SAVINGS PLAN ADOPTION
AGREEMENT

RECITALS

A. The City of Yuba City 2006 VantageCare Retirement Health Savings Plan was established by the City of Yuba City ("City") effective January 1, 2006 ("2006 RHS Plan") for the benefit of certain employees.

B. The 2006 RHS Plan included the City of Yuba City VantageCare Retirement Health Savings Plan Adoption Agreement ("Adoption Agreement").

C. The Yuba City 2006 Welfare Benefits Plan ("Plan"), also a component of the 2006 RHS Plan, will be amended and restated concurrently with the adoption of this amendment for the purpose of making the necessary modifications to exempt the 2006 RHS Plan from the prohibition on annual and lifetime limits added through Section 2711 of the Public Health Services Act, as required by the Patient Protection and Affordable Care Act of 2010, which became effective on January 1, 2014.

D. The City further wishes to amend the Adoption Agreement to conform the terms of the Adoption Agreement to the changes that will be made to the Plan. This Amendment shall be effective as of January 1, 2014.

AMENDMENT

NOW, THEREFORE, effective January 1, 2014, the City hereby amends the City of Yuba City VantageCare Retirement Health Savings Plan Adoption Agreement as follows:

1. Section V, Paragraph A of the Adoption Agreement is hereby revised to specify that only the group or groups of employees identified in the amended and restated Yuba City 2006 Welfare Benefit Plan are eligible to participate in the 2006 RHS Plan and that effective December 31, 2013, the 2006 RHS Plan shall be closed to new participants. All other terms of Section V, Paragraph A shall remain intact.

2. Section VI of the Adoption Agreement is hereby deleted in its entirety and replaced with the following:

"Section VI Contribution Sources and Amounts

Contributions to the City of Yuba City VantageCare Retirement Health Savings Plan shall cease effective December 31, 2013. All contribution amounts or allocations shall thereafter be set to zero."

IN WITNESS WHEREOF, the City has caused this amendment to be executed on June 17, 2014.

CITY:

CITY OF YUBA CITY

_____

Steven C. Kroeger, City Manager

ICMARC
Building Retirement Security

YUBA CITY 2014

NAME OF EMPLOYER

RETIREE WELFARE BENEFITS PLAN

ICMARC
Building Retirement Security

RETIREE WELFARE BENEFITS PLAN

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Name of Employer

RETIREE WELFARE BENEFITS PLAN

ARTICLE I

Preamble

THIS INSTRUMENT made and published by the CITY OF YUBA CITY (hereinafter called "Employer") on the _____ day of June, 20 14, creates the Yuba City 2014 Retiree Welfare Benefits Plan, as follows:

1.01 Establishment of Plan

The Employer named above hereby establishes a Retiree Welfare Benefits Plan as of the 1st day of January, 20 14.

1.02 Purpose of Plan

This Plan has been established to reimburse the eligible Retirees of the Employer for medical and dental expenses incurred by them, their Spouses and Dependents pursuant to the Employer's VantageCare Retirement Health Savings (RHS) Plan.

ARTICLE II

Definitions

The following words and phrases as used herein shall have the following meanings, unless a different meaning is plainly required by the context:

2.01 "Benefits" means any amounts paid to a Participant, Spouse or Dependents in the Plan as reimbursement for Eligible Medical and Dental Expenses incurred by the Participant during a Plan Year by him, his Spouse or his Dependents.

2.02 "Code" means the Internal Revenue Code of 1986, as amended.

2.03 "Dependent" means any individual who is a dependent of the Participant within the meaning of Code Sec. 152, as amplified by Internal Revenue Service Notice 2004-79, 2004-49 I.R.B.898.

2.04 "Eligible Medical Expenses" means those expenses designated by the Employer as eligible for reimbursement in the VantageCare Retirement Health Savings Plan Adoption Agreement.

2.05 "Employer" means the unit of state or local government creating this Plan, or any affiliate or successor thereof that likewise adopts this Plan.

2.06 "Entry Date" means the first day the Participant meets the eligibility requirements of Article III as of such Date.

2.07 "Participant" means any Retiree who has met the eligibility requirements set forth in Article III.

2.08 "Plan Administrator" means the Employer or other person appointed by the Employer who has the authority and responsibility to manage and direct the operation and administration of the Plan.

2.09 "Plan Year" means the annual accounting period of the Plan, which begins on the 1st day of January, 20 14, and ends on the 31st day of December, 20 14, with respect to the first Plan Year, and thereafter as long as this Plan remains in effect, the period that begins on January 1, and ends on month/day December 31.

2.10 "Retiree" means any individual who, while in the service of the Employer, was considered to be in a legal employer-employee relationship with the Employer for federal withholding tax purposes, and who was part of the classification of employees designated as covered by the Employer's VantageCare Retirement Health Savings Plan.

2.11 "Spouse" means the Participant's lawful spouse as determined under the laws of the jurisdiction in which the Participant was married. All other defined terms in this Plan shall have the meanings specified in the various Articles of the Plan in which they appear.

ARTICLE III

Eligibility

Each Retiree who meets the eligibility requirements outlined in the Employer's VantageCare Retirement Health Savings Plan shall be eligible to participate in this Plan.

ARTICLE IV

Amount of Benefits

4.01 Annual Benefits Provided by the Plan

Each Participant shall be entitled to reimbursement for his documented, Eligible Medical Expenses incurred during the Plan Year in an annual amount not to exceed the account balance of the Participant in the Employer's VantageCare Retirement Health Savings Plan.

4.02 Cost of Coverage

The expense of providing the benefits set out in Section 4.01 shall be contributed as outlined in the Employer's VantageCare Retirement Health Savings Plan.

ARTICLE V

Payment of Benefits

5.01 Eligibility for Benefits

a) Each Participant in the Plan shall be entitled to a benefit hereunder for all Eligible Medical Expenses incurred by the Participant on or after the Entry Date of his or her participation (and after the effective date of the Plan), subject to the limitations contained in this Article V, regardless whether the mental or physical condition for which the Participant makes application for benefits under this Plan was detected, diagnosed, or treated before the Participant became covered by the Plan.

b) In order to be eligible for benefits, the Participant must separate from service or separate from service and meet the benefit eligibility criteria outlined in the Employer's VantageCare Retirement Health Savings Plan Adoption Agreement.

c) A Participant who becomes totally and permanently disabled (as defined by the Social Security Administration, by the Employer's primary retirement plan, or otherwise by the Employer) will become immediately eligible to receive medical benefit payments from the Plan. Pursuant to Section 9.02 and Employer's VantageCare Retirement Health Savings Plan Adoption Agreement, the surviving Spouse and Dependents shall become immediately eligible to receive or to continue receiving medical benefit payments from the Plan upon the death of the Participant.

5.02 Claims for Benefits

No benefit shall be paid hereunder unless a Participant, his Spouse or Dependent has first submitted a written claim for benefits to the Plan Administrator on a form specified by the Plan Administrator, and pursuant to the procedures set out in Article VI, below. Upon receipt of a properly documented claim, the Plan Administrator shall pay the Participant, his Spouse or Dependent the benefits provided under this Plan as soon as is administratively feasible.

ARTICLE VI

Plan Administration

6.01 Allocation of Authority

The Employer shall control and manage the operation and Administration of the Plan. The Employer shall have the exclusive right to interpret the Plan and to decide all matters arising thereunder, including the right to remedy possible ambiguities, inconsistencies, or omissions. All determinations of the Employer with respect to any matter hereunder shall be conclusive and binding on all persons.

Without limiting the generality of the foregoing, the Employer shall have the following powers and duties:

a) To decide on questions concerning the Plan and the eligibility of any Employee to participate in the Plan, in accordance with the provisions of the Plan;

b) To determine the amount of benefits that shall be payable to any person in accordance with the provisions of the Plan; to inform the Plan Administrator, as appropriate, of the amount of such Benefits; and to provide a full and fair review to any Participant whose claim for benefits has been denied in whole or in part; and

c) To designate other persons to carry out any duty or power which would otherwise be a fiduciary responsibility of the Plan Administrator, under the terms of the Plan.

d) To require any person to furnish such reasonable information as it may request for the purpose of the proper administration of the Plan as a condition to receiving any benefits under the Plan;

e) To make and enforce such rules and regulations and prescribe the use of such forms as he shall deem necessary for the efficient administration of the Plan.

6.02 Provision for Third-Party Plan Service Providers

The Plan Administrator, subject to approval of the Employer, may employ the services of such persons as it may deem necessary or desirable in connection with operation of the Plan. The Plan Administrator, the Employer (and any person to whom it may delegate any duty or power in connection with the administration of the Plan), and all persons connected therewith may rely upon all tables, valuations, certificates, reports and opinions furnished by any duly appointed actuary, accountant, (including Employees who are actuaries or accountants), consultant, third party administration service provider, legal counsel, or other specialist, and they shall be fully protected in respect to any action taken or permitted in good faith in reliance thereon. All actions so taken or permitted shall be conclusive and binding as to all persons.

6.03 Several Fiduciary Liability

To the extent permitted by law, neither the Plan Administrator nor any other person shall incur any liability for any acts or for failure to act except for his own willful misconduct or willful breach of this Plan.

6.04 Compensation of Plan Administrator

Unless otherwise agreed to by the Employer, the Plan Administrator shall serve without compensation for services rendered in such capacity, but all reasonable expenses incurred in the performance of his duties shall be paid by the Employer.

6.05 Bonding

Unless otherwise determined by the Employer, or unless required by any Federal or State law, the Plan Administrator shall not be required to give any bond or other security in any jurisdiction in connection with the administration of this Plan.

6.06 Payment of Administrative Expenses

All reasonable expenses incurred in administering the Plan, including but not limited to administrative fees and expenses owing to any third party administrative service provider, actuary, consultant, accountant, attorney, specialist, or other person or organization that may be employed by the Plan Administrator in connection with the administration thereof, shall be paid by the Employer, provided, however that each Participant shall bear the monthly cost (if any) charged by a third party administrator for maintenance of his Benefit Account unless otherwise paid by the Employer.

6.07 Timeliness of Payment for Benefits

Payment for Benefits shall be made as soon as administratively feasible after the required forms and documentation have been received by the Plan Administrator.

6.08 Annual Statements

The Plan Administrator shall furnish each Participant with an annual statement of his medical expense reimbursement account within ninety (90) days after the close of each Plan Year.

ARTICLE VII

Claims Procedure

7.01 Procedure if Benefits are Denied Under the Plan

Any Participant, Spouse, Dependent, or his duly authorized representative may file a claim for a plan benefit to which the claimant believes that he is entitled. Such a claim must be in writing on a form provided by the Plan Administrator and delivered to the Plan Administrator, in person or by mail, postage paid. Within thirty (30) days after receipt of such claim, the Plan Administrator shall send to the claimant, by mail, postage prepaid, notice of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed forty-five (45) days from the end of the initial period. If such extension is necessary, the claimant will be given a written notice to this effect prior to the expiration of the initial 30-day period. If such extension is necessary due to a failure of the Participant, Spouse or Dependent to submit the information necessary to decide the claim, the notice of extension shall describe the required information and the claimant shall be afforded at least forty-five (45) days from receipt of the notice within which to provide such information. The Plan Administrator shall have full discretion to deny or grant a claim in whole or in part. If notice of the denial of a claim is not furnished in accordance with this Section, the claim shall be deemed denied and the claimant shall be permitted to exercise his right to review pursuant to Sections 7.03 and 7.04.

7.02 Requirement for Written Notice of Claim Denial

The Plan Administrator shall provide, to every claimant who is denied a claim for benefits, written notice setting forth in a manner calculated to be understood by the claimant:

a) The specific reason or reasons for the denial;

b) Specific reference to pertinent Plan provisions on which the denial is based;

c) A description of any additional material of information necessary for the claimant to perfect the claim and an explanation of why such material is necessary, and

d) An explanation of the Plan's claim review procedure.

7.03 Right to Request Hearing on Benefit Denial

Within one-hundred eighty (180) days after the receipt by the claimant of written notification of the denial (in whole or in part) of his claim, the claimant or his duly authorized representative, upon written application to the Plan Administrator, in person or by certified mail, postage prepaid, may request a review of such denial, may review pertinent documents, and may submit issues and comments in writing.

7.04 Disposition of Disputed Claims

Upon its receipt of notice of a request for review, the Plan Administrator shall make a prompt decision on the review. The decision on review shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent plan provisions on which the decision is based. The decision on review shall be made not later than sixty (60) days after the Plan Administrator's receipt of a request for a review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered not later than one hundred-twenty (120) days after receipt of a request for review. If an extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial sixty (60) day period. If notice of the decision on the review is not furnished in accordance with this Section, the claim shall be deemed denied and the claimant shall be permitted to exercise his right to legal remedy pursuant to Section 7.05.

7.05 Preservation of Other Remedies

After exhaustion of the claims procedures provided under this Plan, nothing shall prevent any person from pursuing any other legal or equitable remedy otherwise available.

ARTICLE VIII

Amendment or Termination of Plan

8.01 Permanency

While the Employer fully expects that this Plan will continue indefinitely, due to unforeseen, future business contingencies, permanency of the Plan will be subject to the Employer's right to amend or terminate the Plan, as provided in Sections 8.02 and 8.03, below.

8.02 Employer's Right to Amend

The Employer reserves the right to amend the Plan at any time and from time-to-time, and retroactively if deemed necessary or appropriate to meet the requirements of the Code, or any similar provisions of subsequent revenue or other laws, or the rules and regulations in effect under any of such laws or to conform with governmental regulations or other policies, to modify or amend in whole or in part any or all of the provisions of the Plan.

8.03 Employer's Right to Terminate

The Employer reserves the right to discontinue or terminate the Plan at any time without prejudice.

ARTICLE IX

General Provisions

9.01 No Employment Rights Conferred

Neither this Plan nor any action taken with respect to it shall confer upon any person the right to be continued in the employment of the Employer.

9.02 Payments After Death of Participant

Any benefits otherwise payable to a Participant following the date of death of such Participant shall be paid as outlined in the Employer's VantageCare Retirement Health Savings Plan Adoption Agreement.

9.03 Nonalienation of Benefits

No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void. No benefit under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person. If any person entitled to benefits under the Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, or if any attempt is made to subject any such benefit to the debts, contracts, liabilities, engagements or torts of the person entitled to any such benefit, except as specifically provided in the Plan, then such benefit shall cease and terminate in the discretion of the Plan Administrator, and he may hold or apply the same or any part thereof to the benefit of any dependent of such person, in such manner and proportion as he may deem proper.

9.04 Mental or Physical Incompetency

If the Plan Administrator determines that any person entitled to payments under the Plan is incompetent by reason of physical or mental disability, he may cause all payments thereafter becoming due to such person to be made to any other person for his benefit, without responsibility to follow the application of amounts so paid. Payments made pursuant to this Section shall completely discharge the Plan Administrator and the Employer.

9.05 Inability to Locate Payee

If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because he cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts

have been made to identify or locate such person (including a notice of the payment so due mailed to the last known address of such Participant or other person as shown on the records of the Employer), such payment and all subsequent payments otherwise due to such Participant or other person shall be escheated under the laws of the State of the last known address of the Participant or other persons eligible for benefits.

9.06 Requirement of Proper Forms

All communications in connection with the Plan made by a Participant shall become effective only when duly executed on forms provided by and filed with the Plan Administrator.

9.07 Source of Payments

The Employer shall be the sole source of benefits under the Plan. No Employee, Spouse or Dependents shall have any right to, or interest in, any assets of the Employer upon termination of employment or otherwise, except as provided from time to time under the Plan, and then only to the extent of the benefits payable under the Plan to such Employee, Spouse or Dependents.

9.08 Tax Effects

Neither the Employer nor the Plan Administrator makes any warranty or other representation as to whether any payments received by a Participant, his Spouse or Dependents hereunder will be treated as includible in gross income for federal or state income tax purposes.

9.09 Multiple Functions

Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

9.10 Gender and Number

Masculine pronouns include the feminine as well as the neuter gender, and the singular shall include the plural, unless indicated otherwise by the context.

9.11 Headings

The Article and Section headings contained herein are for convenience of reference only, and shall not be construed as defining or limiting the matter contained thereunder.

9.12 Applicable Laws

The provisions of the Plan shall be construed, administered and enforced according to the laws of the State of _____.

9.13 Severability

Should any part of this Plan subsequently be invalidated by a court of competent jurisdiction, the remainder thereof shall be given effect to the maximum extent possible.

IN WITNESS WHEREOF, we have executed this Plan Agreement the date and year first written above.

EMPLOYER

By: _____ Title: _____

Signature of Authorized Official

ATTEST (if applicable)

By: _____ Title: _____

Signature of Attestor

EMPLOYER VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN ADOPTION AGREEMENT

EMPLOYER VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN ADOPTION AGREEMENT

Plan Number: 803499

Select as applicable: ☐ Standalone RHS ☐ Integrated RHS ☐ Amendment to Existing Plan X ☒ New Plan (see NOTE below)

NOTE: (For existing employers only): **Check here** ☐ if you want ICMA-RC to use existing plan contact information for this new plan setup. Otherwise, if contact information has changed, please complete and return the Implementation Data Form found on pg. II:31 along with the adoption materials.

Employer Retirement Health Savings Plan Name: Yuba City 2014 RHS Plan

I. Employer Name: **City of Yuba City** State: California

II. The Employer hereby attests that it is a unit of a state or local government or an agency or instrumentality of one or more units of a state or local government.

III. Effective Date of the Plan: **January 1, 2014**

IV. The Employer intends to utilize the Trust to fund only welfare benefits pursuant to the following welfare benefit plan(s) established by the Employer: **Yuba City 2014 Retiree Welfare Benefits Plan**

V. Eligible Groups, Participation and Participant Eligibility Requirements

A. Eligible Groups

The following group or groups of Employees are eligible to participate in the VantageCare Retirement Health Savings Plan (check all applicable

☐ boxes): All Employees

☐ All Full-Time Employees

☐ Non-Union Employees

☐ Public Safety Employees – Police

☐ Public Safety Employees –

☐ Firefighters General Employees

☒ X Collectively-Bargained Employees (Specify unit(s)) Yuba City Fire Management; Yuba City Firefighters Local Local 3793.

☒ X Other (specify group(s)) Department heads hired prior to July 1, 2006

The Employee group(s) specified must correspond to a group(s) of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other documents or provisions in effect in the state or locality of the Employer.

B. Participation

Mandatory Participation: All Employees in the covered group(s) are required to participate in the Plan and shall receive contributions pursuant to Section VI.

If the Employer's underlying welfare benefit plan or funding under this VantageCare Retirement Health Savings Plan is in whole or part a non-collectively bargained, self-insured plan, the nondiscrimination requirements of Internal Revenue Code (IRC) Section 105(h) will apply. These rules may impose taxation on the benefits received by highly compensated individuals if the Plan discriminates in favor of highly compensated individuals in terms of eligibility or benefits. The Employer should discuss these rules with appropriate counsel.

C. Participant Eligibility Requirements

1. Minimum service: The minimum period of service required for participation is N/A (write N/A if no minimum service is required).

2. Minimum age: The minimum age required for eligibility to participate is N/A (write N/A if no minimum age is required).

VI. Contribution Sources and Amounts

A. Definition of Earnings

The definition of Earnings will apply to all RHS Contribution Features that reference "Earnings", including Direct Employer Contributions (Section VI.B.1.) and Mandatory Employee Compensation Contributions (Section VI.B.2.).

Definition of earnings: is "Base Salary" including overtime and FLSA pay.

B. Direct Employer Contributions and Mandatory Contributions: N/A to City of Yuba City

1. Direct Employer Contributions

The Employer shall contribute on behalf of each Participant

- ☐ _____% of Earnings
- ☐ $ _____each Plan Year
- ☐ A discretionary amount to be determined each Plan Year
- ☐ Other (describe): _____

2. Mandatory Employee Compensation Contributions

The Employer will make mandatory contributions of Employee compensation as follows:

☒ Reduction in Salary - _____% of Earnings or $ _____will be contributed for the Plan Year.

Yuba City Fire Management: 2% of Earnings will be contributed for the Plan Year.

Yuba City Firefighters Local 3793: 3% of Earnings will be contributed for the Plan Year.

☐ Decreased Merit or Pay Plan Adjustment - All or a portion of the Employees' annual merit or pay plan adjustment will be contributed as follows:

An Employee shall not have the right to discontinue or vary the rate of Mandatory Contributions of Employee Compensation.

3. Mandatory Employee Leave Contributions

The Employer will make mandatory contributions of accrued leave as follows (provide formula for determining Mandatory Employee Leave contributions):

- ✠ Accrued Sick Leave see below _____
- ✠ Accrued Vacation Leave see below _____
- ✠ Other (specify type of leave) Accrued Administrative and/or Compensatory Leave

Yuba City Fire Management: One time only at separation from employment only, the Employer will contribute a maximum of 50% of accrued vacation time, administrative leave time and/or compensatory time and 100% of eligible amount of sick leave payoff remaining in total accrued sick leave as outlined in the Yuba City Rules and Regulations based upon length of service, and after contribution of sick leave for PERS service credit.

Example under Firefighters Local 3793 applies below.

Yuba City Firefighters Local 3793: One time only at separation from employment only, the Employer will contribute a maximum of 100% of accrued vacation time, administrative leave time, and/or compensatory time and 100% of eligible amount of sick leave payoff remaining in total accrued sick leave as outlined in the Yuba City Rules and Regulations based upon length of service, and after contribution of sick leave for PERS service credit.

Example: an employee has 2500 hours of accrued sick leave and wishes to exchange 2000 hours for one year of

service credit with PERS. The amount remaining, 500 hours, would be deposited to the RHS plan in full because it is less that the total eligible amount of 1250 or 50% of the total accrued sick leave for the employees hired prior to 1991. Employees hired after 1991 would also deposit 500 hours or sick leave into the RHS program because it is less than the total eligible amount of 750 hours or 30% of total accrued sick leave.

Department Heads hired prior to July 1, 2006: Upon a regular, non-medical retirement, 100% of sick leave pay-out, 100% of administrative leave, and 100% of vacation leave will be contributed to the Plan.

An Employee shall not have the right to discontinue or vary the rate of mandatory leave contributions.

C. Limits on Total Contributions (check one box)

The total contribution by the Employer on behalf of each Participant (including Direct Employer and Mandatory Employee Contributions) for each Plan Year shall not exceed the following limit(s) below. Limits on individual contribution types are defined within the appropriate section above.

☒ There is no Plan-defined limit on the percentage or dollar amount of earnings that may be contributed.

☐ _____% of earnings*

*Definition of earnings: ☐ Same as Section VI.A.. ☐ Other

☐ $ _____for the Plan year.

See Section V.B. for a discussion of nondiscrimination rules that may apply to non-collectively bargained self-insured Plans.

VII. Vesting for Direct Employer Contributions

A. Vesting Schedule (check one box)

☒ The account is 100% vested at all times.

☐ The following vesting schedule shall apply to Direct Employer Contributions as outlined in Section VI.B.1.:

Years of Service	Vesting Percentage
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%
_____	_____%

B. The account will become 100% vested upon the death, disability, retirement*, or attainment of benefit eligibility (as outlined in Section IX) by a Participant.

*Definition of retirement includes a separation from service component and is further defined by (check one):

☐ The primary retirement plan of the Employer

☒ Separation from service

☐ Other _____

C. Any period of service by a Participant prior to a rehire of the Participant by the Employer shall not count toward the vesting schedule outlined in A above.

VIII. Forfeiture Provisions

Upon separation from the service of the Employer prior to attainment of benefit eligibility (as outlined in Section IX), or upon reversion to the Trust of a Participant's account assets remaining upon the participant's death (as outlined in Section XI), a Participant's non-vested funds shall (check one box):

☐ Remain in the Trust to be reallocated among all remaining Employees participating in the Plan as Direct Employer Contributions for the next and succeeding contribution cycle(s).

☒ Remain in the Trust to be reallocated on an equal dollar basis among all Plan Participants.

☐ Remain in the Trust to be reallocated among all Plan Participants based upon Participant account

☐ balances. Revert to the Employer.

IX. Eligibility Requirements to Receive Medical Benefit Payments from the VantageCare Retirement Health Savings Plan

A. A Participant is eligible to receive benefits:

☐ At retirement only (also complete Section B.) Definition of retirement:

☐ Same as Section VII.B.

☐ Other _____

_____

☒ At separation from service with the following restrictions

☒ No restrictions

☐ Other _____

_____

B. Termination prior to general benefit eligibility: In case where the general benefit eligibility as outlined in Section IX.A includes a retirement component, a Participant who separates from service of the Employer prior to retirement will be eligible to receive benefits:

☒ Immediately upon separation from service

☐ Other _____

_____

C. A Participant that becomes totally and permanently disabled

☐ **as defined by the Social Security Administration**

☒ **as defined by the Employer's primary retirement plan**

☐ **other** _____

will become immediately eligible to receive medical benefit payments from his/her VantageCare Retirement Health Savings Plan account.

D. Upon the death of the Participant, benefits shall become payable as outlined in Section XI.

X. Permissible Medical Benefit Payments

Benefits eligible for reimbursement consist of:

☒ All Medical Expenses eligible under IRC Section 213* other than (i) direct long-term care expenses, and (ii) expenses for medicines or drugs which are not prescribed drugs (other than insulin).

☐ The following Medical Expenses eligible under IRC Section 213* other than (i) direct long-term care expenses, and (ii) expenses for medicines or drugs which are not prescribed drugs (other than insulin). Select only the expenses you wish to cover under the VantageCare Retirement Health Savings Plan:

☐ Medical Insurance Premiums

☐ Medical Out-of-Pocket Expenses*

☐ Medicare Part B Insurance

☐ Premiums Medicare Part D

Insurance Premiums

- ☐ Medicare Supplemental Insurance
- ☐ Premiums Prescription Drug Insurance
- ☐ Premiums COBRA Insurance Premiums
- ☐ Dental Insurance Premiums
- ☐ Dental Out-of-Pocket
- ☐ Expenses* Vision Insurance
- ☐ Premiums Vision Out-of-Pocket Expenses*
- ☐ Qualified Long-Term Care Insurance Premiums
- ☐ Non-Prescription medications allowed under IRS
- ☐ guidance* Other qualifying medical expenses (describe)*

** See Section V.A. for a discussion of nondiscrimination rules which may apply to non-collectively bargained, self-insured Plans.*

XI. Benefits After the Death of the Participant

In the event of a Participant's death, the following shall apply:

A. Surviving Spouse and/or Surviving Dependents

The surviving spouse and/or surviving eligible dependents (as defined in Section XII.D.) of the deceased Participant are immediately eligible to maintain the account and utilize it to fund eligible medical benefits specified in Section X above.

Upon notification of a Participant's death, the Participant's account balance will be transferred into Dreyfus Cash Management fund* (or another fund selected by the Employer). The account balance may be reallocated by the surviving spouse or dependents.

**An investment in the Dreyfus Cash Management money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund. Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. You may visit us at www.icmarc.org or call 800-669-7400 to obtain a prospectus that contains this and other information about the fund. Read the prospectus carefully before investing.*

If a Participant's account balance has not been fully utilized upon the death of the eligible spouse, the account balance may continue to be utilized to pay benefits of eligible dependents. Upon the death of all eligible dependents, the account will revert to the Plan to be applied as specified in Section VIII.

B. No Surviving Spouse or Surviving Dependents

If there are no living spouse or dependents at the time of death of the Participant, the account will revert to the Plan to be applied as specified in Section VIII.

XII. The Plan will operate according to the following

provisions: A. Employer Responsibilities

1. The Employer will submit all VantageCare Retirement Health Savings Plan contribution data via electronic submission.
2. The Employer will submit all VantageCare Retirement Health Savings Plan Participant status updates or personal information updates via electronic submission. This includes but is not limited to termination notification and benefit eligibility notification.

B. Participant account administration and asset-based fees will be paid through the redemption of Participant account shares, unless agreed upon otherwise in the Administrative Services Agreement.

C. Assignment of benefits is not permitted. Benefits will be paid only to the Participant, his/her Survivors, the Employer, or an insurance provider (as allowed by the claims administrator). Payments to an third-party payee (e.g., medical service provider) are not permitted with the exception of reimbursement to the Employer or insurance provider (as allowed by the claims administrator).

D. An eligible dependent is (a) the Participant's lawful spouse, (b) the Participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.

E. The Employer will be responsible for withholding, reporting and remitting any applicable taxes for payments which are deemed to be discriminatory under IRC Section 105(h), as outlined in the VantageCare Retirement Health Savings Plan Employer Manual.

XIII. Employer Acknowledgements

A. The Employer hereby acknowledges it understands that failure to properly fill out this Employer VantageCare Retirement Health Savings Plan Adoption Agreement may result in the loss of tax exemption of the Trust and/or loss of tax-deferred status for Employer contributions.

B. ☐ Check this box if you are including supporting documents that include plan provisions.

EMPLOYER SIGNATURE

By:_____ **Date**: _____

Title:_____

Attest:_____ **Date**: _____

Title:_____

Accepted: VANTAGEPOINT TRANSFER AGENTS, LLC

Angela C. Montez

Assistant Secretary, ICMA-RC

ICMA RC
Building Retirement Security

DECLARATION OF TRUST OF THE

CITY OF YUBA CITY

NAME OF EMPLOYER

INTEGRAL PART TRUST

DECLARATION OF TRUST OF THE

NAME OF EMPLOYER

INTEGRAL PART TRUST

Declaration of Trust made as of the 1st day of January, 20 14, by and between the City of Yuba City (Name of Employer), California (State) a municipal corporation (Type of Entity) (hereinafter referred to as the "Employer") and City of Yuba City (Name or Title of Trustee) or its designee (hereinafter referred to as the "Trustee").

RECITALS

WHEREAS, the Employer is a political subdivision of the State of California (State) exempt from federal income tax under the Internal Revenue Code of 1986; and

WHEREAS, the Employer provides for the security and welfare of its eligible employees (hereinafter referred to as "Participants"), their Spouses and Dependents by the maintenance of one or more post-retirement welfare benefit plans, programs or arrangements which provide for life, sickness, medical, disability, severance and other similar benefits through insurance and self-funded reimbursement plans (collectively the "Plan"); and

WHEREAS, it is an essential function and integral part of the exempt activities of the Employer to assist Participants, their Spouses and Dependents by making contributions to and accumulating assets in the trust, a segregated fund, for post-retirement welfare benefits under the Plan; and

WHEREAS, the authority to conduct the general operation and administration of the Plan is vested in the Employer or its designee, who has the authority and shall be subject to the duties with respect to the trust specified in this Declaration of Trust; and

WHEREAS, the Employer wishes to establish this trust to hold assets and income of the Plan for the exclusive benefit of Plan Participants, their Spouses and Dependents;

NOW, THEREFORE, the parties hereto do hereby establish this trust, by executing the

Declaration of Trust of the City of Yuba City (Name of Employer) Integral Part Trust (hereinafter referred to as the "Trust"), and agree that the following constitute the Declaration of Trust (hereinafter referred to as the "Declaration"):

ARTICLE I

Definitions

1.1 Definitions. For the purposes of this Declaration, the following terms shall have the respective meanings set forth below unless otherwise expressly provided.

(a) **"Account"** means the individual recordkeeping account maintained under the Plan to record the interest of a Participant in the Plan in accordance with Section 7.3.

(b) **"Administrator"** means the Employer or the entity designated by the Employer to carry out administrative services as are necessary to implement the Plan.

(c) **"Beneficiary"** means the Spouse and Dependents, who will receive any benefits payable hereunder in the event of the Participant's death. In the case where there is no Spouse or Dependents, any amount of contributions, plus accrued earnings thereon, remaining in the Account must, under the terms of the Plan, be returned to the Trust.

(d) **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

(e) **"Dependent"** means (a) the Participant's lawful spouse, (b) the Participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.

(f) **"Investment Fund"** means any separate investment option or vehicle selected by the Employer in which all or a portion of the Trust assets may be separately invested as herein provided. The Trustee shall not be required to select any Investment Fund.

(g) **"Nonforfeitable Interest"** means the interest of the Participant or the Participant's Spouse and Dependent (whichever is applicable) in the percentage of Participant's Employer's contribution which has vested pursuant to the vesting schedule specified in the Employer's Plan. A Participant shall, at all times, have a one hundred percent (100%) Nonforfeitable Interest in the Participant's own contributions.

(h) **"Spouse"** means the Participant's lawful spouse as determined under the laws of the jurisdiction in which the Participant was married.

(i) **"Trust"** means the trust established by this Declaration.

(j) **"Trustee"** means the Employer or the person or persons appointed by the Employer to serve in that capacity.

ARTICLE II

Establishment of Trust

2.1 The Trust is hereby established as of the date set forth above for the exclusive benefit of Participants, their Spouses and Dependents.

ARTICLE III

Construction

3.1 This Trust and its validity, construction and effect shall be governed by the laws of the State of California.

3.2 Pronouns and other similar words used herein in the masculine gender shall be read as the feminine gender where appropriate, and the singular form of words shall be read as the plural where appropriate.

3.3 If any provision of this Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions, and such provisions shall be construed to effectuate the purpose of this Trust.

ARTICLE IV

Benefits

4.1 **Benefits.** This Trust may provide benefits to the Participant, the Participant's Spouse and Dependents pursuant to the terms of the Plan.

4.2 **Form of Benefits.** This Trust may provide benefits by cash payment. This Trust may reimburse the Participant, his Spouse and Dependents for insurance premiums or other payments expended for permissible benefits described under the Plan. This trust may reimburse the Employer, or the Administrator for insurance premiums.

ARTICLE V

General Duties

5.1 It shall be the duty of the Trustee to hold title to assets held in respect of the Plan in the Trustee's name as directed by the Employer or its designees in writing. The Trustee shall not be under any duty to compute the amount of contributions to be paid by the Employer or to take any steps to collect such amounts as may be due to be held in trust under the Plan. The Trustee shall not be responsible for the custody, investment, safekeeping or disposition of any assets comprising the Trust, to the extent such functions are performed by the Employer or the Administrator, or both.

5.2 It shall be the duty of the Employer, subject to the provisions of the Plan, to pay over to the Administrator or other person designated hereunder from time to time the Employer's contributions and Participants' contributions under the Plan and to inform the Trustee in writing as to the identity and value of the assets titled in the Trustee's name hereunder and to keep accurate books and records with respect to the Participants of the Plan.

ARTICLE VI

Investments

6.1 The Employer may appoint one or more investment managers to manage and control all or part of the assets of the Trust and the Employer shall notify the Trustee in writing of any such appointment.

6.2 The Trustee shall not have any discretion or authority with regard to the investment of the Trust and shall act solely as a directed Trustee of the assets of which it holds title. To the extent directed by the Employer (or Participants or their Spouses and Dependents to the extent provided herein) the Trustee is authorized and empowered with the following powers, rights and duties, each of which the Trustee shall exercise in a nondiscretionary manner:

(a) To cause stocks, bonds, securities, or other investments to be registered in its name as Trustee or in the name of a nominee, or to take and keep the same unregistered;

(b) To employ such agents and legal counsel as it deems advisable or proper in connection with its duties and to pay such agents and legal counsel a reasonable fee. The Trustee shall not be liable for the acts of such agents and counsel or for the acts done in good faith and in reliance upon the advice of such agents and legal counsel, provided it has used reasonable care in selecting such agents and legal counsel;

(c) To exercise where applicable and appropriate any rights of ownership in any contracts of insurance in which any part of the Trust may be invested and to pay the premiums thereon; and

(d) At the direction of the Employer (or Participants, their Spouses, their Dependents, or the investment manager, as the case may be) to sell, write options on, convey or transfer, invest and reinvest any part thereof in each and every kind of property, whether real, personal or mixed, tangible or intangible, whether income or non-income producing and wherever situated, including but not limited to, time deposits (including time deposits in the Trustee or its affiliates, or any successor thereto, if the deposits bear a reasonable rate of interest), shares of common and preferred stock, mortgages, bonds, leases, notes, debentures, equipment or collateral trust certificates, rights, warrants, convertible or exchangeable securities and other corporate, individual or government securities or obligations, annuity, retirement or other insurance contracts, mutual funds (including funds for which the Trustee or its affiliates serve as investment advisor, custodian or in a similar or related capacity), or in units of any other common, collective or commingled trust fund.

6.3 Notwithstanding anything to the contrary herein, the assets of the Plan shall be held by the Trustee as title holder only. Persons holding custody or possession of assets titled to the Trust shall include the Employer, the Administrator, the investment manager, and any agents and subagents, but not the Trustee. The Trustee shall not be responsible or liable for any loss or expense which may arise from or result from compliance with any direction from the Employer, the Administrator, the investment manager, or such agents to take title to any assets nor shall the Trustee be responsible or liable for any loss or expense which may result from the Trustee's refusal or failure to comply with any direction to hold title, except if the same shall involve or result from the Trustee's negligence or intentional misconduct. The Trustee may refuse to comply with any direction from the Employer, the Administrator, the investment manager, or such agents in the event that the Trustee, in its sole and absolute discretion, deems such direction illegal.

6.4 The Employer hereby indemnifies and holds the Trustee harmless from any and all actions, claims, demands, liabilities, losses, damages or reasonable expenses of whatsoever kind and nature in connection with or arising out of (i) any action taken or omitted in good faith by the Trustee in accordance with the directions of the Employer or its agents and subagents hereunder, or (ii) any disbursements of any part of the Trust made by the Trustee in accordance with the directions of the Employer, or (iii) any action taken by or omitted in good faith by the Trustee with respect to an investment managed by an investment manager in accordance with any direction of the investment manager or any inaction with respect to any such investment in the absence of directions from the investment manager. Notwithstanding anything to the contrary herein, the Employer shall have no responsibility to the Trustee under the foregoing indemnification if the Trustee fails negligently, intentionally or recklessly to perform any of the duties undertaken by it under the provisions of this Trust.

6.5 Notwithstanding anything to the contrary herein, the Employer or, if so designated by the Employer, the Administrator and the investment manager or another agent of the Employer, will be responsible for valuing all assets so acquired for all purposes of the Trust and of holding, investing, trading and disposing of the same. The Employer will indemnify and hold the Trustee harmless against any and all claims, actions, demands, liabilities, losses, damages, or expenses of whatsoever kind and nature, which arise from or are related to any use of such valuation by the Trustee or holding, trading, or disposition of such assets.

6.6 The Trustee shall and hereby does indemnify and hold harmless the Employer from any and all actions, claims, demands, liabilities, losses, damages and reasonable expenses of whatsoever kind and nature in connection with or arising out of (a) the Trustee's failure to follow the directions of the Employer, the Administrator, the investment manager, or agents thereof, except as permitted by the last sentence of Section 6.3 above; (b) any disbursements made without the direction of the Employer, the Administrator, the investment manager or agents thereof; and (c) the Trustee's negligence, willful misconduct, or recklessness with respect to the Trustee's duties under this Declaration.

ARTICLE VII

Contributions

7.1 **Employer Contributions.** The Employer shall contribute to the Trust such amounts as specified in the Plan or by resolution.

7.2 **Accrued Leave.** Contributions up to an amount equal to the value of accrued sick leave, vacation leave, or other type of accrued leave, as permitted under the Plan. The Employer's Plan must provide a formula for determining the value of the Participant's contribution of accrued leave . The Employer's Plan must contain a forfeiture provision that will prevent Participants from receiving the accrued leave in cash in lieu of a contribution to the Trust.

7.3 **Accounts.** Employer contributions, including mandatory Participant contributions, and contributions of accrued leave, all investment income and realized and unrealized gains and losses, and forfeitures allocable thereto will be deposited into an Account in the name of the Participant for the exclusive benefit of the Participant, his Spouse and Dependents. The assets in each Participant's Account may be invested in Investment Funds as directed by the Participant (or, after the Participant's death, by the Spouse or Dependents) or the Employer, as required under the Plan, from among the Investment Funds selected by the Employer.

7.4 **Receipt of Contributions.** The Employer or, if so designated by the Employer, the Administrator or investment manager or another agent of the Employer, shall receive all contributions paid or delivered to it hereunder and shall hold, invest, reinvest and administer such contributions pursuant to this Declaration, without distinction between principal and income. The Trustee shall not be responsible for the calculation or collection of any contribution under the Plan, but shall hold title to property received in respect of the Plan in the Trustee's name as directed by the Employer or its designee pursuant to this Declaration.

7.5 No amount in any Account maintained under this Trust shall be subject to transfer, assignment, or alienation, whether voluntary or involuntary, in favor of any creditor, transferee, or assignee of the Employer, the Trustee, any Participant, his Spouse, or Dependent.

7.6 Upon the satisfaction of all liabilities under the Plan to provide such benefits, any amount of Employer contributions, plus accrued earnings thereon, remaining in such separate Accounts must, under the terms of the Plan, be returned to the Employer.

ARTICLE VIII

Other Plans

If the Employer hereafter adopts one or more other plans providing life, sickness, accident, medical, disability, severance, or other benefits and designates the Trust hereby created as part of such other plan, the Employer or, if so designated by the Employer, the Administrator or an investment manager or an-other agent of the Employer shall, subject to the terms of this Declaration, accept and hold hereunder contributions to such other plans. In that event (a) the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer, may commingle for investment purposes the contributions received under such other plan or plans with the contributions previously received by the Trust, but the books and records of the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer, shall at all times show the portion of the Trust Fund allocable to each plan; (b) the

term "Plan" as used herein shall be deemed to refer separately to each other plan; and (c) the term "Employer" as used herein shall be deemed to refer to the person or group of persons which have been designated by the terms of such other plans as having the authority to control and manage the operation and administration of such other plan.

ARTICLE IX

Disbursements and Expenses

9.1 The Employer or its designee shall make such payments from the Trust at such time to such persons and in such amounts as shall be authorized by the provisions of the Plan provided, however, that no payment shall be made, either during the existence of or upon the discontinuance of the Plan (subject to Section 7.6), which would cause any part of the Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants, their Spouses and Dependents pursuant to the provisions of the Plan.

9.2 All payments of benefits under the Plan shall be made exclusively from the assets of the Accounts of the Participants to whom or to whose Spouse or Dependents such payments are to be made, and no person shall be entitled to look to any other source for such payments.

9.3 The Employer, Trustee and Administrator may be reimbursed for expenses reasonably incurred by them in the administration of the Trust. All such expenses, including, without limitation, reasonable fees of accountants and legal counsel to the extent not otherwise reimbursed, shall constitute a charge against and shall be paid from the Trust upon the direction of the Employer.

ARTICLE X

Accounting

10.1 The Trustee shall not be required to keep accounts of the investments, receipts, disbursements, and other transactions of the Trust, except as necessary to perform its title-holding function hereunder. All accounts, books, and records relating thereto shall be maintained by the Employer or its designee.

10.2 As promptly as possible following the close of each year, the Trustee shall file with the Employer a written account setting forth assets titled to the Trust as reported to the Trustee by the Employer or its designee.

ARTICLE XI

Miscellaneous Provisions

11.1 Neither the Trustee nor any affiliate thereof shall be required to give any bond or to qualify before, be appointed by, or account to any court of law in the exercise of its powers hereunder.

11.2 No person transferring title or receiving a transfer of title from the Trustee shall be obligated to look to the propriety of the acts of the Trustee in connection therewith.

11.3 The Employer may engage the Trustee as its agent in the performance of any duties required of the Employer under the Plan, but such agency shall not be deemed to increase the responsibility or liability of the Trustee under this Declaration.

11.4 The Employer shall have the right at all reasonable times during the term of this Declaration and for three (3) years after the termination of this Declaration to examine, audit, inspect, review, extract information from, and copy all books, records, accounts, and other documents of the Trustee relating to this Declaration and the Trustees' performance hereunder.

ARTICLE XII

Amendment and Termination

12.1 The Employer reserves the right to alter, amend, or (subject to Section 9.1) terminate this Declaration at any time for any reason without the consent of the Trustee or any other person, provided that no amendment affecting the rights, duties, or responsibilities of the Trustee shall be adopted without the execution of the Trustee to the amendment. Any such amendment shall become effective as of the date provided in the amendment, if requiring the Trustee's execution, or on delivery of the amendment to the Trustee, if the Trustee's execution is not required.

12.2 Upon termination of this Declaration and upon the satisfaction of all liabilities under the Plan to provide such benefits, any amount of Employer contributions, plus accrued earnings thereon, remaining in such separate Accounts must, under the terms of the Plan, be returned to the Employer.

ARTICLE XIII

Successor Trustees

13.1 The Employer reserves the right to discharge the Trustee for any or no reason, at any time by giving ninety (90) days' advance written notice.

13.2 The Trustee reserves the right to resign at any time by giving ninety (90) days' advance written notice to the Employer.

13.3 In the event of discharge or resignation of the Trustee, the Employer may appoint a successor Trustee who shall succeed to all rights, duties, and responsibilities of the former Trustee under this Declaration, and the terminated Trustee shall be deemed discharged of all duties under this Declaration and responsibilities for the Trust.

ARTICLE XIV

Limited Effect of Plan and Trust

Neither the establishment of the Plan and the Trust or any modification thereof, the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustee, the Administrator, the Employer or any officer or employee thereof, except as may otherwise be expressly provided in the Plan or in this Declaration.

ARTICLE XV

Protective Clause

Neither the Administrator, the Employer, nor the Trustee shall be responsible for the validity of any contract of insurance or other arrangement maintained in connection with the Plan, or for the failure on the part of the insurer or provider to make payments provided by such contract, or for the action of any per-son which may delay payment or render a contract void or unenforceable in whole or in part.

IN WITNESS WHEREOF, the Employer and the Trustee have executed this Declaration by their respective duly authorized officers, as of the date first hereinabove mentioned.

EMPLOYER:

By: _____ Title: _____

TRUSTEE(S):

By: _____ Title: _____

By: _____ Title: _____

By: _____ Title: _____

CITY OF YUBA CITY
STAFF REPORT

Date: June 24, 2014

To: Honorable Mayor & Members of the City Council

From: Finance Department

Presentation By: Spencer Morrison, Accounting Manager

Summary

Subject: Fiscal Year 2014-2015 Citywide Purchases.

Recommendation: Approve citywide reoccurring purchases over $50,000 from July 1, 2014 through June 30, 2015, based on each purchase recommendation being in the best interest of the City.

Fiscal Impact: $1,062,000 approximate total of all requests

Purpose

Approve citywide sole source and professional services purchases that will exceed $50,000 in the 2014-2015 fiscal year.

Background:

The purpose of this staff report is to consolidate all known purchases that will exceed $50,000 in the 2014–2015 fiscal year. This staff report will help streamline purchases during the year and allow City Council to have an overall understanding of sole source and professional services purchases.

Formal bid purchases will continue to go through the formal bid process outlined in the City's Purchasing Polices and Procedures.

Analysis:

Fire Purchases:

L. N. CURTIS & SONS of Oakland, CA
Recommendation: Authorize staff to sole source in the estimated amount of $100,000 for Fire personal protective equipment, hose and apparatus equipment, and vehicle extrication equipment. L.N. Curtis & Sons has exclusive contracts with many manufacturers of Fire Equipment used by the Yuba City Fire Department. Standardization of equipment for all fire units is necessary for efficient use in emergencies.

Finance Purchases:

WILLDAN FINANCIAL SERVICES of Temecula, CA
Recommendation: Authorize staff to enter into a professional services agreement in the estimated amount of $55,000 for assessment district administration, continuing disclosure and arbitrage rebate reporting.

INDEPENDENT STATIONERS of Indianapolis, IN
Recommendation: Authorize staff to "piggyback" on US Communities contract with Independent Stationers for office supplies in the estimated amount of $100,000. US Communities competitively bid the contract for office supplies.

SPILLMAN TECHNOLOGIES of Logan, UT
Recommendation: Authorize staff to sole source in the estimated amount of $78,000 for the annual maintenance of the City's Police CAD/RMS System. This system is a collection of software modules that integrate to form a single system. Spillman is the developer and sole distributor of their software.

SUNGARD PENTAMATION of Bethlehem, PA
Recommendation: Authorize staff to sole source in the estimated amount of $99,000 for the City's financial system annual maintenance and server upgrade. This system is a collection of software modules that integrate to form a single system. Pentamation is the developer and sole distributor of their software.

DELL COMPUTER SYSTEMS of Round Rock, TX
Recommendation: Authorize staff to sole source computer purchases in the amount of $165,000 for fiscal year 2014-15 at prices not to exceed the California Multiple Award Schedule (CMAS) contract price for Dell Computer Systems.

Public Works Purchases:

CALTEST of Napa, CA
Recommendation: Authorize staff to enter into a professional services agreement in the estimated amount of $180,000 for contracted laboratory services.

BADGER METER of Milwaukee, WI
Recommendation: Authorize staff to sole source in the estimated amount of $60,000 for the continued operations of the water meter reading system such as software support, water meter equipment and repair parts.

POLYDYNE of Riceboro, GA
Recommendation: Authorize staff to "piggyback" on the North Bay Agency Chemical contract with Polydyne for belt press polymer in the estimated amount of $225,000. North Bay Agency competitively bid the contract for chemicals.

Alternatives:

Direct staff to formally bid the above sole source purchases and solicit proposals for the professional services agreements.

Recommendation:

Approve citywide reoccurring purchases over $50,000 from July 1, 2014 through June 30, 2015, based on each purchase recommendation being in the best interest of the City.

Prepared By:	Submitted By:
/s/ Vicky Anderson	/s/ Steven C. Kroeger
Vicky Anderson Administrative Analyst I	Steven C. Kroeger City Manager

Reviewed By:

Finance	SM for RB
City Attorney	TH

CITY OF YUBA CITY

City Council Reports

- Councilmember Buckland
- Councilmember Maan
- Councilmember Starkey
- Vice Mayor Dukes
- Mayor Gill

Adjournment