# A G E N D A

Meeting of the
**Scotts Valley City Council**

**Date: June 17, 2015**
**Time: 6:00 p.m.**

| **CITY OF SCOTTS VALLEY** | **MEETING LOCATION** | **POSTING**: The agenda was posted |
|---|---|---|
| 1 Civic Center Drive<br>Scotts Valley, CA 95066<br>(831) 440-5602 | City Council Chambers<br>1 Civic Center Drive<br>Scotts Valley, CA 95066 | 6-12-15 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org. |

| **Elected Officials** | **City Staff Members** |
|---|---|
| Dene Bustichi, Mayor<br>Donna Lind, Vice Mayor<br>Stephany E. Aguilar, Council Member<br>Randy Johnson, Council Member<br>Jim Reed, Council Member | Steve Ando, City Manager<br>Kirsten Powell, City Attorney<br>Corrie Kates, Community Dev Dir/Deputy City Mgr<br>Scott Hamby, Public Works Director<br>John Weiss, Chief of Police<br>Tracy Ferrara, City Clerk |

**Notice regarding City Council Meetings**:
The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 pm in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.

**Agenda and Agenda Packet Materials**:
The City Council agenda and the complete agenda packet are available for review by 5:00 pm the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvalley.org and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.org.

**Televised Meetings**:
City Council meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25.

**CALL TO ORDER** 6:00 p.m.

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

## COMMITTEE REPORTS

(Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.)

**Interjurisdictional Committees**:

| | | |
|---|---|---|
| ✓ | Criminal Justice Council | (Lind/Johnson) |
| ✓ | Transportation Commission | (Johnson/Lind) |
| ✓ | Metro Transit District Board | (Bustichi) |
| ✓ | County Integrated Waste Mgmt Local Task Force | (Lind/Hamby) |
| ✓ | City/School District Joint Committee | (Reed/Johnson) |
| ✓ | AMBAG | (Aguilar/Lind) |
| ✓ | LAFCO | (Lind) |
| ✓ | City Selection Committee | (Mayor) |
| ✓ | League of California Cities Delegate Program | (Aguilar) |
| ✓ | Hazardous Materials Advisory Commission | (Ron Whittle) |
| ✓ | Cultural Council | (Lind) |
| ✓ | Seniors Advisory Council | (Lind) |
| ✓ | Santa Margarita Ground Water Basin Advisory Committee | (Lind /Aguilar) |
| ✓ | Library Financing Authority/Joint Powers Boards | (Reed/Johnson) |

**Standing Local Committees**:

| | | |
|---|---|---|
| ✓ | Traffic Safety Committee | (Lind/Aguilar) |
| ✓ | Economic Development | (Johnson/Bustichi) |
| ✓ | Affordable Housing | (Aguilar/Bustichi) |
| ✓ | Water Subcommittee | (Bustichi/Lind) |
| ✓ | Budget Subcommittee | (Mayor/Vice Mayor) |
| ✓ | Sign Subcommittee | (Aguilar/Lind) |
| ✓ | Green Building Permit Process Subcommittee | (Lind/Reed) |
| ✓ | ADA Accessibility Subcommittee | (Aguilar) |

**Project Specific Committees**:

| | | |
|---|---|---|
| ✓ | Skypark Subcommittee | (Johnson/Bustichi) |
| ✓ | Gateway South Commercial | (Reed/Johnson) |
| ✓ | Library Construction Subcommittee | (Bustichi/Reed) |
| ✓ | Glenwood Trails Subcommittee | (Aguilar/Reed) |

## CITY MANAGER REPORT

## PUBLIC COMMENT TIME

(This is the opportunity for individuals to make and/or submit written or oral comments to the Council on any items within the purview of the Council, which are **NOT** part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda.

## ALTERATIONS TO CONSENT AGENDA

(Council can remove or add items to the Consent Agenda.)

## CONSENT AGENDA

(The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.)

A. Approve City Council meeting minutes of 6-3-15

B. Approve check register – 6-5-15, 6-1-15

C. Approve designation of Council Member Stephany Aguilar as the voting delegate for the League of California Cities Annual Conference on October 2, 2015 in San Jose

D. Approve Resolution No. 1139.19 adopting the City of Scotts Valley Investment Policy

E. Approve Resolution No. 1007.28 making certain findings and determinations in compliance with Section XIII B of the California Constitution (Gann Initiative) and setting the appropriations limit of $168,801,146 for fiscal year 2015/2016

F. 2015 / 2016 Budget Adoption:
   (1) Approve Resolution No. 630.35 approving the budget for the City of Scotts Valley for fiscal year 2015/2016 and making appropriations for the amounts budgeted
   (2) Approve Resolution No. 1501.22 approving the continued collection of the Utility Users' Tax for the budget fiscal year 2015/2016

G. Approve trustee agreements for various bond issues:
   (1) Agreements of Resignation, Appointment and Acceptance – 1997-1 COP
   (2) Agreements of Resignation, Appointment and Acceptance – 2003 COP
   (3) Agreements of Resignation, Appointment and Acceptance – 2011 CFD 97-1

H. Approve agreement for professional services between the City of Scotts Valley and Kimley-Horn and Associates, Inc. to prepare an Environmental Impact Report (EIR) and provide entitlement support services for a proposed 64-lot residential subdivision, the Aviza Residential Project, located at 440 Kings Village Road, APN's 022-221-01, -02, -03, -04, and -05

**ALTERATIONS TO REGULAR AGENDA**
(Council can remove or add items to the Regular Agenda.)

**REGULAR AGENDA**
(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.)

1. Human Care Alliance presentations/Outside agency funding requests (CityManager/Ando)

2. Skypark Open Space Maintenance Assessment District No. 1: Resolution No. 1555-SP-027; Annual Engineer's Report Skypark (PublicWorks/Hamby)

3. Pinewood Estates Landscape Maintenance Assessment District: Resolution No. 1213.29; Annual Engineer's Report Pinewood (PublicWorks/Hamby)

4. Update on the Library Joint Powers Agreement and Library Financing Authority Agreement (CityManager/Ando)

5. Future Council agenda items
(This portion of the Regular Agenda allows the Council to determine items to be placed on a future agenda and to choose a date, if so desired.)

**CONVENE TO CLOSED SESSION**

**CLOSED SESSION**
**SUBJECT:** Conference with labor negotiator re employee negotiations with SEIU, Mid Management Group, Management Group, Scotts Valley Police Bargaining Unit, Scotts Valley Police Supervisors Association

| | |
|---|---|
| Legal Authority: | Govt Code section 54957.6 |
| Name of Case: | N/A |
| Staff Present: | City Manager, City Attorney, Community Development Director/Deputy City Manager, Police Chief |

**RECONVENE TO OPEN SESSION**

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

**ADJOURNMENT**

# *PROCEDURAL INFORMATION FOR THE PUBLIC*

**THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:**

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

**THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:**

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

**THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:**

Unless otherwise determined by the presiding officer of the meeting:
1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.

❖❖❖❖❖❖❖❖

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000; or, from or to Speech-to-Speech, English & Spanish 1-800-854-7787), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

# M I N U T E S

## Meeting of the
## Scotts Valley City Council

## Date: June 3, 2015

**POSTING**:
The agenda was posted on 5-29-15
at City Hall, the SV Senior Center, and
the SV Library, by the City Clerk.

**CALL TO ORDER** 6:00 p.m.

**PLEDGE OF ALLEGIANCE** and **MOMENT OF SILENCE**

**ROLL CALL**

| | | |
|---|---|---|
| Present: | Mayor Bustichi | City Manager Ando |
| | Vice Mayor Lind | City Attorney Powell |
| | Council Member Aguilar | Comm Dev Dir/Deputy City Mgr Kates |
| | Council Member Johnson | Public Wks Director Hamby |
| | Council Member Reed | Police Chief Weiss |
| | | City Clerk Ferrara |

**COMMITTEE REPORTS**

VM Lind reported that LAFCO met and approved the request for a time extension request from Lompico Water District and San Lorenzo Valley Water District for their possible reorganization.

**CITY MANAGER REPORT**

- The Homeless Services Center received news last week that it will not be receiving the $350,000 grant from U.S. Housing and Urban Development Emergency Solutions Grant it has received annually for about the past decade. In addition to this, they are facing a $150,000 shortfall in private donations and increased costs in insurance of about $150,000. The Center has stated that the Center's 100-bed winter shelter, the nearly 50-bed Paul Lee Loft emergency overnight shelter beds, daily meals, showers and bathrooms, laundry, the mail room and other services will cease. Thirty-day layoff notices are planned for some 28 employees, about half the Center's staffing. I will be attending a special meeting of the Homeless Action Partnership Executive Committee tomorrow to discuss this issue.
- MPE the contractor working to install the emergency interties for the SVWD will be potholing to identify utilities before they start trenching to put the pipe in the ground. This will be on Skypark Drive and Mt. Hermon Road next week. This work is not expected to create long delays on MHR but will cause short periods of congestion while this work takes place.
- The City has applied for the Cal Trans Active Transportation Program grant. The total grant request is 1.3 million. The total project would include installing sidewalks, green lane markings for bicycles, ADA improvements on Mt. Hermon Road and bicycle actuation loops in high bicycle use intersections.

- The Scotts Valley Police Department's Junior Police Academy kicks off with its first session June 22-26. The second session will be July 27-31st. The final session will be August 10-14th. The junior police academies are designed for middle school age children and teach them all about the law enforcement profession. Activities include crime scene investigation, patrol scenarios, group games, a tour of the Fire Department, nature hike and graduation BBQ. Call Scotts Valley Police Department (440-5670) to check on availability.
- The July 4 parade and fireworks will be upon us shortly. If you want to be in the parade, the application will be on the City's website soon. There has always been music before the fireworks show starting at 6 pm. This year in addition to Mike Hadley and the Groove at 6 pm, the Joint Chiefs will be playing at 4:30. Entry tickets for the fireworks show can be purchased at the Recreation Office at Skypark or at Scotts Valley and Ben Lomond Markets. They are $6 in advance or $8 if purchased when entering.
- A new public service announcement was filmed yesterday and will be showing on Community TV, in the theaters, and on youtube. Here it is now.

**PUBLIC COMMENT**

Chief Weiss thanked the Scotts Valley Chamber of Commerce for the Scotts Valley Police Department appreciation barbecue and mixer that they hosted on Thursday, May 29 at MacDorsa Park.

Darshana Croskrey, Scotts Valley Senior Center Coordinator, invited the community to attend the Scotts Valley Senior Center Multi-Family Flea Market on Saturday, June 6 from 8:00 am to 2:00 pm.

Wendy Brannan, SV resident, expressed concerns about the City's General Plan and Parks Master Plan being out of date.

Dene Bustichi announced that the City's ADA Committee has been reorganized and is inviting applications for representatives to serve on the Committee.

**ALTERATIONS TO**
**CONSENT AGENDA**

***M/S: Aguilar/Lind***
***To approve the Consent Agenda.***
***Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)***

**Consent Agenda**:

A. Approve City Council meeting minutes of 5-20-15
B. Approve check register – 5-20-15
C. Approve Resolution No. 1851.5 temporarily closing a portion of Scotts Valley Drive for the parade on July 4, 2015

**ALTERATIONS TO
REGULAR AGENDA**

***M/S: Aguilar/Lind
To approve the Regular Agenda.
Carried 5/0 (AYES: Aguilar, Bustichi, Johnson, Lind, Reed)***

**REGULAR AGENDA**

1. **Presentation of Scotts Valley Arts Commission Poetry Contest Winners**

Trish Melehan, Scotts Valley Arts Commission and Vicky Granger Jones, President of the Scotts Valley High School Parent Club, presented award certificates for the 2015 Verse in the Valley poetry contest, Grades 4-5 through Adult, and poetry contest winners recited their poems to the City Council.

**4th - 5th Grades**
1st place: Esme Brody “Perspectives of the Mission”
2nd place: Nicolette Negrete “Night”
3rd place: Jake Brazil “Nature”
3rd place: William Hausle “Renewed Earth”
3rd place: Ruby Beye “Palace of Poetry”
**Middle School**
1st place: Brayden Tennenbaum “With Words We Build”
2nd place: Owen Fletcher “Valley Awakening” (From the perspective of a bear)
3rd place: Isabelle Negrete “To Look Beyond”
Honorable Mention - Haiku: Carly Cuccia “Ice”
**High School**
1st place: Taryn Segal “He Walks”
2nd place: Jay Rae Santi “The Human Mind”
**Adult Level**
1st place: Nancy Hofmann “The Window of Fig Jam”
2nd place: Fran Rosen “Skating Down the Mountain”
3rd place: Robin Reid Forsberg “Beauty”

2. **Wastewater and recycling budget hearing**

CM Ando gave a PowerPoint presentation on the budget, presented the written staff report, and responded to questions from the City Council. He stated that this item is for information only and no action is required at this time, and that PWD Hamby was available to respond to questions from Council.

Dan Haifley, O’Neill Sea Odyssey, thanked the Council for their support over the years and distributed copies a book *Trash Twisters*, written by a fifth-grade class in Santa Cruz who participated in the Sea Odyssey program, and was published by WeWrite in Ben Lomond.

3. **Recreation, Senior Center, and Community Center budget hearing**

CM Ando gave a PowerPoint presentation on the budget, presented the written staff report, and responded to questions from the City Council. He stated that this item is for information only and no action is required at this time, and that RDM Ard was available to respond to questions from Council.

4. **Future Council agenda items**

None.

**CONVENE TO CLOSED SESSION**

The City Council convened to closed session at 7:40 p.m. to discuss the following items:

(1) Pursuant to Government Code Section 54957.6, the City Council met in closed session to confer with their labor negotiator re employee negotiations with SEIU, Mid Management Group, Management Group, Scotts Valley Police Bargaining Unit, Scotts Valley Police Supervisors Association.

(2) Pursuant to Government Code Section 54956.9a, the City Council met in closed session with their legal counsel regarding existing litigation. Name of Case: City of Scotts Valley vs. County of Santa Cruz, et al, Case No. CIV467230 San Mateo County Superior Court, and Case No. A126357 Court of Appeal, First District

**RECONVENE TO OPEN SESSION**

The City Council reconvened to open session at 8:05 p.m.

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

Mayor Bustichi announced that there was nothing to report.

**ADJOURNMENT** The meeting adjourned at 8:05 p.m.

Approved: ________________________________
Dene Bustichi, Mayor

Attest:___________________________________
Tracy A. Ferrara, City Clerk

Check Register

CONSENT AGENDA ITEM B
DATE: 6-17-2015

| BANK | VENDOR | | CHECK# | DATE | AMOUNT | |
|---|---|---|---|---|---|---|
| BA | GENERAL CHECKING ACCOUNT | | | | | |
| | 003149 | AQUATIC BIOASSAY & | 104502 | 06/05/15 | 3,475.00 | |
| | 001670 | AT &T | 104503 | 06/05/15 | 3,426.66 | |
| | 000097 | AT&T | 104504 | 06/05/15 | 487.27 | |
| | 003174 | CAPITAL ONE COMMERCIAL | 104505 | 06/05/15 | 127.00 | |
| | 001362 | DUNCAN AUTO TECH | 104506 | 06/05/15 | 112.04 | |
| | 003290 | EVOQUA WATER TECHNOLOGIE | 104507 | 06/05/15 | 250.35 | |
| | 001042 | GOLDEN GATE PETROLEUM | 104508 | 06/05/15 | 3,247.18 | |
| | 001837 | GORMAN/KEVIN | 104509 | 06/05/15 | 10.50 | |
| | 003339 | GREAT AMERICA | 104510 | 06/05/15 | 459.99 | |
| | 001856 | HUB INTERNATIONAL | 104511 | 06/05/15 | 896.28 | |
| | 001372 | KURATOMI DDS/REED K | 104512 | 06/05/15 | 171.20 | |
| | 003321 | LOPEZ/RENE | 104513 | 06/05/15 | 193.46 | |
| | 003171 | MICHALAK/GENE | 104514 | 06/05/15 | 110.00 | |
| | 000083 | MISSION UNIFORM SERVICE | 104515 | 06/05/15 | 761.81 | |
| | 000967 | MONTEREY BAY SYSTEMS | 104516 | 06/05/15 | 517.40 | |
| | 000939 | NATIONAL COMTEL NETWORK | 104517 | 06/05/15 | 26.47 | |
| | 000463 | NOB HILL FOODS | 104518 | 06/05/15 | 240.89 | |
| | 000101 | PACIFIC GAS & ELECTRIC C | 104519 | 06/05/15 | 32,334.68 | |
| | 000098 | PALACE ART & OFFICE | 104520 | 06/05/15 | 1,654.68 | |
| | 001982 | PEAVEY COMPANY/LYNN | 104521 | 06/05/15 | 111.70 | |
| | 003165 | PHENOVA | 104522 | 06/05/15 | 387.30 | |
| | 003437 | QUALITY CARPET CARE | 104523 | 06/05/15 | 125.00 | |
| | 001919 | SANTA CRUZ BEACH BOARDWA | 104524 | 06/05/15 | 140.00 | |
| | 000319 | SCOTTS VALLEY CAR WASH | 104525 | 06/05/15 | 464.07 | |
| | 000131 | SCOTTS VALLEY MEDICAL | 104526 | 06/05/15 | 467.00 | |
| | 000133 | SCOTTS VALLEY SPRINKLER | 104527 | 06/05/15 | 117.28 | |
| | 001933 | THURINGER/JOE | 104528 | 06/05/15 | 174.00 | |
| | .14905 | TUCK/NAOMI | 104529 | 06/05/15 | 200.00 | |
| | 000443 | WALPOLE/STEVE | 104530 | 06/05/15 | 416.00 | |
| | 003118 | WILLDAN, INC | 104531 | 06/05/15 | 3,685.00 | |
| | 000154 | WINCHESTER AUTO STORES | 104532 | 06/05/15 | 600.68 | |
| | 003055 | WITTWER DDS/RYAN A | 104533 | 06/05/15 | 1,093.70 | |
| | .14904 | ZAMORA/CLAUDIA | 104534 | 06/05/15 | 200.00 | |
| | GENERAL CHECKING ACCOUNT | | | | 56,684.59 | *** |

Check Register

| BANK | VENDOR | CHECK# | DATE | AMOUNT |
|---|---|---|---|---|
| REPORT TOTALS: | | | | 56,684.59 |

RECORDS PRINTED - 000097

FUND RECAP:

| FUND | DESCRIPTION | DISBURSEMENTS |
|---|---|---|
| 001 | GENERAL | 19,260.73 |
| 004 | RECREATION | 2,909.82 |
| 010 | WASTEWATER OPERATIONS | 27,992.77 |
| 011 | TERTIARY TREATMENT PLANT | 3,247.18 |
| 028 | SENIOR CENTER | 1,072.22 |
| 050 | PINEWOOD EST LNDSCP MAINT DT | 9.59 |
| 077 | SKYPARK MAINT ASSESS DIST | 31.71 |
| 112 | DENTAL INS INTERNAL SERV | 1,680.90 |
| 123 | COMMUNITY FACILITY CENTER | 479.67 |
| TOTAL ALL FUNDS | | 56,684.59 |

BANK RECAP:

| BANK | NAME | DISBURSEMENTS |
|---|---|---|
| BA | GENERAL CHECKING ACCOUNT | 56,684.59 |
| TOTAL ALL BANKS | | 56,684.59 |

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
06/01/2015 12:30:12 Check Register
GL540R-V07.27 PAGE 1

| BANK | VENDOR | | CHECK# | DATE | AMOUNT |
|---|---|---|---|---|---|
| BA | GENERAL CHECKING ACCOUNT | | | | |
| 001097 | ACORN COURT APARTMENTS | | 104363 | 06/01/15 | 3,523.52 |
| .14899 | ADAMS/BARBARA | | 104364 | 06/01/15 | 20.00 |
| 000213 | AFFILIATED PSYCHOLOGISTS | | 104365 | 06/01/15 | 200.00 |
| 001405 | AFLAC-FLEX ONE | | 104366 | 06/01/15 | 2,785.82 |
| 001626 | AGUILAR/STEPHANY | | 104367 | 06/01/15 | 38.51 |
| 001219 | ALHAMBRA | | 104368 | 06/01/15 | 84.46 |
| 001219 | ALHAMBRA | | 104369 | 06/01/15 | 36.68 |
| 000620 | ALVAREZ/TONY | | 104370 | 06/01/15 | 20.00 |
| 001009 | ARD/KRISTIN | | 104371 | 06/01/15 | 30.00 |
| 003319 | ARMSTRONG/KILEY | | 104372 | 06/01/15 | 1,049.33 |
| 003424 | ARMSTRONG/ROWAN | | 104373 | 06/01/15 | 70.00 |
| 001427 | AT&T MOBILITY | | 104374 | 06/01/15 | 68.34 |
| 000205 | BACK TO EDEN INC | | 104375 | 06/01/15 | 1,520.00 |
| .14898 | BARAJAS/MIKE | | 104376 | 06/01/15 | 20.00 |
| 003423 | BATTEY/RYAN | | 104377 | 06/01/15 | 40.00 |
| 001373 | BAY TREE, LLC | | 104378 | 06/01/15 | 3,620.38 |
| 001071 | BAYSIDE OIL II INC | | 104379 | 06/01/15 | 87.22 |
| 001822 | BC LABORATORIES INC. | | 104380 | 06/01/15 | 30.00 |
| 001066 | BEHAVIORAL HEALTH CARE I | | 104381 | 06/01/15 | 128.00 |
| 001593 | BENEDICT DDS/NANETTE | | 104382 | 06/01/15 | 413.60 |
| 001073 | BEWICK/KENNETH | | 104383 | 06/01/15 | 200.00 |
| 000500 | BOLANOS/DORENE | | 104384 | 06/01/15 | 672.50 |
| 000021 | BOWMAN & WILLIAMS | | 104385 | 06/01/15 | 9,360.00 |
| 000437 | BRASS KEY LOCKSMITH | | 104386 | 06/01/15 | 153.59 |
| 000018 | BRINK'S TROPHY SHOPPE | | 104387 | 06/01/15 | 21.75 |
| 001216 | C & N TRACTORS | | 104388 | 06/01/15 | 104.16 |
| 001564 | CALERO/VICTOR | | 104389 | 06/01/15 | 60.00 |
| 003088 | CALIFORNIA COAST UNIFORM | | 104390 | 06/01/15 | 97.82 |
| .14896 | CAPARAS/VICTOR | | 104391 | 06/01/15 | 110.00 |
| .14903 | CASILLAS/MONICA | | 104392 | 06/01/15 | 200.00 |
| 000773 | CENTRAL COAST LANDSCAPE | | 104393 | 06/01/15 | 383.00 |
| 000773 | CENTRAL COAST LANDSCAPE | | 104394 | 06/01/15 | 383.00 |
| 000773 | CENTRAL COAST LANDSCAPE | | 104395 | 06/01/15 | 383.00 |
| 000756 | CENTRAL HOME SUPPLY | | 104396 | 06/01/15 | 982.28 |
| 002091 | COMCAST | | 104397 | 06/01/15 | 425.50 |
| 000776 | DISCOUNT SCHOOL SUPPLY | | 104398 | 06/01/15 | 230.09 |
| 001362 | DUNCAN AUTO TECH | | 104399 | 06/01/15 | 1,988.50 |
| 003405 | DURO LAST ROOFING INC | | 104400 | 06/01/15 | 15.72 |
| 001537 | DYNAMIC PRESS | | 104401 | 06/01/15 | 1,366.56 |
| 003354 | ELITE MARTIAL ARTS, INC | | 104402 | 06/01/15 | 31.50 |
| 000202 | FEDERAL EXPRESS | | 104403 | 06/01/15 | 93.22 |
| 003035 | FELTON DENTAL CENTER | | 104404 | 06/01/15 | 232.00 |
| 000375 | FIRST ALARM SECURITY & P | | 104405 | 06/01/15 | 330.00 |
| 001597 | FLEMING/JOSEPHINE | | 104406 | 06/01/15 | 13,500.00 |
| 003083 | FONG/MICHAEL | | 104407 | 06/01/15 | 120.00 |
| 001828 | GONZALES/GABE | | 104408 | 06/01/15 | 20.00 |
| 000895 | GRANITE CONSTRUCTION CO | | 104409 | 06/01/15 | 287.33 |
| 001572 | HAAS/ROGER | | 104410 | 06/01/15 | 30.00 |

| BANK | VENDOR | CHECK# | DATE | AMOUNT |
|---|---|---|---|---|
| BA GENERAL CHECKING ACCOUNT | | | | |
| 000091 | HEUSSER NEWEIGH | 104411 | 06/01/15 | 1,550.00 |
| 000801 | HINDERLITER, DE LLAMAS & | 104412 | 06/01/15 | 1,690.92 |
| 000615 | HOHMANN/PATRICK J. | 104413 | 06/01/15 | 20.00 |
| 000666 | HOUSING AUTHORITY OF SC | 104414 | 06/01/15 | 1,742.00 |
| 001902 | INDEPENDENT ELECTRIC SUP | 104415 | 06/01/15 | 148.67 |
| 000835 | INTERSTATE SALES | 104416 | 06/01/15 | 2,745.49 |
| 001308 | JOHNSON DDS/BRETT | 104417 | 06/01/15 | 41.20 |
| 001973 | JOHNSON/RANDY | 104418 | 06/01/15 | 190.13 |
| 001903 | JONES/KIMARIE | 104419 | 06/01/15 | 135.00 |
| 003074 | KATES/CORRIE | 104420 | 06/01/15 | 723.68 |
| .14900 | KATZNELSON/YONATON | 104421 | 06/01/15 | 120.00 |
| 003292 | KIMLEY-HORN & ASSOCIATES | 104422 | 06/01/15 | 18,468.80 |
| 003292 | KIMLEY-HORN & ASSOCIATES | 104423 | 06/01/15 | 1,790.22 |
| 003292 | KIMLEY-HORN & ASSOCIATES | 104424 | 06/01/15 | 9,068.80 |
| 001372 | KURATOMI DDS/REED K | 104425 | 06/01/15 | 122.00 |
| .14901 | LAGATTUTA/ANNA | 104426 | 06/01/15 | 20.00 |
| .14895 | LAGATTUTA/CAROLYN KLEIN | 104427 | 06/01/15 | 120.00 |
| 000873 | LEDYARD COMPANY | 104428 | 06/01/15 | 92.85 |
| 001673 | LINCOLN FINANCIAL GROUP | 104429 | 06/01/15 | 1,005.93 |
| 003321 | LOPEZ/RENE | 104430 | 06/01/15 | 20.00 |
| 001591 | MARKELL/ROD | 104431 | 06/01/15 | 1,974.00 |
| 003413 | MATRIX CONSULTING GROUP | 104432 | 06/01/15 | 4,034.00 |
| 001234 | MC GRAW DDS/BERNARD | 104433 | 06/01/15 | 733.00 |
| 003171 | MICHALAK/GENE | 104434 | 06/01/15 | 220.00 |
| 000218 | MID VALLEY SUPPLY | 104435 | 06/01/15 | 811.42 |
| 001863 | NATIONAL EMBLEM, INC. | 104436 | 06/01/15 | 238.45 |
| 000088 | NORTH BAY FORD-LINCOLN- | 104437 | 06/01/15 | 39.55 |
| 001872 | NORTH CENTRAL LABORATORI | 104438 | 06/01/15 | 371.42 |
| 001988 | O'REILLY AUTOMOTIVE,INC | 104439 | 06/01/15 | 185.95 |
| 001615 | OLIN CORP-CHLOR ALKALI | 104440 | 06/01/15 | 2,123.10 |
| 001802 | ONTRAC | 104441 | 06/01/15 | 33.29 |
| 000101 | PACIFIC GAS & ELECTRIC C | 104442 | 06/01/15 | 138.19 |
| 002063 | PATEL-CROSKREY/DARSHANA | 104443 | 06/01/15 | 45.00 |
| 001446 | PEABODY DDS/GUY | 104444 | 06/01/15 | 288.00 |
| 003152 | PETERSON POWER SYSTEMS, | 104445 | 06/01/15 | 301.18 |
| 003165 | PHENOVA | 104446 | 06/01/15 | 444.43 |
| 003268 | PHILLIPS/WENDY | 104447 | 06/01/15 | 38.50 |
| 001857 | PHOENIX GROUP | 104448 | 06/01/15 | 4.80 |
| 001897 | PHSI PURE WATER FINANCE | 104449 | 06/01/15 | 256.17 |
| 000102 | PITNEY BOWES | 104450 | 06/01/15 | 147.44 |
| 003323 | POMPETTE/NICOLE | 104451 | 06/01/15 | 20.00 |
| 003117 | PRIORITY 1 PUBLIC SAFETY | 104452 | 06/01/15 | 5,052.74 |
| 001640 | PROFESSIONAL TOUCH/THE | 104453 | 06/01/15 | 749.32 |
| 003432 | PROVISION GLASS & WINDOW | 104454 | 06/01/15 | 72.13 |
| 001503 | PRUDENTIAL INSURANCE CO/ | 104455 | 06/01/15 | 612.85 |
| 000879 | QUEST DIAGNOSTICS | 104456 | 06/01/15 | 263.75 |
| 003230 | REDWOOD TOXICOLOGY LAB | 104457 | 06/01/15 | 32.00 |
| 000171 | RIVERSIDE LIGHTING INC | 104458 | 06/01/15 | 28.67 |

| BANK | VENDOR | CHECK# | DATE | AMOUNT |
|---|---|---|---|---|
| BA | GENERAL CHECKING ACCOUNT | | | |
| 003418 | ROSS/HEATHER | 104459 | 06/01/15 | 203.00 |
| 002043 | ROYAL WHOLESALE ELECTRIC | 104460 | 06/01/15 | 644.34 |
| 001894 | S.V. WATER DISTRICT - BU | 104461 | 06/01/15 | 413.00 |
| 000135 | SAN LORENZO VALLEY WATER | 104462 | 06/01/15 | 30.64 |
| 001533 | SANTA CRUZ COUNTY BANK | 104463 | 06/01/15 | 2,715.01 |
| .14894 | SANTA CRUZ TRAVEL INC | 104464 | 06/01/15 | 65.00 |
| 000820 | SANTA CRUZ/COUNTY OF | 104465 | 06/01/15 | 28.00 |
| 000131 | SCOTTS VALLEY MEDICAL | 104466 | 06/01/15 | 607.00 |
| 000133 | SCOTTS VALLEY SPRINKLER | 104467 | 06/01/15 | 22.34 |
| 000916 | SECOND HARVEST FOOD BANK | 104468 | 06/01/15 | 960.00 |
| 000710 | SENIOR NETWORK SERVICES, | 104469 | 06/01/15 | 354.00 |
| 003431 | SGPA | 104470 | 06/01/15 | 5,000.00 |
| 003085 | SHRED-IT USA INC | 104471 | 06/01/15 | 70.45 |
| 001923 | SIRCHIE | 104472 | 06/01/15 | 112.75 |
| 001535 | SKIP'S TIRE & AUTO CENTE | 104473 | 06/01/15 | 296.88 |
| 003287 | SLV ELECTRIC,INC | 104474 | 06/01/15 | 5,850.00 |
| .14897 | SOUZA/RON | 104475 | 06/01/15 | 75.00 |
| .14893 | SP MOTORSPORTS | 104476 | 06/01/15 | 45.00 |
| 002053 | STEPFORD | 104477 | 06/01/15 | 6,244.47 |
| 000143 | SUMMIT UNIFORMS | 104478 | 06/01/15 | 381.72 |
| 001085 | SYCAL ENGINEERING INC | 104479 | 06/01/15 | 840.00 |
| 001933 | THURINGER/JOE | 104480 | 06/01/15 | 20.00 |
| 001560 | TRITON CONSTRUCTION | 104481 | 06/01/15 | 375.00 |
| 001687 | TYNDALL/KEITH | 104482 | 06/01/15 | 20.00 |
| 001366 | U.S. BANCORP OFFICE | 104483 | 06/01/15 | 327.90 |
| 001366 | U.S. BANCORP OFFICE | 104484 | 06/01/15 | 1,417.82 |
| 001366 | U.S. BANCORP OFFICE | 104485 | 06/01/15 | 314.49 |
| 003435 | ULTRAMAX | 104486 | 06/01/15 | 4,412.80 |
| 000754 | UPS STORE/THE | 104487 | 06/01/15 | 349.85 |
| 001415 | USELDINGER/MELANIE | 104488 | 06/01/15 | 122,307.90 |
| 001803 | VARGAS ACADEMY OF | 104489 | 06/01/15 | 816.55 |
| 000151 | VISION SERVICE PLAN | 104490 | 06/01/15 | 1,184.40 |
| 003145 | WAGE WORKS | 104491 | 06/01/15 | 110.00 |
| 001342 | WELCH/JAMES | 104492 | 06/01/15 | 20.00 |
| 000153 | WEST GROUP | 104493 | 06/01/15 | 262.00 |
| 003118 | WILLDAN, INC | 104494 | 06/01/15 | 665.00 |
| 003008 | WILLIAMS/JESSE | 104495 | 06/01/15 | 20.00 |
| 003166 | WISDOM/ANGIE | 104496 | 06/01/15 | 701.11 |
| 001287 | YAHYA/IB | 104497 | 06/01/15 | 84.00 |
| 001370 | ZELLER APPRAISAL SERVICE | 104498 | 06/01/15 | 4,900.00 |
| 002021 | ZOOM | 104499 | 06/01/15 | 268.78 |
| | GENERAL CHECKING ACCOUNT | | | 268,178.62 *** |

Check Register

| BANK | VENDOR | CHECK# | DATE | AMOUNT |
| --- | --- | --- | --- | --- |
| REPORT TOTALS: | | | | 268,178.62 |

RECORDS PRINTED - 000302

Check Register

GL540R

FUND RECAP:

| FUND | DESCRIPTION | DISBURSEMENTS |
|---|---|---|
| 001 | GENERAL | 165,394.43 |
| 002 | RECYCLING/ENVIRONMENTAL | 28.00 |
| 004 | RECREATION | 11,577.93 |
| 008 | TRAFFIC IMPACT MITIGATION | 19,063.08 |
| 010 | WASTEWATER OPERATIONS | 24,942.92 |
| 011 | TERTIARY TREATMENT PLANT | 100.74 |
| 014 | WASTEWATER EQMT REPLACE RES | 2,098.60 |
| 019 | AFFORDABLE HOUSING | 1,974.00 |
| 023 | SVRDA SUCCESSOR AGENCY | 8,885.90 |
| 025 | GENERAL TRUST | 11,948.82 |
| 028 | SENIOR CENTER | 1,249.08 |
| 035 | GREEN BUILDING FUNDING | 1,759.68 |
| 050 | PINEWOOD EST LNDSCP MAINT DT | 1,179.64 |
| 077 | SKYPARK MAINT ASSESS DIST | 1,520.00 |
| 112 | DENTAL INS INTERNAL SERV | 1,954.80 |
| 123 | COMMUNITY FACILITY CENTER | 1,168.20 |
| 150 | GENERAL CAPITAL IMPROVEMENTS | 8,505.06 |
| 306 | SUPPL LAW ENFORCEMENT SRVS | 4,827.74 |
| TOTAL ALL FUNDS | | 268,178.62 |

BANK RECAP:

| BANK | NAME | DISBURSEMENTS |
|---|---|---|
| BA | GENERAL CHECKING ACCOUNT | 268,178.62 |
| TOTAL ALL BANKS | | 268,178.62 |

**Agenda No.** C
**Date: June 17, 2015**

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Tracy A. Ferrara, City Clerk

**APPROVED:** Stephen H. Ando, City Manager

**SUBJECT:** **DESIGNATION OF VOTING DELEGATE FOR LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE**

## SUMMARY OF ISSUE

The League's 2015 Annual Conference is scheduled for Wednesday, September 30 through Friday, September 2 in San Jose. The Annual Business Meeting, where membership takes action on conference resolutions, will be held at noon on Friday, October 2, 2015 at the San Jose Convention Center. Each City is requested by the League to designate a voting representative who will be present at the Business Meeting.

## FISCAL IMPACT

Registration costs associated with attendance at the Conference.

## STAFF RECOMMENDATION

By approval on the consent agenda, the City Council will appoint Council Member Stephany E. Aguilar to represent the City of Scotts Valley at the Annual Business Meeting.

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LEAGUE® OF CALIFORNIA CITIES

1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

**Council Action Advised by July 31, 2015**

May 29, 2015

**TO: Mayors, City Managers and City Clerks**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES**
**League of California Cities Annual Conference – September 30 – October 2, San Jose**

The League's 2015Annual Conference is scheduled for September 30 – October 2 in San Jose. An important part of the Annual Conference is the Annual Business Meeting *(at the General Assembly)*, scheduled for noon on Friday, October 2, at the San Jose Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

**Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 18, 2015. This will allow us time to establish voting delegate/alternate records prior to the conference.**

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

-over-

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.

- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the San Jose Convention Center, will be open at the following times: Wednesday, September 30, 8:00 a.m. – 6:00 p.m.; Thursday, October 1, 7:00 a.m. – 4:00 p.m.; and Friday, October 2, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 18. If you have questions, please call Kayla Gibson at (916) 658-8247.

Attachments:
- 2015 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

## Annual Conference Voting Procedures
## 2015 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Steve Ando, City Manager

**SUBJECT:** **PUBLIC MEETING FOR ANNUAL SUBMITTAL OF CITY OF SCOTTS VALLEY INVESTMENT POLICY (RESOLUTION NO. 1139.19)**

**SUMMARY OF ISSUE**:

The State of California amended Government Code Section 53646 in July, 1996 to require the Treasurer to annually submit to the City Council at a public meeting an Investment Policy for your review and approval. The change in legislation was brought about by the need to avoid the same problems Orange County encountered. The intent is to provide the local governing body with the authority to review and approve the policy.

The current Investment Policy is attached for your information. The City Council last adopted this Investment Policy on June 18, 2014. Staff recommends that no changes be made in the existing Investment Policy at this time.

It is important to note that our Investment Policy as recommended herein affirms my fiduciary responsibility to safeguard public assets. I therefore place a high priority on insuring safety of principal first and then ensuring that the liquidity needs for payment of payroll and other City obligations are met prior to considering yield on the investment.

The investments authorized in the attached Investment Policy are typical governmental investments and are reasonably safe investments. More risky investments such as derivative investments or reverse repurchase agreements have been excluded from this Investment Policy. Typically, the City invests most of its cash other than bond proceeds in the State of California Local Agency Investment Fund (LAIF), which has proved to be a safe investment with a good yield and highly liquid.

A glossary of investment security terms and a summary of permitted investments and limitations are included at the back of the Investment Policy, as a guide to the reader.

**FISCAL IMPACT**:

No change is recommended. Investment reports are currently distributed to the City Council each month, as required by the Investment Policy.

**STAFF RECOMMENDATION**:

1. It is recommended that the City Council adopt Resolution No. 1139.19 approving the Investment Policy.

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# RESOLUTION NO. 1139.19

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ADOPTING THE ATTACHED INVESTMENT POLICY

WHEREAS, under government Code Section 53646, et seq, it is required that the City Council of the City of Scotts Valley annually approve an Investment Policy; and

WHEREAS, it is in the public's best interest that an investment policy be adopted by the City Council so that the public assets will be properly safeguarded and invested.

NOW THEREFORE be it resolved by the City Council of the City of Scotts Valley that the attached Investment Policy (Exhibit "A") is hereby adopted.

This resolution was passed and adopted on the 17th day of June, 2015, at a duly held regular meeting of the City Council of the City of Scotts Valley by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:______________________________
Dene Bustichi, Mayor

Attest:_____________________________
Tracy Ferrara, City Clerk

**EXHIBIT A**

# CITY OF SCOTTS VALLEY
# INVESTMENT POLICY
# JUNE 17, 2015

## 1. PURPOSE

This investment policy is designed to develop a clear understanding for the City Council, City staff, citizens, and third parties of the objectives, policies, and guidelines for the investment of City funds which are not required for immediate needs. The investment policy also offers guidance to investment staff and to any external investment advisors on the investment of City funds.

This statement is intended to provide direction for the investment of the City's temporary idle cash under the prudent investor rule. Civil Code Section 2261, eq seq. states in part "...When investing...for the benefit of another, a trustee shall act with the care, skill, prudence, and diligence...that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise..."

## 2. OBJECTIVES

The City's ultimate investment goal is to enhance the economic condition of the City while ensuring the safety of funds invested and assuring that money is always available when needed.

The City strives to maintain the level of investment of all idle funds as near 100% as possible, through the optimum operation of its cash management system which is designed to accurately monitor and forecast expenditures and revenue. The City attempts to obtain the highest yield on its investments with preservation of principal and liquidity.

**The primary objective of the investment policy of the City of Scotts Valley is SAFETY.** Investments shall be placed only in securities described in this policy, authorized by federal, state, and local laws and regulations, and managed in a manner that seeks to ensure the preservation of principal. The portfolio shall also be appropriately diversified to avoid incurring unreasonable risks regarding specific types of individual financial institutions. Maximizing interest earned is a secondary objective once safety, liquidity, and legality have been assured.

## 3. DELEGATION OF AUTHORITY

The City delegates the authority to invest to the City Manager and City Treasurer and appropriate assistant, subject to the limitations set forth in the Investment Policy and Investment Guidelines. The City holds its public investor harmless for responsible investment transactions undertaken in accordance with the Investment Policy, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The City may delegate the investment of City funds to a professional investment advisor registered under the provisions of the Investment Advisors Act of 1940, subject to approval by the City Council. All investments shall be consistent with this Investment Policy and procedures established by the City Treasurer.

## 4. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial decisions. Additionally, the City Manager and City Treasurer are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

## 5. INVESTMENT GUIDELINES AND INVESTMENT STRATEGY

The City uses a set of written Investment Guidelines which define the procedures for investing within the directives of the Investment Policy. In accordance with the Investment Guidelines, investment strategy is used to maximize yield depending on market conditions.

To maximize returns, the economy and various markets are monitored carefully in order to assess the probable course of interest rates. The City lengthens its maturities when rates are falling and shortens maturities when rates are rising. The City attempts to take advantage of imperfections in the market where a security's price is out of line with other investments, and tries to improve yields during cyclical changes in interest rates.

## 6. SCOPE

This policy applies to all cash assets of the City of Scotts Valley, the Scotts Valley Redevelopment Agency, and the Scotts Valley Public Financing Authority. Included are all pooled funds accounted for in the City's Comprehensive Annual Financial Report, as follows:

General Funds
Special Funds
Debt Service Funds
Capital Project Funds
Internal Service Funds
Enterprise Funds
Trust and Agency Funds

Excluded funds are those, held by a fiscal agent, over which the City does not exercise control over investment of the funds.

## 7. PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

The investment of surplus funds is governed by California Government Code Section 53601 et seq. and by California Government Code section 53630 et seq.

Funds not deposited in banks may be invested in the securities described in sections a-j below. The maximum maturity of any securities purchased shall not exceed five (5) years from date of purchase, unless specified below as shorter than five years, or unless a longer maturity is allowed by bond documents for the investment of bond proceeds, as described in section 1 below. All investments shall be subject to limitations as described herein.

a. Obligations of the U.S. Treasury, or securities guaranteed by the full faith and credit of the United States ("Treasury Obligations"), excluding securities which have been stripped of their coupons.

    1. There is no limitation to the percent of the portfolio which may be held in these Treasury obligations.

b. Obligations which are guaranteed by the full faith and credit of agencies or instrumentalities of the U.S. government ("Agency obligations"), including but not limited to FNMA, FFCB, FHLB, and SLMA.

    1. There is no limitation to the percent of the portfolio which may be held in these Agency obligations.

c. Negotiable certificates of deposit at banks, the short-term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Service, and the long term obligations (if any) of which are rated A or higher by Standard and Poor's or by Moody's Investors Service, or the equivalent by another recognized rating agency.

    1. The maximum maturity of certificates of deposit may not exceed five years.

    2. No more than 30% of the portfolio, excluding bond proceeds, may be invested in certificates of deposit.

    3. The institution must be located in California.

    4. The institution must have current financial information, a signed contract, and a waiver on file with the City.

    5. The institution must maintain a net worth to asset ratio of at least 30% and have a positive earnings record.

    6. The institution must be at least 3 years old.

    7. For collateralized investments, the institution must have at least $500 million in assets.

d. Banker's acceptances issued by banks, the short term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Services, or the equivalent by another nationally rating agency.

   1. The maximum maturity of banker's acceptances may not exceed 180 days.

   2. No more than 40% of the portfolio, excluding bond proceeds, may be invested in banker's acceptances.

e. Commercial paper issued by corporations, the short term obligations of which are rated A1 or higher by Standard and Poor's, or P1 by Moody's Investor Services, or the equivalent by another nationally recognized rating agency.

   1. The maximum maturity of commercial paper may not exceed 270 days.

   2. Eligible paper is limited to notes issued by corporations organized and operating within the United States and having total assets in excess of $500 million, and having a long term debt rating of "A" or higher.

   3. No more than 15% of the portfolio, excluding bond proceeds, may be invested in commercial paper.

   4. An additional 15% of the portfolio (for a total of 30%), excluding bond proceeds, may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days.

f. Repurchase agreements collateralized by any securities permitted under paragraphs a. and b. of this section of this policy (Treasury obligations or Agency obligations).

   1. The term of a repurchase agreement may not exceed 30 days.

   2. The market value of securities shall not be less than 102% of the repurchase amount.

   3. No more than 15% of the portfolio, excluding bond proceeds, may be invested in repurchase agreements.

   4. The repurchase agreements shall be subject to a master repurchase agreement between the City and the provider of the repurchase agreement. The repurchase agreement shall be substantially in the form developed by the Public Securities Association.

   5. Collateral underlying repurchase agreements shall be delivered to the City's custodial bank. Clearly marked evidence of ownership (safekeeping receipts) must be supplied to the bank.

g. Corporate medium notes, rated A or higher by Moody's Investor Services and by Standard and Poor's.

1. No more than 30% of the portfolio, excluding bond proceeds, may be invested in corporate medium term notes.

h. Mortgage pass through securities issued by an agency of the U.S. government.

1. No more than 15% of the portfolio, excluding bond proceeds, may be invested in mortgage pass through securities.

i. Money market mutual funds with a minimum of $250 million is assets which invest in securities described in a. through h. above, provided:

1. The fund has attained the highest rating provided by two of the three largest nationally recognized rating agencies, or

2. The fund has an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligations in a. through h. above.

3. No more than 15% of the portfolio, excluding bond proceeds, may be invested in money market mutual funds.

j. The State of California "Local Agency Investment Fund" ("LAIF") and the "Investment Fund of California" ("CalTRUST").

1. No more than the maximum deposit allowed per agency set by the State Treasurer may be invested in LAIF.

2. No more than 30% of the portfolio, excluding bond proceeds, may be invested in CalTRUST.

k. The City of Scotts Valley also utilizes deposits from commercial banks for regular depository services including operating and payroll accounts. Utilization of "sweep" account services provides short term interest on operating funds. Interest-bearing accounts may also be maintained for certain individual City funds.

1. Deposits in local banks or savings and loans must be consistent with the basic investment goals which stress safety and liquidity above yield.

2. All bank and savings and loan association deposits shall be insured by the FDIC or, to the extent not insured, be collateralized with securities in accordance with California law.

l. Bond proceeds, obligations under lease, installment sales, or proceeds from other agreements of the City may be invested with more flexibility, in accordance with Section 53601 of the California Government Code, in any security that meets the statutory provisions governing the issuance of bonds or other agreements made by the City.

## 8. **POLICY CRITERIA FOR SELECTING INVESTMENTS, IN ORDER OF PRIORITY**

### a. **Safety**

Safety and the minimization of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest, or combination of the two. The first level of risk control is found in state law which restricts the particular types of investments permitted for municipalities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most creditworthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with dates of disbursement, thereby eliminating risk of loss from a forced sale. The City only invests in those instruments that are considered very safe.

### b. **Liquidity**

Liquidity refers to the "ability to easily sell" at any time with a minimal risk of losing some portion of principal or interest. Liquidity is an important quality for an investment to have, for at any time the City may have unexpected or unusual circumstances that result in larger disbursements than expected, and some investments may need to be sold to meet the contingency. Most investments of the City are highly liquid, with the exception of bond proceeds. Maturities of investments are selected in anticipation if disbursement needs, thereby obviating the need for forced liquidation or lost interest penalties.

### c. **Yield**

Yield is the potential dollar earnings an investment can provide, and also is sometimes described as the rate of return. The City attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in the Investment Policy for safety and liquidity are met and provided that the Investment Guidelines and Strategy are followed.

## 9. **POLICY CONSTRAINTS**

The City operates its investment program with many state and self-imposed constraints. The City does not speculate; it does not buy stocks; it does not deal in futures or options; it does not purchase on margin through reverse repurchase agreements. The weighted average life of the portfolio is maintained within the limits dictated by the cash flow needs of the City and by Investment Guidelines. The City diversifies its investments to reduce potential default on market risks. The portfolio is carefully monitored to assure the prudent management of the portfolio.

## 10. **SELECTION OF INVESTMENT CONTACTS**

The City determines those firms with which it will do investment business through a process outlined in the Investment Guidelines. The City will not invest with any firm not on the approved list of Investment Contacts.

## 11. **SAFEKEEPING**

All securities in the City's portfolio are maintained in the City's vault or in an acceptable safekeeping account with a perfected interest in the City's name, and are evidenced by safekeeping receipts. All transactions will be conducted as delivery-vs-payment settlements.

## 12. **INVESTMENT CONTROLS**

The City Treasurer has developed a system of internal investment controls and a segregation of responsibilities of investment functions, in order to assure an adequate system of internal controls over the investment function. The controls are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Scotts Valley. Controls deemed most important include: clear delegation of authority to subordinate staff members, separation of transaction authority from accounting and recordkeeping, supervisory control of employee actions, written confirmation of all transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, custodial safekeeping, avoidance of bearer-form securities, specific limitations regarding securities losses and remedial actions, proper review and approval of brokerage accounts and investment transactions, and control of collusion.

## 13. **INVESTMENT REPORTS**

a. The City Treasurer shall annually render a Statement of Investment Policy to the City Council for their approval at a public meeting, as required by California Government Code section 53646(a).

b. The City Treasurer shall generate and forward to the City Manager and City Council a monthly report within 30 days after the end of each month, as required by California Government Code section 53646(b). Required elements of these reports are: type of investment, issuer, date of maturity, face value, cost of security, current market value (and source of valuation), yield, citation of compliance with the investment policy (or explanation), and a statement of the City's ability to meet expenditure requirements for the next 6 months.

## 14. **INVESTMENT AUDITS**

Annually, there shall be both internal and external audits of the City's Investment Program to assure compliance with the Investment Policy, Investment Guidelines, and Investment Controls.

## 15. INVESTMENT PERFORMANCE EVALUATION

Annually, the City Council, at the time that the Investment policy is brought to the City Council, shall review and evaluate the investment program and update the Statement of Investment Policy. The City Manager shall review the Investment guidelines semi-annually.

## 16. RATING OF SECURITIES

Only securities which meet the ratings specified above may be purchased. If the rating of a security which the City owns is downgraded below these rating standards, the Treasurer shall determine whether to retain or liquidate the security, based upon the new rating, the reason for the re-rating, the maturity date, the amount, and the market value of the security.

## 17. INVESTMENT GUIDELINES

### a. Cash Availability Guidelines

1. Cash flow analysis is developed which serves as a basis for determining the cash available for investment and maturity dates needed to cover future disbursements.

2. A close rapport is maintained with all departments having a significant impact on cash flow to ensure receipt of timely and accurate data.

3. Where practical, revenue receipts are consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to fund cash and investment balances.

4. Active bank balances are kept as low as possible without jeopardizing good banking relationships by maintaining investment of available cash as near to 100% as possible.

5. Bank balances are obtained weekly to assure accurate and detailed information.

6. Sufficient funds are maintained in very liquid investments to meet most unexpected contingencies.

### b. Investing Guidelines

1. A close working relationship is maintained with a list of well established brokers, dealer/brokers, and bankers whose proven technical knowledge and expertise is of assistance in making investment decisions.

2. Economic data, forecasts, and conditions are continuously obtained from financial experts in the field and evaluated as to impact on investment decisions.

3. Business journals are routinely reviewed and education programs are attended to enhance knowledge and professional skills required to manage an investment portfolio.

4. Only investments authorized by the Investment Policy are transacted. Investments are made with qualifying institutions based only on competitiveness of interest rates offered.

5. Purchases of investments are made with the intent of holding the investments to maturity. If, under favorable market conditions, investments of similar maturities can be swapped or traded and portfolio performance can be improved without compromising safety, the trades may be transacted.

6. Individuals authorized by delegation to assist the City Treasurer and City Manager in conducting transactions are limited to purchases of 90 days maturity or less, and are limited to transactions of no more than $100,000 in size, unless specifically otherwise authorized under unusual circumstances.

c. **<u>Guidelines for Broker/Dealer and Banker Relationships</u>**

1. A list of approved brokers, broker/dealers, banks, and savings and loans is reviewed monthly based upon the following:

    a) Being authorized under California Government Code section 53635.5 to transact investments with local agencies.
    b) Receipt of positive audited financial statements.
    c) Being in business for a minimum of three years.

2. The City Treasurer reviews and acts on requests to be on the approved list and accompanying financial statements.

3. There is a formal filing system of the required information for those on the approved list, which provides for an annual report of updated financial information.

4. There is a timely transaction monitoring system to ensure that all documents and confirmation are received and are correct.

5. Transactions are monitored monthly to assure that there are no undue concentrations of investments with any single firm.

## GLOSSARY OF INVESTMENT SECURITIES

a. **Obligations of the U.S. Treasury** - Debt obligations backed by the full faith and credit of the U.S. Government. They are issued with initial maturities from three months to 30 years.

b. **Agency Obligations** - Obligations guaranteed by the full faith and credit of agencies and instrumentalities of the U.S. Government, such as FNMA, FFCB, FHLB, and GNMA.

c. **Negotiable Certificates of Deposits** - A bank deposit issued in negotiable form (i.e., one that can be bought or sold in the open market).

d. **Banker's Acceptance** - A draft that is drawn and accepted by banks. Because the accepting institution is obligated to pay the draft without regard to whether it is paid or not, banker acceptances are considered to be high quality money market instruments.

e. **Commercial Paper** - Unsecured promissory notes issued by corporations to fund short term cash requirements.

f. **Repurchase Agreement** - An agreement in which an investor buys securities from a contra-party with the provision that the buyer must sell the securities back to the contra-party at a specific date at a pre-agreed upon price. The repurchase amount is expressed as principal plus interest at an agreed upon rate.

g. **Corporate Medium Term Note** - An obligation of a corporation issued with an initial term of maturity of nine months to 15 years.

h. **Mortgage Pass Through Certificates** - Bonds backed by an undivided interest in a pool of mortgages or trust deeds. Income and principal from the underlying mortgages is used to pay off the securities.

i. **Money Market Mutual Funds** - Mutual funds which invest in short term securities and strive to maintain a share price of $1.

j. **Local Agency Investment Fund (LAIF)** - An investment pool managed by the California State Treasurer's Office to provide safe, low cost, and highly liquid investment alternative for California's local governmental agencies.

**Investment Trust of California** - More commonly known as CalTRUST, a trust created for public agencies to provide for the investment of pooled funds of its participants.

k. **Demand Deposits** - A deposit of monies where the monies are payable by the bank upon demand of the depositor.

## PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

| Investment Type | Percent of Portfolio | Maximum Life | Other Requirements |
|---|---|---|---|
| a. US Treasury | No Limit | 5 years | No Strips |
| b. Agencies of US Government | No Limit | 5 years | |
| c. Certificates of Deposit | 30% | 5 years | Rated A1/P1 |
| d. Banker's Acceptances | 40% | 180 days | Rated A1/P1 |
| e. Commercial paper | 15% (30% if weighted dollar Average < 31 days) | 270 days | Rated A1/Pa<br>US Corporations<br>Assets > $500 M<br>LTD rated A |
| f. Repurchase Agreements | 15% | 30 days | Collateralized<br>Market > 102% |
| g. Corporate Medium Term Notes | 30% | 5 years | Rated A |
| h. Mortgage Pass-through | 15% | 5 years | US Government only |
| i. Money Market Mutual Funds | 15% | N/A | Assets > $250M<br>Invests only in a-h above<br>Highest rating possible<br>Registered Advisor |
| j. LAIF | LAIF limit | N/A | |
| Investment Trust of California | 30% | N/A | |
| k. Demand Deposits | No Limit | N/A | FDIC or collateralized |

Agenda No. E
Date: June 17, 2015

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Steve Ando, City Manager

**SUBJECT:** **2015/2016 APPROPRIATIONS LIMIT – RESOLUTION NO. 1007.28**

## SUMMARY OF ISSUE

In 1979, State voters approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article XIIIB of the State constitution placing limits on the amount of certain revenue, called proceeds from taxes, which can be spent (appropriated) by governmental entities. In 1990, the State voters approved Proposition 111, which modified the formula for calculating the limit and required an annual review of the limit.

The Appropriations Limit is based on adjusting the previous year's limit by two factors. The City can select one factor from the following two sets of factors:

Percentage change in population in the City of Scotts Valley, or

Percentage change in population in the County of Santa Cruz,

and

Percentage change in the local nonresidential new construction assessment roll for the City of Scotts Valley (to be used as the change in the cost of living), or

Percentage change in the per capita personal income in the State of California.

All of the above factors are provided by the State of California, except for the local new construction assessment which is provided by the County of Santa Cruz. The factors for the 2015 / 2016 calculation are as follows:

| | |
|---|---|
| Percentage change in population in the City of Scotts Valley | 1.08% |
| Percentage change in population in the County of Santa Cruz | 0.87% |
| | |
| Percentage change in local nonresidential new construction | 0.013% |
| Percentage change in per capita personal income in the State | 3.82% |

**FISCAL IMPACT**:

Using the percentage change in population in the City of Scotts Valley and the percentage change in the per capita personal income in the State will produce the highest appropriations limit for 2015/2016: $168,801,146 (1.0108 x 1.0382 x $160,852,988). The appropriations subject to this limit based on the proposed budget for 2015/2016 is $7,443,971. Therefore, the City of Scotts Valley is well below its limit.

**STAFF RECOMMENDATION**:

It is recommended that the City Council adopt Resolution No. 1007.28 making certain findings including the selection of the two factors stated above (see Fiscal Impact) and adopting the 2015/2016 appropriations limit of $168,801,146.

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## 2015/2016 APPROPRIATIONS LIMIT

## RESOLUTION NO. 1007.28

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN COMPLIANCE WITH SECTION XIII B OF THE CALIFORNIA CONSTITUTION (GANN INITIATIVE) AND SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015/2016

**BE IT RESOLVED** by the City Council of the City of Scotts Valley that in compliance with Section XIII B of the Constitution of the State of California, the following is hereby found and determined:

1. That the appropriations limit for fiscal year 2014/2015 was $160,852,988.

2. That during fiscal year 2014/2015, according to State, the percentage change in per capita personal income in California was 3.82%.

3. That the change in population in the City of Scotts Valley in 2014/2015, according to the State of California, was 1.08%.

4. That the appropriations limit under the Gann Initiative for fiscal year 2015/2016 is $168,801,146.

5. That the change in cost of living is selected to be the change in per capita personal income.

6. That the documentation for establishing the appropriations limit for 2015/2016 was prepared by the City Manager and presented to the City Council on June 17, 2015.

7. That more than 15 days have elapsed since documentation used in this determination was made available to the public.

The foregoing resolution was adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting held on the 17th day of June, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:______________________________
Dene Bustichi, Mayor

Attest:____________________________________
Tracy Ferrara, City Clerk

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR
EDMUND G. BROWN JR. ▪ GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2015

Dear Fiscal Officer:

**Subject: Price and Population Information**

**Appropriations Limit**
The California Revenue and Taxation Code, section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2015, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2015-16. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2015-16 appropriations limit. Attachment B provides city and unincorporated county population percentage change. Attachment C provides population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**
Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code section 2228 for further information regarding the appropriations limit. Article XIII B, section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No state agency reviews the local appropriations limits.

**Population Certification**
The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2015**.

**Please Note**: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

KEELY M. BOSLER
Chief Deputy Director

Attachment

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2015-16 appropriation limit is:

Per Capita Personal Income

| Fiscal Year (FY) | Percentage change over prior year |
|---|---|
| 2015-16 | 3.82 |

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2015-16 appropriation limit.

**2015-16:**

Per Capita Cost of Living Change = 3.82 percent
Population Change = 0.93 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.82 + 100}{100} = 1.0382$

Population converted to a ratio: $\frac{0.93 + 100}{100} = 1.0093$

Calculation of factor for FY 2015-16:

$1.0382 \times 1.0093 = 1.0479$

Fiscal Year 2015-16

**Attachment B**
**Annual Percent Change in Population Minus Exclusions***
**January 1, 2014 to January 1, 2015 and Total Population, January 1, 2015**

| County<br>City | Percent Change<br>2014-2015 | --- Population Minus Exclusions ---<br>1-1-14 | <br>1-1-15 | Total Population<br>1-1-2015 |
|---|---|---|---|---|
| Santa Cruz | | | | |
| Capitola | 0.48 | 10,004 | 10,052 | 10,052 |
| Santa Cruz | 1.48 | 62,860 | 63,789 | 63,789 |
| Scotts Valley | 1.08 | 11,800 | 11,928 | 11,928 |
| Watsonville | 0.41 | 51,874 | 52,087 | 52,087 |
| Unincorporated | 0.77 | 132,686 | 133,704 | 133,790 |
| County Total | 0.87 | 269,224 | 271,560 | 271,646 |

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

2013 / 2014
2014 / 2015

# ta Cruz County NonResidential Construction Transaction

## Ditribution Amounts By Index

| Famis | Total Amount To Distribute >> | Growth from | Current Roll A/V | Previous Roll A/V | Change in A/V | Nonres Growth % |
|---|---|---|---|---|---|---|
| | | $28,476,030 | | | | |
| 131220 | S C COUNTY GENERAL | $7,122,545 | 36,485,387,850 | 34,066,722,978 | 2,418,664,872 | 0.2945% |
| 131410 | LAKESIDE SCH DIST TR-GEN | $11,589 | 287,335,527 | 265,205,667 | 22,129,860 | 0.0524% |
| 131412 | LOMA PRIETA SCH DIST TR | $16,082 | 797,747,585 | 748,421,408 | 49,326,177 | 0.0326% |
| 131414 | LOS GATOS HIGH DIST TR | $28,513 | 1,085,083,112 | 1,013,627,075 | 71,456,037 | 0.0399% |
| 131424 | SANTA CLARA SPEC SCHOOL | $476 | 1,074,960,524 | 1,013,627,075 | 61,333,449 | 0.0008% |
| 131426 | SANTA CLARA INST TUITION | $259 | 1,085,083,112 | 1,013,627,075 | 71,456,037 | 0.0004% |
| 131428 | SANTA CLARA DEV CTR- | $821 | 1,085,083,112 | 1,013,627,075 | 71,456,037 | 0.0011% |
| 131430 | SANTA CLARA PHYSICALLY | $1,901 | 1,074,960,524 | 1,013,627,075 | 61,333,449 | 0.0031% |
| 131432 | CO SCH SV SANTA CLARA | $784 | 1,085,083,112 | 1,013,627,075 | 71,456,037 | 0.0011% |
| 131434 | LOMA PRIETA SCH AREAWIDE | $6,912 | 796,278,541 | 747,024,902 | 49,253,639 | 0.0140% |
| 131436 | SANTA CLARA - ALL CAPITAL | $649 | 1,085,083,112 | 1,013,627,075 | 71,456,037 | 0.0009% |
| 131440 | JUVENILE HALL SCH SANTA | $390 | 1,085,083,112 | 1,013,627,075 | 71,456,037 | 0.0005% |
| 131442 | LAKESIDE AREAWIDE | $6,416 | 287,335,527 | 265,205,667 | 22,129,860 | 0.0290% |
| 131444 | WEST VALLEY COM COLL TR | $13,408 | 1,065,463,568 | 995,821,261 | 69,642,307 | 0.0193% |
| 131610 | CAPITOLA CITY TR | $24,307 | 1,990,263,440 | 1,874,806,297 | 115,457,143 | 0.0211% |
| 131622 | SANTA CRUZ CITY TR | $342,598 | 7,726,335,775 | 7,243,863,380 | 482,472,395 | 0.0710% |
| 131630 | SCOTTS VALLEY CITY TR | $17,223 | 2,199,359,948 | 2,067,134,864 | 132,225,084 | 0.0130% |
| 131648 | WATSONVILLE CITY - TRUST | $1,044,815 | 3,446,666,163 | 3,183,548,083 | 263,118,080 | 0.3971% |
| 131855 | COUNTY LIBRARY | $684,824 | 27,232,392,262 | 25,388,706,572 | 1,843,685,690 | 0.0371% |
| 134910 | REC & PARKS - CO SERV | $57,355 | 19,412,704,624 | 18,125,160,408 | 1,287,544,216 | 0.0045% |
| 135461 | SC FLOOD CONT & WTR CONS | $66,786 | 36,483,753,765 | 34,065,207,289 | 2,418,546,476 | 0.0028% |
| 135462 | SC FLOOD CONT & WAT CONS | $56,920 | 36,485,387,850 | 34,066,722,978 | 2,418,664,872 | 0.0024% |
| 304100 | COUNTY FIRE | $112,252 | 3,218,344,938 | 3,032,220,743 | 186,124,195 | 0.0603% |
| 622115 | CO HWY SAFETY SERVICE | $52,781 | 21,126,051,692 | 19,698,080,596 | 1,427,971,096 | 0.0037% |
| 622120 | CO HWY SAFETY SERV AREA | $127,346 | 9,564,845,034 | 8,884,363,550 | 680,481,484 | 0.0187% |
| 622125 | CO HWY SAFETY SVC AREA #9- | $92 | 2,868,952,311 | 2,697,777,637 | 171,174,674 | 0.0001% |
| 622195 | HUTCHINSON RD CO SV AREA | ($207) | 99,969,880 | 92,375,306 | 7,594,574 | -0.0027% |
| 622245 | PAJARO STORM DRAIN MAINT | $197,638 | 5,696,720,128 | 5,293,586,158 | 403,133,970 | 0.0490% |
| 622350 | SC FLOOD CONT & WTR CONS | $106,252 | 7,116,251,762 | 6,699,904,412 | 416,347,350 | 0.0255% |
| 625125 | DAVENPORT CO SAN DIST | $4,245 | 30,588,603 | 27,753,339 | 2,835,264 | 0.1497% |
| 640101 | BONNY DOON SCH DIST GENL | $323,651 | 531,741,795 | 501,254,473 | 30,487,322 | 1.0616% |
| 640301 | LIVE OAK SCH DIST GENL | $20,506 | 3,077,204,771 | 2,912,637,175 | 164,567,596 | 0.0125% |
| 640401 | MOUNTAIN SCH DIST GENL | $14,419 | 238,272,171 | 225,887,840 | 12,384,331 | 0.1164% |
| 640501 | PACIFIC SCH DIST GENL | $66,088 | 112,925,745 | 106,475,100 | 6,450,645 | 1.0245% |
| 640701 | SCOTTS VAL SCH DIST GENL | $756,453 | 3,399,776,232 | 3,192,134,276 | 207,641,956 | 0.3643% |
| 640801 | SOQUEL SCH DIST GENL | $3,253,698 | 4,611,812,391 | 4,297,349,123 | 314,463,268 | 1.0347% |

Agenda No. F
Date: June 17, 2015

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Steve Ando, City Manager

**SUBJECT:** **2015 / 2016 BUDGET ADOPTION**

## SUMMARY OF ISSUE

The City Council has discussed the 2015 / 2016 City budget during previous meetings. The preliminary budget document is included with the Council's agenda packet. Hard copies will be available to the public at City Hall or online at the City's website, www.scottsvalley.org/finance/budget.html. At this meeting, the City Council must adopt two resolutions. The first resolution (No. 630.35) will adopt the City budget for 2015 / 2016 and make appropriations for the amounts budgeted. The second resolution (No. 1501.22) will approve the continued collection of the City's utility users' tax.

As shown below, the 2015-16 General Fund is budgeted with a $122,008 deficit. This does not include any additional amounts for the current negotiations with employee bargaining units. The last three years the City benefited from the payment of back taxes from the successful lawsuit against the County. Next year will be the first year without those payments of $725,000. The City was successful with the passage of Measure U, a temporary sales tax measure. This is currently providing approximately $1,100,000 per year. It will end in fiscal year 2021-22. The City has a projected General Fund surplus in 2014-15 with the one year overlap of the County back taxes payment and a full year of Measure U sales tax. Because of this, the City's General Fund reserves are estimated to start next year at $1,700,000.

GENERAL FUND

| | | |
|---|---|---|
| Revenues | $9,372,425 | |
| Transfers In | 150,000 | $9,522,425 |
| Expenditures | 9,130,818 | |
| Transfers Out | 513,615 | 9,644,433 |
| Net Deficit | | ($122,008) |

**FISCAL IMPACT**:

The total City budget, including all funds, is $14,801,817. Resolution 630.35 adopts the 2015 / 2016 Preliminary Budget as the Final Budget. Council can adjust the Preliminary Budget prior to its adoption if so desired.

**STAFF RECOMMENDATION**:

1. Adopt Resolution No. 630.35 approving the Preliminary Budget as the Final Budget for the City of Scotts Valley for fiscal year 2015 / 2016 and making appropriations for the amounts budgeted.

2. Adopt Resolution No. 1501.22 approving the continued collection of the utility users' tax for the budget year 2015 / 2016.

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# RESOLUTION NO. 630.35

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE BUDGET FOR THE CITY OF SCOTTS VALLEY FOR FISCAL YEAR 2015 / 2016 AND MAKING APPROPRIATIONS FOR THE AMOUNTS BUDGETED**

WHEREAS, the City Manager has prepared a preliminary budget for the City of Scotts Valley for the fiscal year July 1, 2015 to and including June 30, 2016, at the direction of the City Council, and a public meeting has been held on the same, and said preliminary budget is hereby found to be reasonable and adequate;

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

Section 1. That certain original preliminary budget for the City of Scotts Valley for the fiscal year July 1, 2015 to and including June 30, 2016, is hereby approved and adopted as the final budget for the said fiscal year for the City of Scotts Valley and appropriations are hereby made for the amounts budgeted.

Section 2. The City Clerk of the City of Scotts Valley is hereby directed to certify said preliminary budget as the final budget adopted by this resolution.

This resolution was passed and adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting on the 17th day of June 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:______________________________
Dene Bustichi, Mayor

Attest:_________________________________
Tracy Ferrara, City Clerk

# RESOLUTION NO. 1501.22

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX FOR THE BUDGET FISCAL YEAR 2015 / 2016

WHEREAS, the City Council of the City of Scotts Valley adopted Ordinance 109.3 in July 1992 imposing a utility users' tax; and

WHEREAS, Measure R on the November 5, 2002, ballot was passed by over 74% of the voters and ratified the imposition of the utility users' tax, and

WHEREAS, the utility users tax is solely for the purpose of providing revenue for the usual current expenses of the City; and

WHEREAS, Ordinance 109.3 requires that the City Council review this tax on an annual basis at the same time as the City Council reviews its budget;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Scotts Valley, upon their review of the 2015 / 2016 budget, that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2016.

This resolution was adopted at a duly held regular meeting of the City Council on the 17th day of June 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:__________________________
Dene Bustichi, Mayor

Attest:__________________________
Tracy Ferrara, City Clerk

Agenda Item G
Date: June 17, 2015

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Steve Ando, City Manager

**SUBJECT:** **Approval of Agreements of Resignation, Appointment and Acceptance of Bond Trustee for Various Bond Issues**

## SUMMARY OF ISSUE

Union Bank is currently the trustee for three bond issues of the City of Scotts Valley: 1997-1 Refunding Certificates of Participation, 2003 Refunding Certificates of Participation, and the 2011 Community Facilities District (CFD) No. 97-1 Special Tax Refunding Bonds. In a letter dated May 4, 2015, Union Bank informed the City that they will no longer provide dissemination agent services as part of being the trustee.

The City contacted Bank of New York Mellon who also provides trustee services to the City for other bond issues. They agreed to be the trustee of the bonds currently being handled by Union Bank. City staff has been working with both banks regarding this transition. Attached for Council's approval are three agreements, one for each bond issue, which documents the resignation of Union Bank and the appointment of Bank of New York Mellon Trust Company as trustee for each bond issue.

## FISCAL IMPACT

Minor change in fees for the two certificate of participation issues, paid by the General Fund. Minor change in fees for the CFD 97-1 issue, paid by the property owners within the CFD.

## STAFF RECOMMENDATION

That Council approve the attached agreements and authorize the City Manager to execute them.

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**AGREEMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE**
**1997-1 REFUNDING CERTIFICATES OF PARTICIPATION**

This **Agreement of Resignation, Appointment and Acceptance** (this "Agreement") by and among the **City of Scotts Valley** (the "City"), **Union Bank of California, N.A.**, a national banking association (the "Prior Trustee"), and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association duly organized and existing under the laws of the United States (the "Successor Trustee"), is dated as of July 1, 2015.

**RECITALS**:

**WHEREAS**, the City and the Prior Trustee entered into a Supplemental Indenture of Trust dated as of September 1, 1997 (the "Indenture"), which Indenture provided for the issuance of the Certificates (as defined in the Indenture);

**WHEREAS**, pursuant to Section 9.01 of the Indenture, the City has delivered notification to the Prior Trustee of the City's intent to remove the Prior Trustee from the trusts created pursuant to the Indenture and the City desires to appoint the Successor Trustee as trustee to succeed the Prior Trustee under the Indenture; and

**WHEREAS**, the Successor Trustee is willing to accept such appointment as successor trustee under the Indenture.

**NOW, THEREFORE**, the City, the Prior Trustee and the Successor Trustee, for and in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby consent and agree as follows:

## ARTICLE I

## THE PRIOR TRUSTEE

**SECTION 1.01.** The Prior Trustee acknowledges receipt of the notification from the City of its intent to remove the Prior Trustee and desire to appoint the Successor Trustee under the Indenture effective as of July 1, 2015 (the "Effective Date").

**SECTION 1.02.** The Prior Trustee hereby assigns, transfers, delivers and confirms to the Successor Trustee all the right, title, and interest of the Prior Trustee in and to the trusts under the Indenture and all the estates, properties, rights, powers, trusts, duties and obligations of the Trustee under the Indenture. The Prior Trustee shall execute and deliver such further instruments and shall do such other things as the Successor Trustee or the City may reasonably require so as to more fully and certainly vest and confirm in the Successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations hereby assigned, transferred, delivered and confirmed to the Successor Trustee as trustee.

Further, the Prior Trustee hereby represents and warrants to the City and the Successor Trustee that:

(a) No covenant or condition contained in the Indenture has been waived by the Prior Trustee or, to the best of the knowledge of the Prior Trustee, by the holders of the percentage in aggregate principal amount of the Certificates required by the Indenture to effect any such waiver;

(b) There is no action, suit or proceeding pending or, to the best of the knowledge of the Prior Trustee, threatened against the Prior Trustee before any court or any governmental authority arising out of any action or omission by the Prior Trustee as trustee under the Indenture;

(c) As of the Effective Date of this Agreement, the Prior Trustee will hold no moneys or property under the Indenture;

(d) This Agreement has been duly authorized, executed and delivered on behalf of the Prior Trustee and, assuming the due authorization, execution and delivery hereof by the City and the Successor Trustee, constitutes its legal, valid and binding obligation; and

(e) To the best of the knowledge of the Prior Trustee, no event has occurred and is continuing which is, or after notice or lapse of time would become, an Event of Default under the Indenture.

**SECTION 1.03.** The Prior Trustee shall deliver to the Successor Trustee, as of or promptly following the Effective Date, all of the documents in its possession listed on **Exhibit A** hereto, including any such documents needed by the Successor Trustee in relation to the Certificates which are not listed on **Exhibit A** hereto.

## ARTICLE II

## THE CITY

**SECTION 2.01.** The City has provided notification as required by Section 9.01 of the Indenture of its intent to remove the Prior Trustee as trustee under the Indenture and desire to appoint the Successor Trustee as trustee under the Indenture. All conditions relating to the appointment of The Bank of New York Mellon Trust Company, N.A. as Successor Trustee under the Indenture have been met by the City, and the City hereby appoints the Successor Trustee as trustee under the Indenture with like effect as if originally named as trustee in the Indenture.

**SECTION 2.02.** The officer of the City executing this Agreement on behalf of the City hereby certifies that the City has the power and authority to: (a) accept the Prior Trustee's resignation as trustee under the Indenture; (b) appoint the Successor Trustee as trustee under the Indenture; and (c) execute and deliver such agreements and other instruments as may be necessary or desirable to effectuate the resignation of the Prior Trustee and the succession of the Successor Trustee as trustee under the Indenture.

**SECTION 2.03.** The City agrees to give, or cause to be given, prompt notice of the appointment of the Successor Trustee in accordance with the Indenture, substantially in the form of **Exhibit B** attached hereto.

**SECTION 2.04.** The City hereby represents and warrants to the Prior Trustee and the Successor Trustee that:

(a) the City is a municipal corporation duly and validly organized and existing pursuant to the laws of the State of California;

(b) this Agreement has been duly and validly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery hereof by the Prior Trustee and the Successor Trustee, constitutes a legal, valid and binding obligation of the City;

(c) the City has not appointed any trustee other than the Prior Trustee and its predecessors; and

(d) the City will continue to perform its obligations under the Indenture.

## ARTICLE III

## THE SUCCESSOR TRUSTEE

**SECTION 3.01**. The Successor Trustee hereby represents and warrants to the Prior Trustee and to the City that:

(a) the Successor Trustee is qualified and eligible under the provisions of Section 9.01 of the Indenture to be appointed successor trustee and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and

(b) this Agreement has been duly and validly authorized, executed and delivered by the Successor Trustee and, assuming the due authorization, execution and delivery hereof by the City and the Prior Trustee, constitutes a legal, valid and binding obligation of the Successor Trustee.

**SECTION 3.02**. The Successor Trustee hereby accepts its appointment as successor trustee under the Indenture and accepts the estates, properties, rights, powers, trusts, duties and obligations of the Prior Trustee as trustee under the Indenture, upon the terms and conditions set forth therein, with like effect as if originally named as trustee under the Indenture.

## ARTICLE IV

## MISCELLANEOUS

**SECTION 4.01**. This Agreement and the resignation, appointment and acceptance effected hereby shall be effective as of the opening of business on the Effective Date.

**SECTION 4.02**. This Agreement shall be governed by and construed in accordance with the laws governing the Indenture, and except as otherwise expressly provided herein or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meaning assigned to them in the Indenture.

**SECTION 4.03**. Notwithstanding the removal of the Prior Trustee effected hereby, the City shall remain obligated under Section 9.06 of the Indenture to compensate, reimburse and indemnify the Prior Trustee in connection with its trusteeship under the Indenture.

**SECTION 4.04**. The parties hereto agree that this Agreement does not constitute (a) an assumption by the Successor Trustee of any liability of the Prior Trustee arising out of any actions or inaction by the Prior Trustee under the Indenture or (b) an assumption by the Prior Trustee of any liability of the Successor Trustee arising out of any actions or inaction by the Successor Trustee under the Indenture.

**SECTION 4.05**. This Agreement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

**SECTION 4.06**. The City, the Prior Trustee and the Successor Trustee hereby acknowledge receipt of an executed and acknowledged counterpart of this Agreement and the effectiveness thereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement of Resignation, Appointment and Acceptance to be duly executed and acknowledged all as of the day and year first above written.

**City of Scotts Valley,**
as City

By: ______________________________
Name: Stephen H. Ando
Title: City Manager

**Union Bank of California, N.A,**
as Prior Trustee

By: ______________________________
Name:
Title:

**The Bank of New York Mellon Trust Company, N.A.**,
as Successor Trustee

By: ______________________________
Name: Daniel Marroquin
Title: Vice President

# Exhibit A

Documents to be delivered to Successor Trustee (to the extent within the possession of the Prior Trustee), which documents may be in electronic form:

1. File of original closing documents, including an executed copy of the Trust Indenture dated as of September 1, 1997.
2. Original certificate(s) and any inventory.
3. Certified list of holders as of the Effective Date, including certificate detail, all “stop transfers” and the reason therefore (or alternatively, if there are a substantial number of registered holders, the computer tape reflecting the identity of such holders).
4. Copies of any notices sent by the Prior Trustee to the City or the holders of Certificates pursuant to the terms of the Indenture which are not otherwise publicly available.
5. Any operational systems history (ie: certificatemaster, certmaster, etc).
6. Any moneys, property or collateral held in relation to the Certificates.

**Exhibit B**

# Notice

**City of Scotts Valley**
**1997-1 Refunding Certificates of Participation**
**(the "Certificates")**
**CUSIP #_______**

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE OWNERS AND BENEFICIAL OWNERS OF THE SUBJECT CERTIFICATES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.**

**NOTICE IS HEREBY GIVEN**, pursuant to Section 9.01 of the Supplemental Indenture of Trust dated as of September 1, 1997 (the "Indenture") by and between the City of Scotts Valley (the "City") and Union Bank of California, N.A., as Trustee, that Union Bank of California has been removed as Trustee under the Indenture.

Pursuant to Section 9.01 of the Indenture, The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under the laws of the United States, has accepted appointment as Trustee under the Indenture. The address of the corporate trust office of The Bank of New York Mellon Trust Company, N.A. is 400 South Hope Street, Suite 400, Los Angeles, CA 90071.

The appointment of The Bank of New York Mellon Trust Company, N.A. as successor trustee will be effective as of the opening of business on July 1, 2015.

Dated: ____________, 2015

By:

cc:

**AGREEMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE**
**CERTIFICATES OF PARTICIPATION**
**REFUNDING AND 2003 PUBLIC IMPROVEMENTS PROJECT**

This **Agreement of Resignation, Appointment and Acceptance** (this "Agreement") by and among the **City of Scotts Valley** (the "City"), **Union Bank of California, N.A.**, a national banking association (the "Prior Trustee"), and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association duly organized and existing under the laws of the United States (the "Successor Trustee"), is dated as of July 1, 2015.

**RECITALS**:

**WHEREAS**, the City and the Prior Trustee entered into a Trust Indenture dated as of April 1, 2003 (the "Indenture"), which Indenture provided for the issuance of the Certificates (as defined in the Indenture);

**WHEREAS**, pursuant to Section 9.01 of the Indenture, the City has delivered notification to the Prior Trustee of the City's intent to remove the Prior Trustee from the trusts created pursuant to the Indenture and the City desires to appoint the Successor Trustee as trustee to succeed the Prior Trustee under the Indenture; and

**WHEREAS**, the Successor Trustee is willing to accept such appointment as successor trustee under the Indenture.

**NOW, THEREFORE**, the City, the Prior Trustee and the Successor Trustee, for and in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby consent and agree as follows:

## ARTICLE I

## THE PRIOR TRUSTEE

**SECTION 1.01.** The Prior Trustee acknowledges receipt of the notification from the City of its intent to remove the Prior Trustee and desire to appoint the Successor Trustee under the Indenture effective as of July 1, 2015 (the "Effective Date").

**SECTION 1.02.** The Prior Trustee hereby assigns, transfers, delivers and confirms to the Successor Trustee all the right, title, and interest of the Prior Trustee in and to the trusts under the Indenture and all the estates, properties, rights, powers, trusts, duties and obligations of the Trustee under the Indenture. The Prior Trustee shall execute and deliver such further instruments and shall do such other things as the Successor Trustee or the City may reasonably require so as to more fully and certainly vest and confirm in the Successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations hereby assigned, transferred, delivered and confirmed to the Successor Trustee as trustee.

Further, the Prior Trustee hereby represents and warrants to the City and the Successor Trustee that:

(a) No covenant or condition contained in the Indenture has been waived by the Prior Trustee or, to the best of the knowledge of the Prior Trustee, by the holders of the percentage in aggregate principal amount of the Certificates required by the Indenture to effect any such waiver;

(b) There is no action, suit or proceeding pending or, to the best of the knowledge of the Prior Trustee, threatened against the Prior Trustee before any court or any governmental authority arising out of any action or omission by the Prior Trustee as trustee under the Indenture;

(c) As of the Effective Date of this Agreement, the Prior Trustee will hold no moneys or property under the Indenture;

(d) This Agreement has been duly authorized, executed and delivered on behalf of the Prior Trustee and, assuming the due authorization, execution and delivery hereof by the City and the Successor Trustee, constitutes its legal, valid and binding obligation; and

(e) To the best of the knowledge of the Prior Trustee, no event has occurred and is continuing which is, or after notice or lapse of time would become, an Event of Default under the Indenture.

**SECTION 1.03.** The Prior Trustee shall deliver to the Successor Trustee, as of or promptly following the Effective Date, all of the documents in its possession listed on **Exhibit A** hereto, including any such documents needed by the Successor Trustee in relation to the Certificates which are not listed on **Exhibit A** hereto.

## ARTICLE II

## THE CITY

**SECTION 2.01.** The City has provided notification as required by Section 9.01 of the Indenture of its intent to remove the Prior Trustee as trustee under the Indenture and desire to appoint the Successor Trustee as trustee under the Indenture. All conditions relating to the appointment of The Bank of New York Mellon Trust Company, N.A. as Successor Trustee under the Indenture have been met by the City, and the City hereby appoints the Successor Trustee as trustee under the Indenture with like effect as if originally named as trustee in the Indenture.

**SECTION 2.02.** The officer of the City executing this Agreement on behalf of the City hereby certifies that the City has the power and authority to: (a) accept the Prior Trustee's resignation as trustee under the Indenture; (b) appoint the Successor Trustee as trustee under the Indenture; and (c) execute and deliver such agreements and other instruments as may be necessary or desirable to effectuate the resignation of the Prior Trustee and the succession of the Successor Trustee as trustee under the Indenture.

**SECTION 2.03.** The City agrees to give, or cause to be given, prompt notice of the appointment of the Successor Trustee in accordance with the Indenture, substantially in the form of **Exhibit B** attached hereto.

**SECTION 2.04.** The City hereby represents and warrants to the Prior Trustee and the Successor Trustee that:

(a) the City is a municipal corporation duly and validly organized and existing pursuant to the laws of the State of California;

(b) this Agreement has been duly and validly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery hereof by the Prior Trustee and the Successor Trustee, constitutes a legal, valid and binding obligation of the City;

(c) the City has not appointed any trustee other than the Prior Trustee and its predecessors; and

(d) the City will continue to perform its obligations under the Indenture.

## ARTICLE III

## THE SUCCESSOR TRUSTEE

**SECTION 3.01**. The Successor Trustee hereby represents and warrants to the Prior Trustee and to the City that:

(a) the Successor Trustee is qualified and eligible under the provisions of the Indenture to be appointed successor trustee and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and

(b) this Agreement has been duly and validly authorized, executed and delivered by the Successor Trustee and, assuming the due authorization, execution and delivery hereof by the City and the Prior Trustee, constitutes a legal, valid and binding obligation of the Successor Trustee.

**SECTION 3.02**. The Successor Trustee hereby accepts its appointment as successor trustee under the Indenture and accepts the estates, properties, rights, powers, trusts, duties and obligations of the Prior Trustee as trustee under the Indenture, upon the terms and conditions set forth therein, with like effect as if originally named as trustee under the Indenture.

## ARTICLE IV

## MISCELLANEOUS

**SECTION 4.01**. This Agreement and the resignation, appointment and acceptance effected hereby shall be effective as of the opening of business on the Effective Date.

**SECTION 4.02**. This Agreement shall be governed by and construed in accordance with the laws governing the Indenture, and except as otherwise expressly provided herein or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meaning assigned to them in the Indenture.

**SECTION 4.03**. Notwithstanding the removal of the Prior Trustee effected hereby, the City shall remain obligated under Section 9.06 of the Indenture to compensate, reimburse and indemnify the Prior Trustee in connection with its trusteeship under the Indenture.

**SECTION 4.04**. The parties hereto agree that this Agreement does not constitute (a) an assumption by the Successor Trustee of any liability of the Prior Trustee arising out of any actions or inaction by the Prior Trustee under the Indenture or (b) an assumption by the Prior Trustee of any liability of the Successor Trustee arising out of any actions or inaction by the Successor Trustee under the Indenture.

**SECTION 4.05**. This Agreement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

**SECTION 4.06**. The City, the Prior Trustee and the Successor Trustee hereby acknowledge receipt of an executed and acknowledged counterpart of this Agreement and the effectiveness thereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement of Resignation, Appointment and Acceptance to be duly executed and acknowledged all as of the day and year first above written.

**City of Scotts Valley,**
as City

By: ______________________________
Name: Stephen H. Ando
Title: City Manager

**Union Bank of California, N.A.,**
as Prior Trustee

By: ______________________________
Name:
Title:

**The Bank of New York Mellon Trust Company, N.A.**,
as Successor Trustee

By: ______________________________
Name: Daniel Marroquin
Title: Vice President

# Exhibit A

Documents to be delivered to Successor Trustee (to the extent within the possession of the Prior Trustee), which documents may be in electronic form:

1. File of original closing documents, including an executed copy of the Trust Indenture dated as of April 1, 2003.
2. Original certificate(s) and any inventory.
3. Certified list of holders as of the Effective Date, including certificate detail, all “stop transfers” and the reason therefore (or alternatively, if there are a substantial number of registered holders, the computer tape reflecting the identity of such holders).
4. Copies of any notices sent by the Prior Trustee to the City or the holders of Certificates pursuant to the terms of the Indenture which are not otherwise publicly available.
5. Any operational systems history (ie: certificatemaster, certmaster, etc).
6. Any moneys, property or collateral held in relation to the Certificates.

**Exhibit B**

# Notice

**City of Scotts Valley**
**Certificates of Participation**
**Refunding and 2003 Public Improvements Project**
**(the "Certificates")**
**CUSIP #_______**

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE OWNERS AND BENEFICIAL OWNERS OF THE SUBJECT CERTIFICATES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.**

**NOTICE IS HEREBY GIVEN**, pursuant to Section 9.01 of the Indenture of Trust dated as of April 1, 2003 (the "Indenture") by and between the City of Scotts Valley (the "City") and Union Bank of California, N.A., as Trustee, that Union Bank of California, N.A. has been removed as Trustee under the Indenture.

Pursuant to Section 9.01 of the Indenture, The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under the laws of the United States, has accepted appointment as Trustee under the Indenture. The address of the corporate trust office of The Bank of New York Mellon Trust Company, N.A. is 400 South Hope Street, Suite 400, Los Angeles, CA 90071.

The appointment of The Bank of New York Mellon Trust Company, N.A. as successor trustee will be effective as of the opening of business on July 1, 2015.

Dated: ____________, 2015

By:

cc:

**RESOLUTION OF RESIGNATION, APPOINTMENT AND ACCEPTANCE**
**Community Facilities District No. 97-1 of the City of Scotts Valley**
**2011 Special Tax Refunding Bonds**
**$3,445,000 Series A (Tax Exempt) (Bank Qualified)**
**$1,285,000 Series B (Federally Taxable)**

This **Resolution of Resignation, Appointment and Acceptance** (this "Resolution") by and among the **City of Scotts Valley** (the "City"), **Union Bank of California, N.A.**, a national banking association (the "Prior Fiscal Agent"), and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association duly organized and existing under the laws of the United States (the "Successor Fiscal Agent"), is dated as of July 1, 2015.

**RECITALS**:

**WHEREAS**, the City entered into a Supplement to Resolution No. 1596.34 dated as of August 1, 2011 (the "Resolution"), which Resolution provided for the issuance of the Bonds (as defined in the Resolution);

**WHEREAS**, pursuant to Section 7.02 of the Resolution, the City has delivered notification to the Prior Fiscal Agent of the City's intent to remove the Prior Fiscal Agent from the trusts created pursuant to the Resolution and the City desires to appoint the Successor Fiscal Agent as Fiscal Agent to succeed the Prior Fiscal Agent under the Resolution; and

**WHEREAS**, the Successor Fiscal Agent is willing to accept such appointment as Successor Fiscal Agent under the Resolution.

**NOW, THEREFORE**, the City, the Prior Fiscal Agent and the Successor Fiscal Agent, for and in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby consent and agree as follows:

**ARTICLE I**

**<u>THE PRIOR FISCAL AGENT</u>**

**SECTION 1.01.** The Prior Fiscal Agent acknowledges receipt of the notification from the City of its intent to remove the Prior Fiscal Agent and desire to appoint the Successor Fiscal Agent under the Resolution effective as of July 1, 2015 (the "Effective Date").

**SECTION 1.02.** The Prior Fiscal Agent hereby assigns, transfers, delivers and confirms to the Successor Fiscal Agent all the right, title, and interest of the Prior Fiscal Agent in and to the trusts under the Resolution and all the estates, properties, rights, powers, trusts, duties and obligations of the Fiscal Agent under the Resolution. The Prior Fiscal Agent shall execute and deliver such further instruments and shall do such other things as the Successor Fiscal Agent or the City may reasonably require so as to more fully and certainly vest and confirm in the Successor Fiscal Agent all the estates, properties, rights, powers, trusts, duties and obligations hereby assigned, transferred, delivered and confirmed to the Successor Fiscal Agent as Fiscal Agent.

Further, the Prior Fiscal Agent hereby represents and warrants to the City and the Successor Fiscal Agent that:

(a) No covenant or condition contained in the Resolution has been waived by the Prior Fiscal Agent or, to the best of the knowledge of the Prior Fiscal Agent, by the holders of the percentage in aggregate principal amount of the Bonds required by the Resolution to effect any such waiver;

(b) There is no action, suit or proceeding pending or, to the best of the knowledge of the Prior Fiscal Agent, threatened against the Prior Fiscal Agent before any court or any governmental authority arising out of any action or omission by the Prior Fiscal Agent as Fiscal Agent under the Resolution;

(c) As of the Effective Date of this Resolution, the Prior Fiscal Agent will hold no moneys or property under the Resolution;

(d) This Resolution has been duly authorized, executed and delivered on behalf of the Prior Fiscal Agent and, assuming the due authorization, execution and delivery hereof by the City and the Successor Fiscal Agent, constitutes its legal, valid and binding obligation; and

(e) To the best of the knowledge of the Prior Fiscal Agent, no event has occurred and is continuing which is, or after notice or lapse of time would become, an Event of Default under the Resolution.

**SECTION 1.03.** The Prior Fiscal Agent shall deliver to the Successor Fiscal Agent, as of or promptly following the Effective Date, all of the documents in its possession listed on **Exhibit A** hereto, including any such documents needed by the Successor Fiscal Agent in relation to the Bonds which are not listed on **Exhibit A** hereto.

## ARTICLE II

## THE CITY

**SECTION 2.01.** The City has provided notification as required by Section 7.02 of the Resolution of its intent to remove the Prior Fiscal Agent as Fiscal Agent under the Resolution and desire to appoint the Successor Fiscal Agent as Fiscal Agent under the Resolution. All conditions relating to the appointment of The Bank of New York Mellon Trust Company, N.A. as Successor Fiscal Agent under the Resolution have been met by the City, and the City hereby appoints the Successor Fiscal Agent as Fiscal Agent under the Resolution with like effect as if originally named as Fiscal Agent in the Resolution.

**SECTION 2.02.** The officer of the City executing this Resolution on behalf of the City hereby certifies that the City has the power and authority to: (a) accept the Prior Fiscal Agent's resignation as Fiscal Agent under the Resolution; (b) appoint the Successor Fiscal Agent as Fiscal Agent under the Resolution; and (c) execute and deliver such Resolutions and other instruments as may be necessary or desirable to effectuate the resignation of the Prior Fiscal Agent and the succession of the Successor Fiscal Agent as Fiscal Agent under the Resolution.

**SECTION 2.03.** The City agrees to give, or cause to be given, prompt notice of the appointment of the Successor Fiscal Agent in accordance with the Resolution, substantially in the form of **Exhibit B** attached hereto.

**SECTION 2.04.** The City hereby represents and warrants to the Prior Fiscal Agent and the Successor Fiscal Agent that:

(a) the City is a municipal corporation duly and validly organized and existing pursuant to the laws of the State of California;

(b) this Resolution has been duly and validly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery hereof by the Prior Fiscal

Agent and the Successor Fiscal Agent, constitutes a legal, valid and binding obligation of the City;

(c) the City has not appointed any Fiscal Agent other than the Prior Fiscal Agent and its predecessors; and

(d) the City will continue to perform its obligations under the Resolution.

## ARTICLE III

## THE SUCCESSOR FISCAL AGENT

**SECTION 3.01**. The Successor Fiscal Agent hereby represents and warrants to the Prior Fiscal Agent and to the City that:

(a) the Successor Fiscal Agent is qualified and eligible under the provisions of the Resolution to be appointed successor fiscal Agent and has full power and authority to execute and deliver this Resolution and to perform its obligations hereunder; and

(b) this Resolution has been duly and validly authorized, executed and delivered by the Successor Fiscal Agent and, assuming the due authorization, execution and delivery hereof by the City and the Prior Fiscal Agent, constitutes a legal, valid and binding obligation of the Successor Fiscal Agent.

**SECTION 3.02**. The Successor Fiscal Agent hereby accepts its appointment as successor Fiscal Agent under the Resolution and accepts the estates, properties, rights, powers, trusts, duties and obligations of the Prior Fiscal Agent as Fiscal Agent under the Resolution, upon the terms and conditions set forth therein, with like effect as if originally named as Fiscal Agent under the Resolution.

## ARTICLE IV

## MISCELLANEOUS

**SECTION 4.01**. This Resolution and the resignation, appointment and acceptance effected hereby shall be effective as of the opening of business on the Effective Date.

**SECTION 4.02**. This Resolution shall be governed by and construed in accordance with the laws governing the Resolution, and except as otherwise expressly provided herein or unless the context otherwise requires, all terms used herein which are defined in the Resolution shall have the meaning assigned to them in the Resolution.

**SECTION 4.03**. Notwithstanding the removal of the Prior Fiscal Agent effected hereby, the City shall remain obligated under Section 7.01 of the Resolution to compensate, reimburse and indemnify the Prior Fiscal Agent in connection with its Fiscal Agent appointment under the Resolution.

**SECTION 4.04**. The parties hereto agree that this Resolution does not constitute (a) an assumption by the Successor Fiscal Agent of any liability of the Prior Fiscal Agent arising out of any actions or inaction by the Prior Fiscal Agent under the Resolution or (b) an assumption by the Prior Fiscal Agent of any liability of the Successor Fiscal Agent arising out of any actions or inaction by the Successor Fiscal Agent under the Resolution.

**SECTION 4.05**. This Resolution may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

**SECTION 4.06**. The City, the Prior Fiscal Agent and the Successor Fiscal Agent hereby acknowledge receipt of an executed and acknowledged counterpart of this Resolution and the effectiveness thereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this Resolution of Resignation, Appointment and Acceptance to be duly executed and acknowledged all as of the day and year first above written.

**City of Scotts Valley,**
as City

By: ____________________________
Name: Stephen H. Ando
Title: City Manager

**Union Bank of California, N.A.,**
as Prior Fiscal Agent

By: ____________________________
Name:
Title:

**The Bank of New York Mellon Trust Company, N.A.**,
as Successor Fiscal Agent

By: ____________________________
Name: Daniel Marroquin
Title: Vice President

# Exhibit A

Documents to be delivered to Successor Fiscal Agent (to the extent within the possession of the Prior Fiscal Agent), which documents may be in electronic form:

1. File of original closing documents, including an executed copy of the Resolution dated as of August 1, 2011.
2. Original bond(s) and any inventory.
3. Certified list of holders as of the Effective Date, including bond detail, all “stop transfers” and the reason therefore (or alternatively, if there are a substantial number of registered holders, the computer tape reflecting the identity of such holders).
4. Copies of any notices sent by the Prior Fiscal Agent to the City or the holders of Bonds pursuant to the terms of the Resolution which are not otherwise publicly available.
5. Any operational systems history (ie: bondmaster, certmaster, etc).
6. Any moneys, property or collateral held in relation to the Bonds.

**Exhibit B**

# Notice

**Community Facilities District No. 97-1 of the**
**City of Scotts Valley**
**2011 Special Tax Refunding Bonds**
**$3,445,000 Series A (Tax Exempt) (Bank Qualified)**
**$1,285,000 Series B (Federally Taxable)**
**(the "Bonds")**
**CUSIP #_______**

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE OWNERS AND BENEFICIAL OWNERS OF THE SUBJECT BONDS. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.**

**NOTICE IS HEREBY GIVEN**, pursuant to Section 7.02 of the Supplement to Resolution No. 1596.34 dated as of August 1, 2011 (the "Resolution") by and between the City of Scotts Valley (the "City") and Union Bank of California, N.A., as Fiscal Agent, that Union Bank of California, N.A. has been removed as Fiscal Agent under the Resolution.

Pursuant to Section 7.02 of the Resolution, The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under the laws of the United States, has accepted appointment as Fiscal Agent under the Resolution. The address of the corporate trust office of The Bank of New York Mellon Trust Company, N.A. is 400 South Hope Street, Suite 400, Los Angeles, CA 90071.

The appointment of The Bank of New York Mellon Trust Company, N.A. as Successor Fiscal Agent will be effective as of the opening of business on July 1, 2015.

Dated: ____________, 2015

By:

cc:

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Corrie Kates, Community Development Director/Deputy City Manager

**SUBJECT:** **Approve Agreement for Professional Services between the City of Scotts Valley and Kimley-Horn and Associates, Inc. to prepare an Environmental Impact Report (EIR) and provide entitlement support services for a proposed 64-lot residential subdivision, the Aviza Residential Project, located at 440 Kings Village Road, APN's 022-221-01, -02, -03, -04, and -05**

## SUMMARY OF ISSUE

The City has received an application to demolish approximately 213,000 square foot heavy industrial building and construct a 64-unit residential project, located at 440 Kings Village Road in the City of Scotts Valley. This project requires the following entitlements:

- Design Review
- Use permit
- Zone Change
- Subdivision Map
- Planned Development
- Zone Ordinance Amendment
- General Plan Amendment

Because of the likelihood of potentially significant impacts particularly associated with aesthetics, biological resources, hazards, hydrology & water quality, transportation, and noise, the City, acting as the Lead Agency per the California Environmental Quality Act (CEQA), has determined that an Initial Study is not necessary and that the City proceed directly with the preparation of an EIR. As described in Sections 15063 and 15060 (d) of the CEQA Guidelines, the preparation of an Initial Study is an optional task which is left to the discretion of the Lead Agency. This approach will save time and unnecessary expense associated with the CEQA review process.

On projects of this size, the City typically contracts with a planning consulting firm to prepare the necessary environmental documents required for the project. City staff prepared an RFP for planning consulting firms which was distributed to three firms. The City received one (1) proposal in response from Kimley-Horn and Associates. The other firms indicated they could not commit the resources necessary to complete the assignment due to their current workload.

In this case, the consulting firm will also provide support to City staff in facilitating the entitlement and permitting process. It is estimated the cost for the services will be $172,431. All costs associated with the environmental review and entitlement support will be borne by the applicant. It is estimated that the environmental and entitlement process will take approximately one (1) year to complete. Upon Contract award and payment of the costs by the applicant, City staff and the consultant team will initiate work on the environmental review and project entitlement process.

## FISCAL IMPACT

There is no cost to the City, all project costs are paid for by the applicant. In addition, the applicant pays a 15% fee for staff time monitoring the contract ($25,865).

## STAFF RECOMMENDATION

Approve the agreement for professional services with Kimley-Horn and Associates to prepare an Environmental Impact Report (EIR) and entitlement support services for a proposed 64-lot residential subdivision, the Aviza Residential Project, located at 440 Kings Village Road, APN's 022-221-01, -02, -03, -04, and -05, and authorize the City Manager to execute the agreement.

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# CITY OF SCOTTS VALLEY
# AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services ("Agreement") is made and entered into as of June 17, 2015, by and between the City of Scotts Valley, a municipal corporation, hereinafter referred to as "CITY", and Kimley-Horn and Associates, Inc., hereinafter referred to as "CONSULTANT".

## RECITALS

A. CITY desires to retain Consultant for certain professional services as set forth in this Agreement.

B. CONSULTANT is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

C. CONSULTANT possesses the skill, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein. NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, CITY and CONSULTANT agree as follows:

## AGREEMENT

1. **Employment of CONSULTANT**: CITY agrees to, and hereby does, retain and employ CONSULTANT to perform the professional services as outlined in the Scope of Work attached hereto and incorporated herein as Exhibit "A". CONSULTANT'S work product shall be performed pursuant to generally accepted standards of practice in effect at the time of performance.

2. **Responsible Personnel**: CITY has relied upon the professional training and ability of CONSULTANT to perform the services hereunder as a material inducement to enter into this Agreement. Primary personnel responsible for the completion of the work described in this Agreement shall be Bill Wiseman, Planning Practice Leader, whose address is 824 Bay Avenue, Suite 10, Capitola, CA 95010; telephone: 831-316-1430; email: bill.wiseman@kimelyhorn.com.

3. **Scope of Work:** CONSULTANT shall perform the services as specified in Exhibit A in a professional manner.

4. **Time of Performance:** The services of CONSULTANT are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the CITY. All such work shall be completed no later than June 3, 2016. Time is of the essence in the performance of this Agreement. No waiver by either party hereto of the nonperformance or any breach of any term, provision, or condition of this Agreement, or any default hereunder shall be considered to be or operate as a waiver of any subsequent nonperformance, breach or default.

5. **Compensation:** CONSULTANT shall accept compensation for services performed as set forth in Section 3 in an amount not to exceed One Hundred Seventy Six Thousand Nine Hundred Sixty Two ($176,962). Such compensation shall be paid upon the completion of the

services set forth in Section 3. Payments to CONSULTANT shall be made upon invoices submitted by CONSULTANT to CITY for review and approval. Invoices will be paid by CITY within a reasonable time after said approved invoices are received.

6. **Indemnity:** CONSULTANT shall hold harmless, indemnify and defend CITY, its elective and appointive boards, commissions, officers, agents, servants, volunteers, and employees from and against any and all claims, costs, damages, liability, losses, or suits (including court costs and attorney fees) for personal injury (including death), property damage and any other damages of any sort whatsoever, arising out of, or alleged to have arisen out of, the willful or negligent acts, errors, or omissions of CONSULTANT or CONSULTANT'S contractors, subcontractors, agents, or employees in the performance of this Agreement. This indemnity shall not apply to a) claims brought by CONSULTANT for default of this Agreement, or (b) claims brought by CITY or any third party where the underlying injury or damage is finally determined by a court of competent jurisdiction to arise solely from the negligent or willful misconduct of CITY. CITY shall hold harmless and indemnify CONSULTANT from any damage which may be caused to the CITY's computer network system.

7. **Termination:** This Agreement may be terminated by the CITY immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, CONSULTANT shall be entitled to compensation for services performed up to the effective date of termination. CONSULTANT shall accept, for itself, as full payment for services rendered and all work to be done and performed hereunder and in complete satisfaction of all claims against CITY by reason of voluntary abandonment or suspension of work or termination of the Agreement, the sum determined on an hourly basis in accordance with the provisions of this Agreement, or any modification or amendment thereto, plus all direct expenses incurred, including those expenses incurred which are directly attributable to the incomplete portion of the work which could not be canceled. In the event of termination, CONSULTANT shall deliver as a condition to the payment of the compensation provided for above, or otherwise make available to CITY, all research data, reports, estimates, summaries, and other such information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether completed or in process in accordance with Section 8 of this Agreement.

8. **Documents:** Notes, studies, charts, computations, electronic files, and other data and information obtained by CONSULTANT for this project shall, upon receipt of payment for services rendered, be made available to CITY by CONSULTANT at CITY'S request and shall become the property of CITY. In the event CITY alters the document, CITY agrees CONSULTANT shall have no responsibility whatsoever for any claim arising out of, or alleged to have risen out of, use of the altered document, All plans, studies, documents, charts, computations, and electronic files prepared by and for CONSULTANT, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the CITY upon payment to CONSULTANT for such work, and the CITY shall have the sole right to use such materials in its discretion without further compensation to CONSULTANT or to any other party. CONSULTANT shall, at CONSULTANT'S expense, provide such reports, plans, studies, documents and other writings to CITY upon written request.

9. **Independent Contractor:** CONTRACTOR is an independent contractor retained by CITY to perform the work described herein. ALL personnel employed by CONSULTANT are not and shall not be deemed to be employees of CITY. CONSULTANT shall obtain no rights to retirement benefits or other benefits which accrue to CITY'S employees, and CONSULTANT hereby expressly waives any claim it may have to such rights. CONSULTANT shall comply with

all state and federal laws pertaining to employment and compensation of its employees and its agents, including the provision of Workers' Compensation.

10. **Licenses:** CONSULTANT represents and warrants to CITY that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of CONSULTANT to practice its profession. Consultant shall maintain a City of Scotts Valley business license.

11. **Assignment:** The parties recognize that a substantial inducement to CITY for entering into this Agreement is the professional reputation, experience and competence of CONSULTANT. Assignments of any or all rights, duties or obligations of the CONSULTANT under this Agreement will be permitted only with the express consent of the CITY. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the CITY. If the CITY consents to such subcontract, CONSULTANT shall be fully responsible to CITY for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between CITY and subcontractor nor shall it create any obligation on the part of the CITY to pay or to see to the payment of any monies due to any such contractor other than as otherwise required by law.

12. **Binding on Successors:** This Agreement is binding on the heirs, successors and assigns of the parties hereto.

13. **Amendment:** This Agreement may be amended, modified or changed by the parties, provided that said Agreement, modification or change is in writing and approved by the authorized representative of the parties.

14. **Applicable Law and Attorney's Fees:** This Agreement shall be construed and enforced in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Santa Cruz. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision of the Agreement, the prevailing party of such action shall be entitled to recover its reasonable litigation expenses, including attorney fees.

15. **Entire Agreement:** This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings, whether oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. The drafting and negotiation of this Agreement have been participated in by each of the parties and/or their counsel, and for all purposes this Agreement shall be deemed to have been drafted jointly by all parties.

16. **Waiver:** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this agreement.

17. **Severability:** If any term or portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

WITNESS WHEREOF this Agreement is executed by CITY and by CONSULTANT on this 17th day of June, 2015, at Scotts Valley, California.

| | |
|---|---|
| CONSULTANT: | CITY OF SCOTTS VALLEY: |
| ______________________________ | ______________________________ |
| Enda Melvin, P.E., Sr. Vice President<br>Kimley-Horn and Associates, Inc. | Stephen H. Ando, City Manager |
| APPROVED AS TO FORM: | ATTEST: |
| ______________________________ | ______________________________ |
| Kirsten M. Powell, City Attorney | Tracy Ferrara, City Clerk |

Exhibit “A”

Scope of Work

**EIR Requirements**
It is anticipated that an EIR will be required for the proposed project. The EIR shall meet all of the requirements set forth in the California Environmental Quality Act (Public Resources Code 1000 et seq.) and the CEQA guidelines (California Code of Regulations, section 15000 et. Seq.).

A detailed Initial Study, if advised by the Consultant, shall be prepared to assist in scoping the project appropriately to gain sufficient input on potential impacts from Responsible Agencies and the general public.

As part of the scoping meeting, if deemed necessary, the Consultant shall provide a detailed memorandum to the City summarizing the comments received and describing how the issues will be addressed in the EIR, including possible mitigation strategies to reduce impacts to less than significant.

Based on an initial review of the technical studies provided by the Applicant, the Consultant may consider conducting a formal peer review to ensure the adequacy of such studies and recommendations for additional analysis. It is the City’s intent to ensure that the EIR is prepared in a manner that is thorough in its analysis, is legally defensible, and has adequately addressed all potentially significant environmental impacts.

Identified impacts shall be designated as significant or insignificant pursuant to the criteria of CEQA and the State CEQA Guidelines, and any thresholds or criteria used by the City of Watsonville. Indirect or secondary impacts of the project shall also be discussed and mitigation measures recommended.

The City wants to ensure that all possible environmental issues are addressed in a manner that is fully consistent with the requirements and CEQA and City adopted policies and regulations. This includes consistency with the City’s General Plan, Zoning regulations, stormwater management guidelines, and all relevant environmental regulations.

Water for the site would be provided by the Scotts Valley Water District, which is a separate agency from the City of Scotts Valley. Given current drought conditions, a thorough analysis of the ability of the District to provide an adequate water supply should be prepared consistent with CEQA requirements.

The EIR should address opportunities for aquifer recharge and potential stormwater runoff impacts to the adjacent properties. The EIR should thoroughly address all potential impacts on public services including potential impacts to police, fire protection, recreation, and schools.

The project site has a general plan and zoning designation of Industrial Land (I-L). The proposed project will require a general plan and zoning amendment. The EIR should provide a consistency analysis of all relevant General Plan goals and policies as well as other relevant City policy documents.

Transportation impacts associated with the proposed project could be significant and impact one or more intersections. As such, the City requires the preparation of a comprehensive traffic impact analysis that fully addresses all potential impacts for both City roadways and Caltrans facilities (if applicable). The Consultant should identify those intersections that should be analyzed and identify the recommended scenarios for analysis. The City will provide a list of projects to be included for the Cumulative analysis.

Mitigation measures should be described in detail and should be specific to the project. Two types of mitigation measures should be recommended: measures addressing impacts related to the primary impacts; and measures addressing cumulative impacts related to the secondary impacts associated with the proposed project.

The alternatives analysis shall make all efforts to use or cite existing applicable detailed information to make for as meaningful a comparison as possible to the proposed project.

**Entitlement Support Services**

Consultant shall provide extensive on-going support to City staff to assist in entitlement processing of the application throughout the duration of the contract. This will include assisting in application submittal and review, on-going coordination with all relevant City departments and outside local agencies (e.g. Water and Fire), and preparation of all materials for project approval including staff reports, findings, MMRP, conditions of approval, presentation materials for Planning Commission and City Council, and other deliverables as necessary. Consultant shall be responsible for serving as an extension of staff and shall assume only cursory support from staff in the form of overall project management and facilitation. As such, the Consultant should assume on-going project management by the project manager (preferably senior level) for this project.

It is anticipated that there will be on-going meetings with the City Project Team to review progress and resolve problems. The consultant will be responsible for preparing the agenda and facilitating these meetings and preparing meeting minutes if the Consultant deems necessary. In addition, the consultant should be prepared to attend several meetings with Community Development Department planning staff during key milestone events. The consultant will organize and facilitate all public meetings. The consultant will be responsible for the production of all graphics, handouts, and other material necessary for these meetings.

**Meetings**

The consultant team will be expected to conduct/attend the following meetings. The total number of meetings should be defined by the Consultant to adequately address the needs associated with the desired tasks and the level of entitlement support required.

- Project Team Meetings
- Project Review Committee (PRC) Meetings
- On-going team coordination conference calls (as necessary)
- Planning Commission
- City Council

**Deliverables**

The format for all text documents, tables, charts, and illustrations shall be 8 1/2 x 11" vertical. If oversized inclusions are necessary, they will be 11" x 17". Document covers for all related documents shall be coordinated so that they appear as a set. All efforts shall be made to reduce the size of the EIR analysis to no more than 200 pages. As much of the technical information as possible shall be placed in the appendices. Duplication of information in multiple locations of the EIR shall be avoided to the extent practicable.

**Deliverables shall include:**

- Project Description and EIR outline (5 copies)
- Administrative Draft EIR (5 copies)
- Public Review Draft EIR (50 copies)
- Final EIR (10 copies)
- Draft and Final Staff Report, MMRP, Conditions of Approval, PowerPoint presentations for public hearings.

Attachment A

# Aviza Residential Project

## Environmental Planning & Entitlement Support Services

## Scope of Work


Kimley»Horn

## Scope of Work

Kimley-Horn and Associates, Inc. (Kimley-Horn) has prepared this Scope of Work to the City of Scotts Valley (the City/Client) for preparation of a project-level focused environmental impact report (EIR) and to provide on-going entitlement support services for the proposed Aviza residential project (the project).

Kimley-Horn will be the prime consultant for this project and will be responsible for authorship of all work products and technical analysis for transportation, air quality, and GHG analysis. Biotic Resources Group will be a subconsultant to Kimley-Horn to provide technical support for the biological resources analysis.

### Project Kick-Off Meeting

Kimley-Horn's project manager and other key project team members will meet with City staff and the project applicant (as appropriate) to discuss the environmental review process for the project and develop a strategy for environmental compliance that meets the requirements of CEQA. This meeting will focus on a discussion of the technical studies that have been or are anticipated to be prepared for the project (in support of the project application) and elements of previous environmental documents that might be utilized in preparation of CEQA documentation for the project.

### Research and Investigation

Kimley-Horn will work with City staff and the project applicant to collect and review all relevant reports and sources of data. Kimley-Horn will review and confirm that the project information collected is suitable for use in developing the project description as well as applicable impact assessments for the environmental document.

This scope of work assumes that the applicant will provide to Kimley-Horn the following technical studies and plans:

- Phase I & II Environmental Site Assessment and other supporting hazardous condition and remediation reports
- Preliminary geotechnical analysis
- Architectural plans and elevations
- Engineering and infrastructure plans
- Drainage/hydrology report

These technical studies will be prepared under separate contracts directly to the City and/or applicant and will be provided to Kimley-Horn for use in the EIR analysis.

Technical studies to be prepared by Kimley-Horn and our subconsultants will be a traffic impact analysis, biological resources report, air quality analysis, and GHG emissions analysis.

Project research will include coordination with City staff to acquire relevant environmental data, previous studies for the area, and other available files, exhibits, maps, and reference documents. The initial investigation will consist of a site visit, review of existing land uses and environmental conditions, and a photographic recording of onsite and surrounding uses.

### Project Description and Notice of Preparation

#### *Draft Project Description*

One of the most important tasks relative to the preparation of a legally defensible EIR is the development of an accurate and adequate project description. The project description for the project will be used as the basis for preparing the impact analysis, as required by CEQA. This work plan assumes that the project applicant and City will provide all architectural plans (e.g. site plan, elevations, renderings, etc.) as well as engineering plans including; demolition plans, grading plans, on- and off-site improvement plans (water, sewer, and storm drainage), construction schedule, etc.

Kimley-Horn will work proactively with the City and the project applicant to expedite the EIR project schedule as quickly as is practical. However, to avoid duplication of work, preparation of the impact section(s) of the EIR will not be initiated until the relevant technical studies that pertain to that respective environmental resource have been finalized.

The draft project description, including all relevant figures, will be provided to the City for review and comment by City staff and the project applicant.

#### *Notice of Preparation*

Following City review of the draft project description, Kimley-Horn will prepare the Notice of Preparation (NOP) that summarizes the project and what environmental issues will be addressed fully in the project-level EIR and those that will be determined to be insignificant, as described below:

| Included for Detailed EIR Analysis (Potentially Significant) | Excluded from Detailed EIR Analysis (Insignificant) |
|---|---|
| ▪ Aesthetics<br>▪ Air Quality<br>▪ Biological Resources<br>▪ Greenhouse Gas Emissions<br>▪ Geology & Soils<br>▪ Hazards & Hazardous Materials<br>▪ Hydrology & Water Quality<br>▪ Land Use / Planning<br>▪ Noise<br>▪ Population & Housing<br>▪ Public Services (incl. recreation)<br>▪ Transportation & Circulation<br>▪ Utilities/ Service Systems | ▪ Agricultural Resources<br>▪ Cultural Resources<br>▪ Mineral Resources |

The NOP will adhere to the content requirements set forth in the CEQA Guidelines, including information describing the project, its location, and probable environmental effects. Kimley-Horn will work with the City to ensure the NOP are published and distributed to the responsible agencies and the Office of Planning and Research (OPR). This work plan assumes the City will provide payment for publication of the NOP in applicable newspapers.

Comments received during the 30-day public review period for the NOP will be used to finalize the scope of the EIR. Kimley-Horn will review the comments and determine whether any issues require a modification to this work plan.

## Administrative Draft EIR

The specific work efforts related to the environmental analysis that will be conducted in support of the EIR are described in this section. All of this information will be included in the Administrative Draft EIR (internal draft) for review and comment by the City.

### Executive Summary

Kimley-Horn will provide an Executive Summary for the Draft EIR including summary of the project, an overview of project impacts, mitigation, levels of significance after mitigation, summary of project alternatives, areas of controversy, and issues to be resolved. The impacts section of the Executive Summary will be presented in a tabular format and will be included in the Screencheck Draft EIR, following City review of the Administrative Draft EIR.

### Introduction and Purpose

This section will identify the purpose of the Draft EIR and statutory authority under CEQA, as well as document-scoping procedures, summary of the EIR format, listing of responsible and trustee agencies and documentation incorporated by reference.

### Final Project Description

Kimley-Horn will update/finalize the project description based on NOP comments and any minor refinements as provided by the City and/or the project applicant.

### Environmental Analysis

Each environmental section in the Draft EIR will include sections for existing setting, thresholds of significance, an analysis of project-related impacts, and mitigation measures to avoid or reduce significant impacts. To the degree possible, thresholds will be based on the *City of Scotts Valley General Plan,* as well as Appendix G of the State CEQA Guidelines.

Each resource section of the EIR will include a summary of relevant *City of Scotts Valley General Plan* policies that could avoid or reduce significant environmental impacts. Kimley-Horn will ensure that thresholds of significance are acceptable to City staff before beginning the environmental analysis.

#### *Aesthetics*

The project site is visible to the surrounding community in the City of Scotts Valley, particularly from the surrounding residential neighborhoods to the east.

The aesthetics section of the Draft EIR will identify the visual characteristics of the project site and surrounding area. Kimley-Horn will describe the existing aesthetic environment and visual resources, including a discussion of views within the project site and views from surrounding areas, particularly from the adjacent uses, utilizing pictures and information from a site reconnaissance of the project site and surrounding area and information from the project.

Kimley-Horn will describe the regulatory framework relating to aesthetics and visual resources and the potential visual impacts that may result from the project. The urban design features of the project will be evaluated with respect to its ability to enhance the visual quality of the adjacent areas and the visual experience of those visiting or residing in the vicinity of the project.

Architectural renderings and elevations, as provided by the project applicant, will be included as exhibits in the Draft EIR. These graphic illustrations will provide design elements that will aid in the analysis. Photos of the project site from adjacent roadways will be incorporated into this section and show the project building envelopes (in wire frame).

The introduction of additional light and glare will also be addressed. Mitigation measures will be provided where necessary to reduce impacts associated with the project.

***Air Quality***

Kimley-Horn will evaluate air quality impacts associated with the project. Applicable air quality regulatory framework, standards, and significance thresholds will be discussed. The analysis of air quality impacts will be based on the methodologies and significance thresholds recommended by the Monterey Bay Unified Air Pollution Control District (MBUAPCD). The air quality analysis will assess short-term construction and long term operational regional air pollutant emissions associated with the project.

Baseline meteorological and air quality data developed through the California Air Resources Board (CARB) will be utilized for the description of existing ambient air quality. The current status and applicability of the MBUAPCD's Air Quality CEQA Guidelines will be described. An overview of the nature and location of existing sensitive receptors will be also provided.

To evaluate construction related emissions, the California Emissions Estimator Model (CalEEMod) will be used. A general description of the construction phase of the project will be required. The air pollutant emissions during construction will be compared to the MBUAPCD significance thresholds.

Kimley-Horn will quantify operational (i.e., area and mobile source) emissions and provide a comparison to the MBUAPCD significance thresholds. The emissions will be quantified with CalEEMod. The project may also require carbon monoxide hotspot modeling based on the number of vehicles at local intersections.

***Biological Resources***

The project area contains six endangered insects and plant species that are located within the Zayante sandhills, namely; Mount Hermon June beetle, Zayante Band Wing grasshopper, Ben Lomond Spineflower, Ben Lomond/Santa Cruz Wallflower, Ben Lomond Buckwheat, and Silverleaf Manzanita.

Nine plant communities occur in the project area. Two of the communities are indigenous to the Zayante sandhills, namely Sand Parkland and Sand Chaparral. Other communities include Mixed Sand Chaparral and Ornamentals, Annual Grassland, Coyote Bush-Elderberry Scrub, Oak Woodland with Scattered Pines, Riparian, Mixed Deciduous and Coniferous Forest, and Landscape Trees.

The Biotic Resources Group, with Dana Bland & Associates (wildlife biologist), will provide biological services to KHA for a biotic review of the proposed project area. Kathleen Lyons (plant ecologist) and Dana Bland (wildlife biologist) will conduct a field reconnaissance of the proposed development areas, prepare a biotic report, and confer with the client, as needed, in preparation of the EIR. Tasks include the following:

Documentation of Existing Biotic Resources on Site

The existing biological resources in the project area will be documented in this task. Prior to conducting the field survey, existing information on the site will be gathered and reviewed.

This information will include accessing data from applicable databases (i.e., CNDDB inventory) and other applicable reports/maps for the project vicinity.

The existing biotic resources in the project area will be identified through a reconnaissance-level field survey. During the field visits, the dominant vegetation will be identified, including the location of nearby watercourses or ponds, riparian vegetation or other potentially environmentally sensitive areas. The assessment will focus on the identification of any known or potential sensitive biotic resources, including habitats of concern and potential occurrence of special status species.

### Evaluation of Project and Report of Findings as per CEQA

The proposed project will be evaluated as per CEQA significance criteria, including the projects conformance to policies in the *City of Scotts Valley General Plan*. We will identify potential impacts to sensitive habitats and/or species from implementation of the project. Measures to remedy any impacts to biological resources to a less-than-significant level will be identified, as applicable.

A biotic report summarizing the biological survey work will be prepared. The biotic report will include a narrative description of site features, literature reviewed, and data from databases and the field reconnaissance survey (including a vegetation map). The report will include an evaluation of potential impacts to biotic resources and identify suitable mitigation measures, as applicable. The report will be submitted to the client as pdf electronic files, including mapped data.

### Coordination with Client and Response to Comments

Kathleen Lyons will confer with Kimley-Horn on the findings of the biotic review and respond to questions or comments received from the City of Scotts Valley and/or the public from the Draft EIR. Attendance at public meetings is not budgeted.

Kimley-Horn will summarize the findings from the biotic report in the EIR and the entire biotic report will be included as appendices to the EIR.

## *Greenhouse Gas Emissions*

Kimley-Horn will prepare an inventory of the greenhouse gas (GHG) emissions (i.e., nitrous oxide, methane, and carbon dioxide) from both direct (i.e., area and mobile sources) and indirect sources (i.e., energy/water consumption and wastewater/solid waste generation). Construction related GHG emissions will also be quantified and evaluated.

The emissions inventory will be quantified with the CalEEMod model. The analysis will determine the project's impact by determining if it is consistent with the Assembly Bill 32 mandate of reducing GHG's beyond "Business as Usual" conditions and the MBUAPCD GHG emissions threshold of a 29 percent reduction from Business as Usual. The analysis will follow the approach described in the MBUAPCD adopted *Guidance for Valley Land-Use Agencies in Addressing GHG Emission Impacts for New Projects* under CEQA (December 2009).

### *Geology & Soils*

The Geology and Soils section of the EIR will be prepared based on the preliminary geotechnical assessment as provided by the project applicant.

The analysis will focus on the seismicity of the area and the potential for liquefaction, subsidence and similar effects, as applicable. This section will include information associated with the regional and site-specific geology and soils constraints (such as compressible soils, serpentine soils, active faults, landslide hazards, disruptions, displacements, compaction, or over-covering of the soil, and areas subject to subsidence) and existing topography. Specifically, this section will:

- Discuss potential project impacts including areas potentially subject to significant grading impacts, seismic hazards, landform modifications, and wind and/or slope water erosion to the extent feasible.
- Discuss the project consistency with the grading standards/policies. In addition, mitigation measures will be discussed to reduce impacts associated with the project.
- Describe the potential geotechnical and geologic hazards that may be present including, but not limited to, liquefaction, settlement, compression, subsidence, erosion, expansive soils, collapsible soils, inundation, naturally occurring asbestos, and existing fills.

### *Hazards & Hazardous Materials*

Some of the existing campus buildings and associated facilities are proposed to be demolished, which may result in the exposure to hazardous materials including asbestos, lead paints, and other hazardous materials.

Preparation of the Hazards & Hazardous Materials section of the EIR will be prepared based on a Phase I and II Preliminary Environmental Assessment (PSA) prepared for the project site, as well as the hazardous condition and remediation reports, as provided by the project applicant.

Based on these reports, Kimley-Horn will determine areas in and around the project site that could pose a risk to proposed land uses. The analysis will locate high-risk properties relative to roadways, residential communities, and existing businesses that currently use, dispose and manage hazardous materials and waste.

The analysis will determine overall risk and develop impacts based on existing contaminated properties and current hazardous materials regulations developed by the City of Scotts Valley and Santa Cruz County. Kimley-Horn will also discuss the general constraints that contaminated soils and groundwater may pose to development and regulations of the State with regard to contamination management and site cleanup.

Mitigation measures will be included in the EIR that include adequate performance measures to address the potential exposure of asbestos and lead from demolition of existing structures on the project site.

***Hydrology & Water Quality***

This section will be based on a draft hydrology and drainage report to be provided by the project applicant.

The City of Scotts Valley is a developed urban area, which has over the years, altered the natural drainage of the surrounding valley and uplands. Drainage on the project site extends from south to north and ultimately drains into Bean Creek. Based on development plans, runoff generated from storms can intensify in areas with impervious surfaces and increase flow through natural channels. Increased flow can enlarge channels and lead to erosion, sedimentation, and water quality degradation.

Kimley-Horn will describe the hydrological setting of the City, including its location within the regional watershed system. Kimley-Horn will also describe the potential urban water pollutant types and their sources. This will include assessment of flood hazards and determination of 100-year flood zones. Information sources will include published flood maps, flood data as obtained through Santa Cruz County, the City of Scotts Valley, the U.S. Geological Survey, and the California Department of Water Resources.

The hydrology and water quality impact analysis will address short-term temporary construction-related effects on hydrology and water quality; long-term project-related water quality; permanent changes to stormwater drainage and/or flooding; project-related impacts to groundwater quantity and quality; and cumulative on-site and off-site hydrology and water quality impacts, particularly in context to potential impacts on Bean Creek.

Applicable federal, state, and local regulations for stormwater drainage, grading and erosion control, and other water quality protection procedures will be described. Kimley-Horn will discuss potential flooding hazards, general management practices, and mitigation measures to reduce the effects of storm water runoff.

Using published reports; Kimley-Horn will summarize general groundwater conditions in and around Scotts Valley and will discuss use of groundwater, trends and general aquifer conditions. This effort will rely on existing published sources and will not include water quality testing, or field verification of stream conditions.

***Land Use and Planning***

The project site is located in the Industrial Land (I-L) general plan area and zoning district designations. Approval of the project will require an amendment to the general plan and rezoning to Residential Medium High Density (R-M-6)

This section will address consistency with the *City of Scotts Valley 1994 General Plan*, the City's Municipal Code, and applicable ordinances, under the assumption that the site will be re-designated under its general plan designation to allow residential development. Existing land uses in the immediate vicinity of the project site will be described based on a site visit, aerial photographs, GIS mapping data, and other information.

### *Noise*

This section will address construction-related noise and vibration, as well as operational noise with implementation of the project. Kimley-Horn will review applicable State and City noise and land use compatibility criteria for the project area. Noise standards regulating noise impacts in the noise standards for the City of Scotts Valley will be discussed for land uses on and adjacent to the planning area.

Noise standards regulating noise impacts will be discussed for land uses on and adjacent to the project site. Noise impacts from construction sources will be analyzed based on the anticipated equipment to be used, length of a specific construction task, equipment power type (gasoline or diesel engine), horsepower, load factor, and percentage of time in use. The construction noise impacts will be evaluated in terms of maximum levels (Lmax) and hourly equivalent continuous noise levels (Leq) and the frequency of occurrence at adjacent sensitive locations.

Analysis requirements will be based on the sensitivity of the area, Noise Ordinance specifications, and the Federal Transit Administration's vibration analysis guidance. Measures to reduce exterior and interior noise exposure will be provided where necessary.

### *Population & Housing*

The proposed project would result in a relatively small increase in population and housing that is well within the land use buildout capacity projections identified within the City of Scotts Valley General Plan (1994) as well as the Association of Monterey Bay Area Government's 2014 Regional Growth Forecast for the City of Scotts Valley. The EIR will evaluate the proposed project's potential to induce substantial population growth and/or cause the displacement of people or housing.

### *Public Services*

This section of the EIR will evaluate the impact of the project on schools, parks, libraries, law enforcement, fire protection and emergency response service. Due to the fact that the project is located within an urban environment, impacts to these public services are anticipated to have minimal impacts and would be less than significant.

Project-related demand for facilities and services will be estimated and compared against existing capacity and proposed future capacity associated with intensification within and around the project area. Impacts will be based on whether any new public services or facilities would be needed and if construction of such facilities could generate significant impacts.

### *Transportation and Circulation*

The project will generate approximately 448 average daily trips associated with construction of 64 residential dwelling units (@ 7 daily trips per unit).

Kimley-Horn will prepare a Traffic Impact Analysis (TIA) which will be used to prepare the transportation impact section of the EIR. The traffic study will include AM and PM peak hour intersection level of service analysis for the following seven (7) intersections:

1. Montevalle Drive / Kings Village Road
2. Bean Creek Road / Kings Village Road
3. Bean Creek Road / Bluebonnet Lane
4. Kings Village Road / Bluebonnet Lane
5. Kings Village Road / Mt. Hermon Road
6. Bean Creek Road / Scotts Valley Drive
7. Mt. Hermon Road / Scotts Valley Drive

These intersections will be analyzed following the 2010 *Highway Capacity Manual* (HCM) methodology using Synchro software.

Scotts Valley Middle School AM peak traffic conditions will be assessed as part of the AM peak hour analysis. The school PM peak traffic is anticipated to be less than the PM peak hour (worst case), and will thus not be analyzed.

Kimley-Horn will analyze the following four scenarios: Existing, Existing + Project, Cumulative, and Cumulative + Project. The analysis will use the City-supplied a list of approved but not yet constructed projects to include in the Cumulative scenario.

### Data Collection

This task will include data collection at seven (7) subject intersections. Kimley-Horn will collect traffic counts, field data, review movements, signal timing and saturated flows.

Field observations of these intersections will be conducted to determine the intersection lane configurations and signal timing. Signal timing sheets will be acquired from the City of Scotts Valley to supplement this field review. Potential access locations for the project site will also be observed and considered. Intersections, roadways, and possible access locations will be photographed. Any approved future projects mentioned in the list provided by the City that would traffic to the roadway network in the vicinity of the project site will also be considered.

### Traffic Analysis – Existing and Existing + Project

Kimley-Horn will present traffic results in existing conditions and develop traffic estimates for the project using trip generation rates from the Institute of Transportation Engineers (ITE) *Trip Generation Manual, 9th Edition.* Traffic trip distribution will be assigned to the study intersections based on the existing traffic patterns and in consultation with City staff. It is assumed that the Town Center Specific Plan Traffic Impact analysis could be used as a basis for determining the distribution of trips. Kimley-Horn will calculate intersection levels of service using the Synchro software for both the Existing and Existing Plus Project scenarios. If any deficiencies are identified, Kimley-Horn will recommend mitigation measures.

### Traffic Analysis – Cumulative and Cumulative + Project

Kimley-Horn will develop traffic estimates for the approved near-term projects within the study area (the Cumulative scenario). Kimley-Horn will then develop traffic estimates that include the approved projects with the project (the Cumulative Plus Project scenario). This will be done using trip generation rates from the Institute of Transportation Engineers (ITE) *Trip Generation Manual, 9th Edition.* Trips will be assigned to the study intersections based on the anticipated cumulative traffic patterns. Kimley-Horn will calculate intersection levels of service using the Synchro software for both the Cumulative and Cumulative Plus Project scenarios. If any deficiencies are identified, Kimley-Horn will recommend mitigation measures.

### Evaluation of Proposed Site Access

Kimley-Horn will conduct a traffic analysis of potential queuing and operations for the proposed site at Kings Village road / Bean Creek Road. Recommendations for potential site plan changes will also be made as necessary.

### *Utilities & Service Systems*

The Utilities and Service Systems section of the EIR will address water supply, wastewater, electricity, natural gas, and communications. Project-related demand for facilities and services will be estimated and compared against existing capacity and proposed future capacity associated with the project. Service demand will be evaluated for each utility and service. Potential impacts to these utilities and service systems will be addressed and any impacts will be based on whether any new facilities would be needed and if construction of such facilities could generate significant impacts. Kimley-Horn's description of the proposed infrastructure systems and any impacts upon them or resulting from them will be based on the infrastructure plans of the project as provided by the project applicant.

Kimley-Horn will coordinate with the City and relevant service and utility agencies to document existing and planned facilities, current and projected usages, and excess capacities. Additional infrastructure and services capacity required to meet project needs associated with the project will be described. Anticipated impacts will be assessed based upon a comparison of the increased demand for services and utilities and the ability of the City and other utility districts to accommodate this increased demand.

### *Growth Inducement and Cumulative Impacts*

Kimley-Horn will discuss potential growth-inducing impacts pursuant to CEQA Guidelines Section 15126.2. The analysis in this section will be based on data from the Association of Monterey Bay Area Governments (AMBAG), California Department of Finance, and U.S. Census data. Potential sources of growth inducement and their impacts, such as the removal of obstacles to growth, will be analyzed qualitatively to the extent they are applicable.

In accordance with Section 15130 of the CEQA Guidelines, this section provides a listing of cumulative projects and actions under consideration. Kimley-Horn will consult with City staff to define the appropriate study area for the cumulative analysis (e.g. list of approved, pending or proposed development projects in the City or general plan build-out). Kimley-Horn will discuss cumulative impacts for each environmental issue area identified above, and will provide both quantitative and qualitative levels of analysis.

***Alternatives***

Pursuant to CEQA Guidelines Section 15126.6, Kimley-Horn will provide an analysis of up to three (3) alternatives, including an analysis of the "No Project" Alternative. The analysis will include a sufficient level of detail to allow decision makers to gain a greater understanding of all alternatives should a determination be rendered to support an alternative development scenario. This alternatives section will culminate with the selection of the environmentally superior alternative in accordance with CEQA requirements.

***Additional Sections***

Kimley-Horn will provide additional sections in the EIR to meet the CEQA Guidelines including the following: Significant Irreversible Environmental Changes, Effects Found Not to be Significant, Inventory of Mitigation Measures, Inventory of Unavoidable Adverse Impacts, and Organizations and Persons Consulted / Bibliography.

### Effects Found Not to Be Significant

All other environmental resource sections (per Appendix G of the CEQA Guidelines) not discussed above will be briefly addressed in this section.

***Figures/Graphics***

Kimley-Horn will prepare figures to enhance the written text and clarify the project and potential environmental impacts. Figures are anticipated to include: regional vicinity map, local vicinity map, site photos, site plans, grading and drainage plans, utilities and infrastructure improvements, etc. Additionally, graphics displaying "frame views" of the proposed development on the project site will be prepared.

### Administrative Draft EIR

Kimley-Horn will assemble all completed sections into a single consolidated Administrative Draft EIR submittal (ADEIR) with appendices. The ADEIR will include figures to enhance the written text and clarify the project's environmental impacts. The entire document will be reviewed to ensure consistent references to terms, methodology of analysis, correct use of grammar, etc.

The Administrative Draft EIR will be sent to the City for review by City staff and the City attorney.

## Public Review Draft EIR

### Screencheck and Public Review Draft EIR

Kimley-Horn will respond to the City review of the ADEIR and will prepare the Public Review Draft EIR. This subtask includes preparation of an electronic Screencheck EIR prior to publication of the Public Review Draft EIR.

In addition, Kimley-Horn will prepare the Notice of Completion (NOC) and Notice of Availability (NOA) for delivery to the State Clearinghouse. It is assumed that the City will be responsible for public posting of the NOA (e.g. newspaper).

## Certification of the Environmental Impact Report

### Administrative Final EIR

Kimley-Horn will meet and/or coordinate with City staff to review written comments on the Public Review Draft EIR; comments from public meetings/hearings (if applicable); and develop a strategy and framework for responding to comments. Given the fact that Kimley-Horn does not know how many comment letters and public hearing comments will be received, we have included an initial estimate of time in the project budget. Once all comments are received, Kimley-Horn will review and discuss any modifications to the budget estimate with City staff.

Upon review of the comment letters and discussions with City staff, Kimley-Horn will prepare an Administrative Final EIR with written responses to comments received on the Public Review Draft EIR. The Administrative Final EIR will consist of comment letters, responses to comments, and Public Review Draft EIR errata pages indicating text changes in <u>underlined</u> text for additions and ~~strikeout~~ text for deletions, with notations for the relevant response to comment. The Administrative Final EIR will be sent to the City for review and comment.

### Final EIR

Kimley-Horn will respond to City comments on the Administrative Final EIR, complete necessary revisions, and prepare the Final EIR.

## Entitlement Support Services (Optional Task)

Kimley-Horn will provide entitlement support services as an extension of City staff for the project. This task will include coordination with the project applicant and on-going coordination with the City's Community Development Department and among the various City departments. Kimley-Horn will also help coordinate plan review with the Scotts Valley Water District and the Scotts Valley Fire Protection District.

This scope of work assumes the budget allocation shown for this task will be sufficient. However, should additional time be required, such work will be completed on a time and materials basis, based on additional funding as approved through a contract amendment.

### Mitigation Monitoring and Reporting Program

To comply with the CEQA Guidelines Section 21081.6, Kimley-Horn will prepare a Mitigation Monitoring and Reporting Program (MMRP). Kimley-Horn will work with City staff to identify appropriate monitoring steps/procedures and to provide a basis for monitoring such measures during and upon project implementation. The MMRP will be created in a tabular checklist format that indicates those mitigation measures identified in the EIR, the monitoring milestone (at what agency/department responsible for verifying implementation of the measure), and the method of verification (documentation, field checks, etc.).

### Staff Report, Conditions of Approval, Findings

Kimley-Horn will prepare the project staff reports, public hearing presentations (in PowerPoint), conditions of approval, and CEQA findings for the project. These documents will be presented to the Planning Commission and City Council as support materials for consideration of project approval.

## Meetings and Project Management

Bill Wiseman, Project Manager, will be responsible for quality assurance/control and that the project is completed on schedule and within budget as expeditiously as possible. This task assumes attendance by Kimley-Horn staff at the following meetings:

- Project Kick-off meeting (1)
- Project Team Meetings (5)
- Project Team Conference Calls (20)
- City PRC Meetings (2)
- City Planning Commission Meeting (1)
- City Council Meeting (1)

This scope of work assumes that Kimley-Horn's role at the public meetings will be to provide support to the Client in answering questions and providing general guidance and recommendations. Kimley-Horn will be responsible for providing presentation materials. Attendance at the City Planning Commission and Council meetings assumes additional preparation of support materials for the staff report and preparation of a PowerPoint presentation.

## Project Deliverables

Kimley-Horn will provide digital copies as well as hard copies (as noted) of the following project deliverables to the City:

- Administrative Draft and Draft Project Description
- Draft and Final Notice of Preparation

- Administrative Draft EIR (5 copies)
- Screencheck Draft EIR (1 copy)
- Public Review Draft EIR (25 copies)
- Administrative Draft Final EIR & Response to Comments (5 copies)
- Final EIR (25 copies)
- Administrative Draft Mitigation Monitoring and Reporting Program (3 copies)
- Final Mitigation Monitoring and Reporting Program (5 copies)

## Project Schedule

Kimley-Horn has assumed a 10 month schedule from the date of contract approval, as shown below.

| Task | Duration (months) |
|---|---|
| Project Kick-off Meeting | 1 |
| Draft Project Description | 3 |
| Notice of Preparation | 3 |
| Administrative Draft EIR | 4 |
| Public Review Draft EIR | 5 |
| Administrative Draft Final EIR | 8 |
| Public Hearings/Approvals | 10 |

## Project Assumptions

In addition to any assumptions noted above, the scope and associated costs are based on the following assumptions:

1. The cost estimate includes meetings described in this scope of work. Additional meetings will be billed on a time and materials basis.
2. The Client and project applicant will provide Kimley-Horn will all technical materials, maps, project plans, GIS data, etc. as they become available. This scope of work assumes that all project plans and supporting technical studies to be prepared outside of this scope of work will be provided prior to preparation of the Administrative Draft EIR and that no further modification to the data will be required.
3. The project applicant will provide various technical reports that will be used as supporting background information in the EIR. This scope of work assumes that these

reports will be sufficient in their accuracy and comprehensive in their level of detail sufficient for preparing the CEQA analysis. Kimley-Horn, and our sub-consultants (where applicable), will review the first draft of these documents. Should it be found that the information presented is not adequate (at the discretion of Kimley-Horn and the Client), and that additional substantive revisions are required, Kimley-Horn reserves the right to request additional compensation on a time and materials basis, per prior approval by the Client.

4. No new technical analysis or preparation of technical reports will be required, other than those identified in this scope of work.
5. All products will be submitted to the Client in electronic (PDF) format and source files, except for printed copies as identified in this scope of work.
6. Client will act as a clearinghouse for comments on all administrative draft documents and will provide Kimley-Horn with a single, internally reconciled set of comments for each submitted draft document.
7. There will be a single round of review and revision to the Administrative Draft EIR prior to preparation of the Screencheck Draft EIR. If Client feels that additional Administrative Draft EIR documents are necessary, a contract amendment for additional work may be necessary, depending on the nature and circumstances associated with the additional changes (e.g. changes to the project description, additional technical analysis required, etc.). These changes can be characterized as being outside of the control or knowledge of Kimley-Horn and would not be considered reasonable from the standpoint of professional standards of service and appropriate due diligence. The Client and Consultant (Kimley-Horn) will meet with the project applicant to review the Administrative Draft at least two weeks prior to the preparation of the Public Review Draft EIR to ensure that the project description is correct and to address any corrections and clarifications to the impact analysis and recommended mitigation measures.
8. Revisions to the Screencheck Draft EIR will focus on typographical errors, formatting issues, and other minor edits. Such revisions will not include substantive content changes from the Client and the project applicant. Edits other than typographical and formatting may require discussion and substantiation from the project applicant.
9. The Client will develop the mailing list for distribution of the EIR and notices. The Client will be responsible for newspaper costs of publication of notices.
10. The project budget is based on completion of work within an agreed upon schedule. If substantial delay occurs, an amendment of the budget may be warranted to accommodate additional project management time and other costs. Substantial delay is normally defined as 90 days or more.
11. Because the extent of public and agency comments received on the Draft EIR is unknown, the proposed budget includes a preliminary budget estimate of time to respond to comments. Kimley-Horn will consult with the Client after the evaluation of the comments to determine if the preliminarily budget estimate is sufficient.
12. Once the project description, baseline and alternatives are approved by the Client for analysis in the EIR, it is assumed that they will not change significantly thereafter. If

changes requiring revisions to the EIR occur, an amendment of the budget may be warranted.

13. The CEQA statutes or guidelines may change during the course of this EIR, or legal decisions can alter the extent of the analysis needed. If amendments or decisions redoing work already performed or substantially increasing effort, a contract amendment may be warranted.
14. This project includes an allowance for printing as shown in the attached budget. This is an allowance only, based on the numbers of products and copies shown in this scope of work. If this allowance is exceeded, additional printing costs will be billed at Kimley-Horn's direct cost.
15. The Client will be responsible for meeting logistics, including schedule coordination, public outreach, document production, printing notices, mailing costs, room reservations, room set-up and take-down, and refreshments.
16. The Client will be responsible for identifying and communicating with all stakeholders including on-going scheduling and coordination and distribution of all materials.
17. The Client will coordinate/schedule all internal staff meetings.
18. Project schedule assumes timely review by the Client (~20 working days) for all product deliverables.
19. Kimley-Horn retains the right to transfer budget allocations between tasks to support completion of the work products, as needed, as long as the total budget is not exceeded. Shifts in task budget allocation will be at the discretion of Kimley-Horn's Project Manager.
20. The project budget is a fixed-fee, unless where otherwise noted, and is subject to the contract requirements as agreed to between Kimley-Horn and the Client.

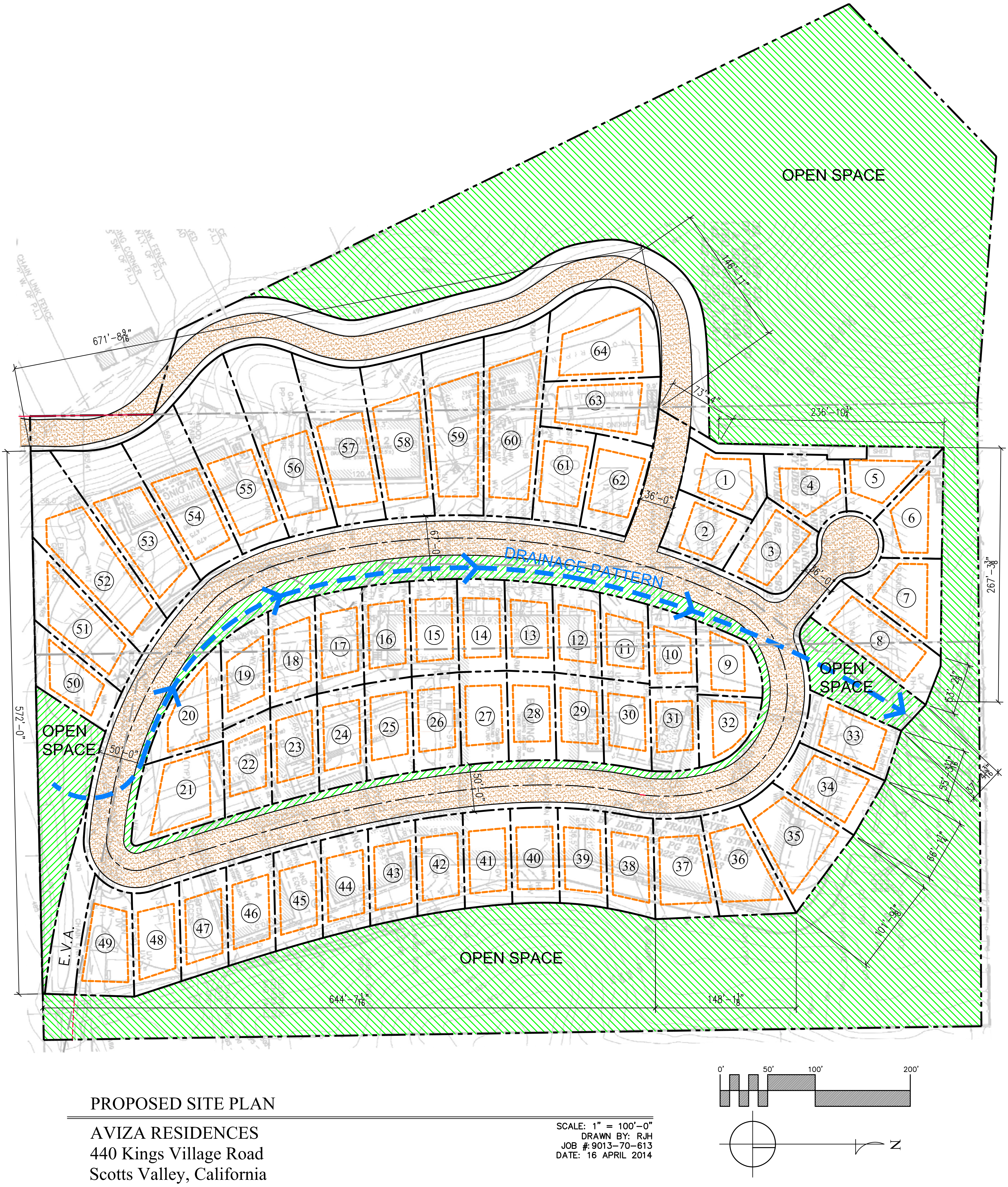
## Scotts Valley Aviza Residential Project -- Environmental Planning & Entitlement Support Services
## Fee Estimate

| PROFESSIONAL FEES FOR PLANNING CONSULTING SERVICES | Project Manager | Environmental Planner | Sr. Traffic Engineer | Traffic Engineer | Assistant Planner | Admin Support | TOTAL HOURS | ESTIMATED COST | |
|---|---|---|---|---|---|---|---|---|---|
| | $275 | $140 | $265 | $130 | $125 | $80 | | | |
| TASKS | Bill Wiseman | Bryce Ternet | Frederik Venter | Jake Mirabella | Kao Saeteurn | | | | |
| **Project Initiation** | | | | | | | | | $9,395 |
| Project Kickoff Meeting (1) (including prep.) | 4 | 4 | | | | | **8** | $1,660 | |
| Research and Investigation | | 4 | | | | | **4** | $560 | |
| Draft Project Description | 4 | 16 | | | 24 | | **44** | $6,340 | |
| Notice of Preparation | 1 | 4 | | | | | **5** | $835 | |
| **Administrative Draft EIR** | | | | | | | | | $59,725 |
| Executive Summary | 1 | 4 | | | | | **5** | $835 | |
| Introduction and Purpose | | 4 | | | | | **4** | $560 | |
| Final Project Description | 1 | 2 | | | | | **3** | $555 | |
| Environmental Analysis | | | | | | | | | |
| Aesthetics | 1 | 8 | | | | | **9** | $1,395 | |
| Air Quality | 1 | 16 | | | | | **17** | $2,515 | |
| Biological Resources | 1 | 8 | | | | | **9** | $1,395 | |
| Greenhouse Gas Emissions | 1 | 12 | | | | | **13** | $1,955 | |
| Geology & Soils | | 8 | | | | | **8** | $1,120 | |
| Hazards & Hazardous Materials | 2 | 16 | | | | | **18** | $2,790 | |
| Hydrology and Water Quality | 2 | 8 | | | | | **10** | $1,670 | |
| Land Use & Planning | 1 | 8 | | | | | **9** | $1,395 | |
| Noise | 1 | 8 | | | | | **9** | $1,395 | |
| Population & Housing | | 4 | | | | | **4** | $560 | |
| Public Services | 1 | 8 | | | | | **9** | $1,395 | |
| Transportation & Circulation | 4 | 4 | 24 | 96 | | | **128** | $20,500 | |
| Utilities & Service Systems | | 8 | | | | | **8** | $1,120 | |
| Growth Inducement and Cumulative Impacts | | 8 | | | | | **8** | $1,120 | |
| Alternatives | 2 | 8 | | | | | **10** | $1,670 | |
| Additional Sections | | 8 | | | | | **8** | $1,120 | |
| Figures/Graphics/ QA QC | 16 | 8 | | | 40 | | **64** | $10,520 | |
| Administrative Draft EIR (compilation) | 4 | 8 | | | | 24 | **36** | $4,140 | |
| **Prepare Public Review Draft EIR** | | | | | | | | | $6,530 |
| Screencheck Draft EIR | 4 | 16 | | | | 4 | **24** | $3,660 | |
| Public Review Draft EIR and Noticing | 2 | 12 | | | | 8 | **22** | $2,870 | |
| **Certification of the Final EIR** | | | | | | | | | $16,400 |
| Administrative Final EIR | 16 | 40 | 8 | | | 8 | **72** | $12,760 | |
| Final EIR | 8 | 8 | | | | 4 | **20** | $3,640 | |
| **Public Meetings & Project Management** | | | | | | | | | $30,140 |
| Staff Team Meetings incl. prep. (5) | 40 | | 4 | | | | **44** | $12,060 | |
| City PRC Meetings (2) | 8 | 6 | | | | | **14** | $3,040 | |
| Public Hearings incl. prep. (2) | 16 | | 8 | | | | **24** | $6,520 | |
| Ongoing EIR Project Management / Administrative Support | 24 | | | | | 24 | **48** | $8,520 | |
| ***Subtotal Hours*** | *166* | *276* | *44* | *96* | | *72* | ***718*** | | |
| **Subtotal - Labor Cost** | | | | | | | | **$122,190** | |
| **Subconsultants and Direct Expenses** | | | | | | | | | $18,610 |
| NDS Traffic Counts | | | | | | | | $2,500 | |
| Biotic Resources Group | | | | | | | | $6,500 | |
| Printing (outsourced) | | | | | | | | $3,000 | |
| Misc. Direct Expenses | | | | | | | | $500 | |
| Indirect (internal) Expense Allocation (5% of KHA labor) | | | | | | | | $6,110 | |
| **Total Labor & Expenses** | | | | | | | | **$140,800** | |

Note: All work will be performed at a "Not to exceed" fixed fee. Meeting and Entitlement Support Services to be completed on an hourly basis. The total budget includes all miscellaneous costs for travel/mileage, reproduction, reimbursables, telephone, postal, delivery, reference materials and incidental expenses. KHA will receive payment on a percentage basis using milestones. The project director reserves the right to make adjustments to staff allocations as necessary within the overall budget.

**Optional Task**

| | Project Manager | Environmental Planner | Sr. Traffic Engineer | Traffic Engineer | Assistant Planner | Admin Support | TOTAL HOURS | ESTIMATED COST | |
|---|---|---|---|---|---|---|---|---|---|
| **Entitlement Support Services** | | | | | | | | | $31,631 |
| Mitigation Monitoring and Reporting Program | 1 | 4 | | | | 1 | **6** | $915 | |
| Project Team Conference Calls / Weekly Communications | 20 | 10 | | | | | **30** | $6,900 | |
| Staff Reports (PC and CC) | 4 | 8 | | | | 1 | **13** | $2,300 | |
| Public Hearing Presentations (draft & final, 2 mtgs.) | 16 | | | | | | **16** | $4,400 | |
| Conditions of Approval | 2 | 4 | | | | | **6** | $1,110 | |
| Findings | 4 | 8 | | | | 1 | **13** | $2,300 | |
| Misc. Entitlement Coordination | 40 | 8 | | | | 1 | **49** | $12,200 | |
| Indirect (internal) Expense Allocation (5% of KHA labor) | | | | | | | | $1,506 | |




PROPOSED SITE PLAN

AVIZA RESIDENCES
440 Kings Village Road
Scotts Valley, California

SCALE: 1" = 100'-0"
DRAWN BY: RJH
JOB #: 9013-70-613
DATE: 16 APRIL 2014

OVERALL LOT AREA: 881,885 S.F. = 20.245 ACRES
(THIS IS THE AREA TO BE REDESIGNATED)
64 LOTS
3.16 LOTS PER ACRE
AVERAGE GROSS LOT SIZE = 13,779 S.F.
AVERAGE NET LOT SIZE: 6,194 S.F.

## LEGEND

ROADWAY

OPEN SPACE

SETBACK LINES (BUILDING ENVELOPES)
20' FRONT, 6' SIDES & 5' BACK

LINE OF DRAINAGE (INCORPORATING VEGETATIVE SWALES. ETC. AS REQUIRED FOR RUNOFF MANAGEMENT)

PROPOSED PROPERTY LINES

EXISTING PROPERTY LINES TO REMAIN

EXISTING PROPERTY LINES TO BE REMOVED

Agenda No. 1
Date: June 17, 2015

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Steve Ando, City Manager

**SUBJECT:** **OUTSIDE AGENCY FUNDING REQUESTS**

## SUMMARY OF ISSUE

Members of the Human Care Alliance and the Arts Council will be making their oral presentations to the City Council for fiscal year 2015-16 funding assistance.

Prior to last year, the City had not increased funding for five years. Last fiscal year the Council awarded a 4.5% cost of living increase as well as specific dollar increases to seven agencies. Total funding for all agencies increased by $4,636 to a total of $49,894.

Of the 21 agencies funded by Scotts Valley, 13 are requesting a 2.7% cost of living increase (COLA), five are requesting no COLA, and three are requesting a 2%, 3%, and 3.2% COLA. The increase to the budget if all of the Human Care Alliance organizations received the same COLA is provided below:

| | |
|---|---|
| 1.0% COLA | $500 |
| 2.0% COLA | 1,000 |
| 2.7% COLA | 1,347 |

Five agencies are requesting additional funding above a COLA. Explanations for those requests are attached to this report.

## FISCAL IMPACT

Discretionary funds within the General Fund are used to fund these programs. The proposed 2015-16 budget includes $49,894 for Human Care Alliance funding and $1,000 for the Arts Council. A total of $80,138 is being requested for 2015-16 by the Human Care Alliance organizations.

## STAFF RECOMMENDATION

Provide staff direction with funding changes, if any.

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# 2015-16 FUNDING REQUESTS

| | 2014-15 Funded | COLA Request | Additional Funding Request | 2015-16 Request |
|---|---|---|---|---|
| Advocacy, Inc | $ 1,491 | $ 40 | | $ 1,531 |
| Assisted Living Project | 1,087 | | | 1,087 |
| Cabrillo College Stroke Center | 5,518 | 177 | | 5,695 |
| California Grey Bears | 1,213 | 33 | | 1,246 |
| Community Bridges: | | | | |
| Meals on Wheels | 5,690 | 154 | 1,000 | 6,844 |
| Lift Line | 2,952 | 80 | | 3,032 |
| Mountain Community Resources | 261 | 7 | | 268 |
| Child Development Resource Center | 616 | | | 616 |
| Court Appointed Special Advocates (CASA) | 809 | 16 | | 825 |
| Conflict Resolution Center | 739 | 20 | | 759 |
| Dientes Community Dental Care | 1,295 | 39 | 730 | 2,064 |
| Encompass: | | | | |
| Santa Cruz AIDS Project | 1,087 | 29 | | 1,116 |
| Youth Services Counseling | 1,587 | 43 | | 1,630 |
| Family Services Agency: | | | | |
| I-You Venture | 684 | 18 | | 702 |
| Senior Outreach | 684 | 18 | | 702 |
| Suicide Prevention | 684 | 18 | | 702 |
| WomenCARE | 543 | 15 | | 558 |
| Counseling - North County | 1,368 | 37 | | 1,405 |
| Homeless Services Center | 396 | 11 | | 407 |
| Hospice Caring Project | 523 | | | 523 |
| Monarch Services (Women's Crisis Support) | 3,261 | 88 | | 3,349 |
| Second Harvest Food Bank | 3,840 | 104 | | 3,944 |
| Senior Citizens Legal Services | 2,579 | 67 | | 2,646 |
| Seniors Council / Project Scout | 2,895 | 78 | 5,000 | 7,973 |
| Senior Network Services | 1,410 | 38 | | 1,448 |
| Vista Center for the Blind | 2,014 | 52 | | 2,066 |
| Volunteer Center | 2,537 | | 463 | 3,000 |
| Walnut Avenue Women's Center: | | | | |
| Domesic Violence Services | 1,631 | | 18,869 | 20,500 |
| Family Support Services | 250 | | 2,500 | 2,750 |
| Youth Development | 250 | | 500 | 750 |
| Total Funded | $ 49,894 | $ 1,182 | $ 29,062 | $ 80,138 |

# 2015-16 ADDITIONALFUNDING REQUESTS

**Community Bridges (Meals on Wheels) - $1,000**

To help support one month of meals for the dining site located at the Scotts Valley Senior Center.

**Dientes Community Dental Care - $730**

To fund 10% of the cost above what is received from uninsured Scotts Valley residents.

**Seniors Council (Project Scout) - $5,000**

Increased demand for services requiring additional staff time and indirect costs.

**Walnut Avenue Women's Center (Domestic Violence) - $18,369 Additional funding, $500 one-time funding**

Additional funding to bring part-time domestic violence advocate to full-time to meet increased needs. One-time funding is to upgrade the Agency's server.

**Walnut Avenue Women's Center (Family Support) - $2,000 Additional funding, $500 one-time funding**

Additional and one-time funding to update computer programs/software and upgrade the Agency's server.

**Walnut Avenue Women's Center (Youth Development) - $250 Additional funding, $250 one-time funding**

Additional funding is for Flight Club Program. One-time funding is to upgrade the Agency's server.

**Agenda No. 2**
**Date: June 17, 2015**

# City of Scotts Valley
# Staff Report

**DATE**: June 17, 2015

**TO**: Honorable Mayor and City Council

**FROM**: Scott Hamby, Public Works Director

**SUBJECT**: **SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1: RESOLUTION 1555-SP-027; ANNUAL ENGINEER'S REPORT**

## SUMMARY OF ISSUE

On October 18, 1995, City Council adopted the necessary resolutions to initiate the proceedings to form the Skypark Open Space Maintenance Assessment District No. 1 and on December 6, 1995, authorized the levy and collection of assessments. The assessment district pays to maintain the linear park, the two greenbelt areas and insurance for slope subsidence of the bluffs along the linear park. The assessment district is formed pursuant to the Landscaping and Lighting Act of 1972 and must be renewed annually.

The district special fund is annually depleted and the owners reassessed each year. Attached is the Engineer's Report establishing the assessments this year at $219.74 per unit, the same as last year's, for total revenue of $41,750.60.

As required, all 190 owners were notified by mail of the public hearing and the public meeting. The assessor's role is used to obtain the current name and address of each property owner to be notified of the proceedings.

City Council will hold a public meeting on June 17, 2015 and conduct a public hearing on July 1, 2015. It is appropriate at the public meeting to take testimony from the affected property owners. No other action is necessary. It is appropriate at the public hearing to take testimony from the affected property owners; overrule protest, if Council so chooses; approve the annual Engineer’s Report; and adopt Resolution 1555-SP-27.

## FISCAL IMPACT

None. All costs will be borne by the assessment district.

## STAFF RECOMMENDATION

1. At the public meeting on June 17, 2015; accept public testimony.

2. At the public hearing on July 1, 2015; City Council accept testimony from the property owners; overrule protests, if any; approve the Engineer's Report; and approve Resolution 1555-SP-27, authorizing the levy and collection of assessments.

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## RESOLUTION NO. 1555-SP-027

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AND AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS THEREIN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

## SKYPARK OPEN SPACE MAINTENANCE DISTRICT

**RESOLVED**, by the City Council of the City of Scotts Valley, California, that,

**WHEREAS**, pursuant to Resolution No. 1555-SP-07, ordering formation of territory into an Open Space Maintenance Assessment District and authorizing the levy and collection of assessments, adopted on the 6th day of December 1995 by the City Council pursuant to the Landscaping and Lighting Act of 1972, as amended, the Engineer of Work of said City has filed with the City Clerk the written report called for under said Act and by said Resolution No. 1555-SP-07, which report has been presented by said Engineer of Work to this Council and this Council has preliminarily approved and confirmed said report by its Resolution No. 1555-SP-03, adopted October 18, 1995, and ordered that the same stand as the report for the purpose of all subsequent proceedings pursuant to said Resolution No. 1555-SP-03.

**WHEREAS**, June 17, 2015 at the hour of 6:00 o'clock p.m. and July 1, 2015 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1555-SP-027.

**WHEREAS**, the City Clerk gave notice of said hearings by publication once a week for two weeks in the local newspaper published and circulated in said City, and by mailing or causing to be mailed notice of the adoption of said Resolution and of the filing of said report, postage prepaid, at least ten days before the date set for hearings of said protests, to all persons owning real property to be assessed, whose names and addresses appear on the last equalized assessment roll for County taxes prior thereto or as known to the City Clerk, which notice contained a statement of the time, place and purpose of the hearings and a statement of the total estimated cost of said proposed maintenance and improvements, the amount as shown by said report to be assessed against the particular parcel covered by the notice, together with a statement that any person interested may file a protest in writing as provided in said Act.

**WHEREAS**, all written protests and other written communications were read by the Council and are on file with the Clerk and all persons desiring to be heard were fully heard;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.

2. That said protests be, and each of them are, hereby overruled.

3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.

4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution No. 1555-SP-07 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.

5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.

6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution No. 1555-SP-07 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.

7. That the diagram showing the assessment district referred to and described in said Resolution No. 1555-SP-07, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto, contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

9. That said Engineer's Report be, and the same is hereby, finally adopted and approved as a whole.

10. That the Clerk shall forthwith deliver to the Superintendent of Streets said assessment as confirmed by this Council with his/her certificate of such confirmation thereto attached and of the date thereof; and that said Superintendent of Streets shall record said diagram and assessment in his/her office in a suitable book to be kept for that purpose, and append thereto his/her certificate for the date of such recording, and such recordation shall be and constitute the assessment roll herein.

11. Proceedings shall be taken by this Council pursuant to said Act for any fiscal year during which an assessment is to be levied and collected within said district.

12. The Clerk of this City be, and is hereby, authorized and directed to file a certified copy of this resolution with the County Auditor of Santa Cruz County.

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 1st day of July 2015, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:___________________________________
Dene Bustichi, Mayor

ATTEST:_________________________________
Tracy Ferrara, City Clerk

# ENGINEER'S REPORT

## FISCAL YEAR 2015-2016

### SKYPARK OPEN SPACE

### MAINTENANCE ASSESSMENT DISTRICT NO. 1

**Tract No. 1380**

**CITY OF SCOTTS VALLEY**

**Santa Cruz County, California**

**Dene Bustichi**
**Mayor**

| | |
|---|---|
| **Donna Lind**<br>**Vice-Mayor** | **Randy Johnson**<br>**Council Member** |
| **Stephany E. Aguilar**<br>**Council Member** | **Jim Reed**<br>**Council Member** |

**Stephen H. Ando**
**City Manager**

**Scott Hamby**
**Public Works Director**

**Joel F. Ricca, RCE 53588**
**Assessment District Engineer of Work**

## Skypark Open Space Maintenance Assessment District No. 1

# ASSESSMENT

## Fiscal Year 2015-2016

WHEREAS, on October 18, 1995, the City Council of the City of Scotts Valley, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972, adopted its Resolution No. 1555-SP-01, determining to initiate proceedings for the establishment of an assessment district to be known as the "Skypark Open Space Maintenance Assessment District No. 1", more particularly therein described; and

WHEREAS, Resolution No. 1555-SP-25 appointed the City Engineer as Engineer of Work and directed the preparation and filing of an Engineer's Report presenting plans of the improvements to be maintained, a diagram for the assessment district, an estimate of cost for maintenance and servicing thereof, and an assessment of the estimated costs upon all assessable lots or parcels within the assessment district, to which resolutions reference is hereby made for further particulars.

NOW, THEREFORE, I, Joel F. Ricca, RCE 53588, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district for the fiscal year 2015-2016 is as follows:

**Engineer's Estimate: $41,750.60**

And I do hereby assess and apportion said portion of said total amount of the costs and expenses of said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, upon the several lots, pieces, or parcels or portions of lots of land liable therefor and benefitted thereby, and hereinafter numbered to correspond with the numbers upon the diagram, upon each, severally and respectively, in proportion to the benefits to be received by such lands respectively, from the maintenance hereto attached and by reference made a part hereof.

As required by said Act, a diagram is recorded in official records of the County of Santa Cruz showing the assessment district and also boundaries and dimensions of the respective lots or parcels of land within said assessment district generally described as the same existed at passage of said Resolution No. 1555-SP-01.

Said assessment is made upon the several lots or parcels of land within said assessment district in proportion to the estimated benefits to be received by said lots or parcels respectively, from the maintenance and servicing of the improvements. The diagram and assessment numbers appearing herein are the diagram numbers appearing on said diagram, to which reference is hereby made for a more particular description of said property.

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2015-2016 to the right of the parcel numbers and includes all of such parcels.

Date

Joel F. Ricca, RCE 53588
City Engineer

## DESCRIPTION OF WORK

### Skypark Open Space Maintenance Assessment District No. 1

1. Maintaining and servicing of landscaping, vegetation and open space, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.

2. Maintaining and servicing of decorative fencing, exercise par course and signage thereon, electronically controlled gates, and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.

3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities appurtenant to any of the improvements referenced in paragraphs 1 and 2 above, or which are necessary or convenient for the maintenance or servicing of said improvements.

4. The improvements referenced above are all within the boundaries of parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No. 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15 (hereinafter referred to as Final Maps).

5. The cost of slope subsidence/stability insurance or a self-insurance fund for any and all slope failures within the boundaries of parcels 14, 15, 16, 17, A and B as shown on the aforesaid Final Maps.

6. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

## SKYPARK OPEN SPACE

## MAINTENANCE ASSESSMENT DISTRICT NO. 1

## Engineer's Estimate

## Fiscal Year 2015-2016

**BENEFIT ASSESSMENT**

The budget for the costs and expenses of maintaining and operating any and all of said public improvements for fiscal year 2015-2016 is as follows:

**MAINTENANCE**

| | | |
|---|---|---|
| 1. | Initial maintenance contract | |
| | a. Park maintenance | $20,950.00 |
| | b. Water cost | $5,000.00 |
| | Subtotal | $25,950.00 |
| | Total maintenance cost (12-month period) | |

**INSURANCE**

| | | |
|---|---|---|
| 1. | Liability/slope subsidence insurance | $15,000.00 |

**INCIDENTALS**

| | | |
|---|---|---|
| 1. | Printing and advertising (notices) | $ 800.60 |
| | **BALANCE TO ASSESSMENT** | **$41,750.60** |

# RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within parcels 14, 15, 16, 17, as shown on Final Map, Tract No. 1355, Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 14, and within the boundaries of parcels A and B as shown on Final Map, Tract No., 1380, California Skypark, recorded in the official records of Santa Cruz County in the Book of Maps, Volume 89, Page 15.

2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.

3. The benefit derived has been determined to be equal for all parcels.

# Certificates

I, Tracy Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment roll, in the amount set forth, was filed with me on ______________.

______________________
Tracy Ferrara, City Clerk

I, Joel Ricca, City Engineer of the City of Scotts Valley, do hereby certify that the amounts set forth under the Engineer's Estimate on Page 1 of the Assessment, and the individual amounts on the foregoing pages of the Assessment have been computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1555-SP-027, duly adopted by said City Council on July 1, 2015.

__________________________
Joel F. Ricca, RCE 53588
City Engineer

I, Tracy Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment, in the amount set forth in the Engineer's Estimate on Page 1 of the Assessment, was approved and confirmed by the City Council of the City of Scotts Valley on ______________.

__________________________
Tracy Ferrara, City Clerk

The Assessment was filed in the office of the County Auditor of the County of Santa Cruz, California, on ______________.

__________________________
Tracy Ferrara, City Clerk

I HEREBY CERTIFY that the enclosed Engineer's Report and Assessment was recorded in my office on ______________.

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By _____________________________
Scott Hamby

## City of Scotts Valley
## SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT NO. 1

## ASSESSMENT ROLL

| Assessment Number | Assessor's Parcel No. | Property Owner | Assessment Amount |
|---|---|---|---|
| 1001 | 22-691-01 | Mario Guerrero Magno | $ 219.74 |
| 1002 | 22-691-02 | Jyri J Virkki | $ 219.74 |
| 1003 | 22-691-03 | Nicholas P. & Felicia J. Thelen | $ 219.74 |
| 1006 | 22-691-06 | Robert D. & Sheri L. Larkin | $ 219.74 |
| 1007 | 22-691-07 | Nanette L Carrillo Trustee | $ 219.74 |
| 1008 | 22-691-08 | Brian D. & Teresa M. Hallin | $ 219.74 |
| 1009 | 22-691-09 | Soon K. & Young H. Yuh | $ 219.74 |
| 1010 | 22-691-10 | Michael Mark Goodwin et al | $ 219.74 |
| 1011 | 22-691-11 | Jeffrey A. & Suzanne M. Rosen | $ 219.74 |
| 1012 | 22-691-12 | Jeremy & Lori Gentile | $ 219.74 |
| 1013 | 22-691-13 | Clarence W. & Maureen A. Mezzell | $ 219.74 |
| 1014 | 22-691-14 | Robert L Hambelton et al | $ 219.74 |
| 1015 | 22-691-15 | Gillian McGlaze Trustee | $ 219.74 |
| 1016 | 22-691-16 | Shaunak Mistry et al | $ 219.74 |
| 1017 | 22-691-17 | Dan Joe Aspromonte Trustee | $ 219.74 |
| 1018 | 22-691-18 | Willie D. & Lisa J. Lu Trustees | $ 219.74 |
| 1004 | 22-691-20 | Jose F. & Heather T. Lomba | $ 219.74 |
| 1005 | 22-691-21 | Peter & Susan Sierant Trustees | $ 219.74 |
| | | | |
| 1144 | 22-692-01 | Nancy Gonzalez Caro Trustee | $ 219.74 |
| 1145 | 22-692-02 | Tuan Bao Hoang et al | $ 219.74 |
| 1146 | 22-692-03 | Jann L Smart | $ 219.74 |
| 1147 | 22-692-04 | Richard L. & Joy H. Rohde | $ 219.74 |
| 1148 | 22-692-05 | Andreas & Jennifer Becker | $ 219.74 |
| 1149 | 22-692-06 | Hin F. Boen et al | $ 219.74 |
| 1150 | 22-692-07 | Peter K. Thompson | $ 219.74 |
| 1151 | 22-692-08 | Edward J. & Karen E. McNamara | $ 219.74 |
| 1152 | 22-692-09 | William J. & Kathleen M. Knudson | $ 219.74 |
| 1153 | 22-692-10 | Jeffrey Allen Ott | $ 219.74 |
| 1154 | 22-692-11 | Jonah Kaj & Josephine Fleming | $ 219.74 |
| 1177 | 22-692-12 | Philip Albuquerque et al | $ 219.74 |
| 1178 | 22-692-13 | Johnny Mon et al | $ 219.74 |
| 1179 | 22-692-14 | Gar Mowery | $ 219.74 |
| 1180 | 22-692-15 | Keith H. & Jody L. Tyndall | $ 219.74 |
| 1181 | 22-692-16 | John C. & Kassi L. Van Lanen | $ 219.74 |
| 1182 | 22-692-17 | Jeffrey A. & Marci B. Maple | $ 219.74 |
| 1183 | 22-692-18 | Nicholas P. & Waritha Richards | $ 219.74 |
| 1184 | 22-692-19 | Christopher & Lisa Hertz | $ 219.74 |
| 1185 | 22-692-20 | Darren Capell | $ 219.74 |
| 1186 | 22-692-21 | Matthew R. & Kathleen M. Schwab | $ 219.74 |
| 1187 | 22-692-22 | Kamaljit & Anjana Mann | $ 219.74 |
| 1188 | 22-692-23 | Catherine C. Kolumbus Trustee | $ 219.74 |
| 1189 | 22-692-24 | Peter Svensson | $ 219.74 |
| 1190 | 22-692-25 | Eric P. & Julie A. Miller | $ 219.74 |
| | | | |
| 1107 | 22-693-01 | Clay M. & Caroline Ann Teramo | $ 219.74 |
| 1108 | 22-693-02 | Catherine H. & Gregory L. Horvath | $ 219.74 |
| 1109 | 22-693-03 | M. Patricia & David Dorsey | $ 219.74 |
| 1110 | 22-693-04 | Stuart & Lora Glasgow | $ 219.74 |
| 1137 | 22-693-05 | Stephen A. & Jennifer N. Spence | $ 219.74 |
| 1138 | 22-693-06 | Scott & Lisa M. MacGowan | $ 219.74 |
| 1139 | 22-693-07 | Ping Fai Ben Li et al | $ 219.74 |

| | | | |
|---|---|---|---|
| 1140 | 22-693-08 | Hubert H. Burroughs | $ 219.74 |
| 1141 | 22-693-09 | Robert A. & Sylvia P. Morrison et al | $ 219.74 |
| 1142 | 22-693-10 | Todd A Theimann Trustee | $ 219.74 |
| 1143 | 22-693-11 | Chris S. & Shana L. Taylor Trustees | $ 219.74 |
| | | | |
| 1019 | 22-701-01 | Sheryl Ann McEwan | $ 219.74 |
| 1020 | 22-701-02 | Allen M. & Susan E. Sandretti | $ 219.74 |
| 1021 | 22-701-03 | Bruce & Tura Fuller Co-Trustees | $ 219.74 |
| 1022 | 22-701-04 | Andrew Seppy Bloom et al | $ 219.74 |
| 1023 | 22-701-05 | Mary Simpson | $ 219.74 |
| 1024 | 22-701-06 | Christopher S. Thomas | $ 219.74 |
| 1025 | 22-701-07 | James V. & Lea K. Reed | $ 219.74 |
| 1026 | 22-701-08 | George C. Jones et al | $ 219.74 |
| 1027 | 22-701-09 | Kevin & Julie L. Burnett | $ 219.74 |
| 1028 | 22-701-10 | Linda Lloyd Fisher Trustee et al | $ 219.74 |
| 1029 | 22-701-11 | Carolyn Nicholson | $ 219.74 |
| 1030 | 22-701-12 | Howard D. & Rosalia D. Shapiro | $ 219.74 |
| 1031 | 22-701-13 | Roderick & Cheryle Brownfield | $ 219.74 |
| 1032 | 22-701-14 | Linda C. Anderson | $ 219.74 |
| 1033 | 22-701-15 | Jerrod M. J. Seehof | $ 219.74 |
| | | | |
| 1176 | 22-702-01 | Jason V. & Jannie Hinkle | $ 219.74 |
| 1175 | 22-702-02 | Alber & Inas Youssef Trustees | $ 219.74 |
| 1174 | 22-702-03 | William L. & Carol M. Campbell | $ 219.74 |
| 1173 | 22-702-04 | James S. Szabo et al | $ 219.74 |
| 1172 | 22-702-05 | Terre & Denise Wortman Trustees | $ 219.74 |
| 1171 | 22-702-06 | Terrence A. & Megan A. O'Toole | $ 219.74 |
| 1170 | 22-702-07 | Nathan C. & Shera R. York | $ 219.74 |
| 1169 | 22-702-08 | Gregory W. & Marnie L. Giguiere | $ 219.74 |
| 1168 | 22-702-09 | G. Brent & Diana I. McHenry | $ 219.74 |
| 1167 | 22-702-10 | Debbie P. Dizon | $ 219.74 |
| 1166 | 22-702-11 | Charles E. Schmuck Trustee | $ 219.74 |
| 1165 | 22-702-12 | Steve & Kathleen F. Gullickson | $ 219.74 |
| 1164 | 22-702-13 | Thomas R. Bradrick Trustee | $ 219.74 |
| 1163 | 22-702-14 | Brian & Michiyo Johnston | $ 219.74 |
| 1162 | 22-702-15 | Eric & Beth Seib | $ 219.74 |
| 1161 | 22-702-16 | Linda Donovan Trustee | $ 219.74 |
| 1160 | 22-702-17 | Amanda Danner | $ 219.74 |
| 1159 | 22-702-18 | Brian & Stacey Costello Trustees | $ 219.74 |
| 1158 | 22-702-19 | David J. & Cheryl L. Romer | $ 219.74 |
| 1157 | 22-702-20 | Charles & Cynthia Frakes Trustees | $ 219.74 |
| 1156 | 22-702-21 | Adam Blanton | $ 219.74 |
| 1155 | 22-702-22 | Richard D. & Elaine C. Bennett | $ 219.74 |
| 1134 | 22-702-26 | Robert D. & Jayne E. Scott | $ 219.74 |
| 1133 | 22-702-27 | Mark T. & Helen L. Youmans | $ 219.74 |
| 1132 | 22-702-28 | Maria C. Torchio-Gauthier et al | $ 219.74 |
| 1131 | 22-702-29 | Andrew & Jenny Wood | $ 219.74 |
| 1115 | 22-702-30 | Stephen Morairty et al | $ 219.74 |
| 1114 | 22-702-31 | The Salvation Army | $ 219.74 |
| 1113 | 22-702-32 | Stephen P. Dinwiddie | $ 219.74 |
| 1112 | 22-702-33 | Jason P. & Amy M. Ivey | $ 219.74 |
| 1111 | 22-702-34 | Gavin & Jane Melford Trustees | $ 219.74 |
| 1135 | 22-702-36 | Cesar & Jacqueline DeSantos | $ 219.74 |
| 1136 | 22-702-37 | Douglas & Susan Morey Trustees | $ 219.74 |
| | | | |
| 1105 | 22-703-01 | Gregory Jackson et al | $ 219.74 |
| 1106 | 22-703-02 | Fazlul & Rokhsana Quader | $ 219.74 |
| 1073 | 22-703-03 | John Lau et al | $ 219.74 |
| 1072 | 22-703-04 | James E. & Deborah L. Nieters | $ 219.74 |

| | | | |
|---|---|---|---|
| 1129 | 22-711-01 | Craig & Kathleen Adams Trustees | $ 219.74 |
| 1128 | 22-711-02 | Andrew & Terry Przybylinski | $ 219.74 |
| 1127 | 22-711-03 | Steven J. & Lisa Marie Bellavance | $ 219.74 |
| 1126 | 22-711-04 | Gregory Allen Rexelle | $ 219.74 |
| 1125 | 22-711-05 | Peter C. Lombrozo et al | $ 219.74 |
| 1124 | 22-711-06 | William & Joanne Thompson | $ 219.74 |
| 1123 | 22-711-07 | Philip W. Crowley | $ 219.74 |
| 1122 | 22-711-08 | Yong I Pak Yoon | $ 219.74 |
| 1121 | 22-711-09 | Thomas M. Carli & Margaret Walsh | $ 219.74 |
| 1120 | 22-711-10 | Stephen T. & Meganne C. Miller | $ 219.74 |
| 1119 | 22-711-11 | John B. & Susan A. Ledingham | $ 219.74 |
| 1118 | 22-711-12 | David S. Sanchez et al | $ 219.74 |
| 1117 | 22-711-13 | Kaylon M. & John A. Northington | $ 219.74 |
| 1100 | 22-711-14 | Kim & John M. Lariviere | $ 219.74 |
| 1099 | 22-711-15 | Henry R. & Stephanie A. Knight | $ 219.74 |
| 1098 | 22-711-16 | Donald G. Melrose et al | $ 219.74 |
| 1097 | 22-711-17 | Sandra Holland et al | $ 219.74 |
| 1096 | 22-711-18 | Ben & Katie Howell | $ 219.74 |
| 1095 | 22-711-19 | Craig Moorhead | $ 219.74 |
| 1094 | 22-711-20 | Sally Benyola | $ 219.74 |
| 1093 | 22-711-21 | Robert Jr. & Denise Rodd Trustees | $ 219.74 |
| 1092 | 22-711-22 | Steven & Kristie Trefethen | $ 219.74 |
| 1091 | 22-711-23 | Gareth & Karen S. Egerton | $ 219.74 |
| 1090 | 22-711-24 | Jill M. & Gary D. Cramer Trustees | $ 219.74 |
| 1089 | 22-711-25 | Clark & Debra Patteson Trustees | $ 219.74 |
| 1088 | 22-711-26 | Julia & Michael Voight | $ 219.74 |
| 1087 | 22-711-27 | Mark R. & Marna S. Scarr Trustees | $ 219.74 |
| 1086 | 22-711-28 | Christine Pryor | $ 219.74 |
| 1085 | 22-711-29 | John Gullory & Suzanne Herrera | $ 219.74 |
| 1084 | 22-711-30 | Kirk A. Kerchelich | $ 219.74 |
| 1083 | 22-711-31 | James D. Neef et al | $ 219.74 |
| 1082 | 22-711-32 | Alan & Laurie Okamura | $ 219.74 |
| 1081 | 22-711-33 | Sudesh Shetty Kodialbail et al | $ 219.74 |
| 1080 | 22-711-34 | Mooney & Kim S. Lee | $ 219.74 |
| 1079 | 22-711-35 | Matthew & Marina M. Ward | $ 219.74 |
| 1078 | 22-711-36 | Keith & Jennifer Chomentowski | $ 219.74 |
| 1130 | 22-711-38 | Kevin Tien et al | $ 219.74 |
| 1116 | 22-711-39 | Barry W. Prentiss | $ 219.74 |
| 1101 | 22-711-40 | Richard P. Des Jardin Trustee et al | $ 219.74 |
| 1102 | 22-711-41 | Anna Marhenke et al | $ 219.74 |
| 1103 | 22-711-42 | Leslie Marie Christie Trustee | $ 219.74 |
| 1104 | 22-711-43 | Susan Hanlock Chapman | $ 219.74 |
| 1074 | 22-711-44 | Larry D. & Rebecca C. Mosley | $ 219.74 |
| 1075 | 22-711-45 | Brandon & Valerie Polito | $ 219.74 |
| 1076 | 22-711-46 | Todd & Michelle Rebecca Riddle | $ 219.74 |
| 1077 | 22-711-47 | Richard & Theresa Riemer | $ 219.74 |
| 1034 | 22-712-01 | Matthew & Gretchen Clark Trustees | $ 219.74 |
| 1035 | 22-712-02 | Claude H. & Cynthia M. Lopez | $ 219.74 |
| 1036 | 22-712-03 | C. W. Bensen & T. Dalton | $ 219.74 |
| 1037 | 22-712-04 | Jeffrey L. Gee et al | $ 219.74 |
| 1038 | 22-712-05 | Emir & Denise Gurer | $ 219.74 |
| 1039 | 22-712-06 | Goran & Susan Domitrovic | $ 219.74 |
| 1040 | 22-712-07 | Latha Amujuri et al | $ 219.74 |
| 1041 | 22-712-08 | Shaun S. & Habibeh Deyhim | $ 219.74 |
| 1042 | 22-712-09 | Robert J. Romero et al | $ 219.74 |
| 1043 | 22-712-10 | Scott & Deanna L. Heywood | $ 219.74 |
| 1044 | 22-712-11 | Rodney W. & Christine E. Stanton | $ 219.74 |
| 1045 | 22-712-12 | Clifford & Lily Dong | $ 219.74 |
| 1046 | 22-712-13 | Ferdinand M. Bergholz | $ 219.74 |

| | | | |
|---|---|---|---|
| 1047 | 22-712-14 | Donald & Paula Cardoza Trustees | $ 219.74 |
| 1048 | 22-712-15 | Elaine Z. Moore et al | $ 219.74 |
| 1049 | 22-712-16 | Alan Van Wambeck Trustee et al | $ 219.74 |
| 1050 | 22-712-17 | Joerg & Beate Weingarten | $ 219.74 |
| 1051 | 22-712-18 | The Salvation Army | $ 219.74 |
| 1052 | 22-712-19 | Richard W. Wilkman & Ellen Foster | $ 219.74 |
| 1053 | 22-712-20 | Mark Alan Newton et al | $ 219.74 |
| 1054 | 22-712-21 | Donald J. Hutchison Trustee | $ 219.74 |
| | | | |
| 1071 | 22-713-01 | Janet Teresa Freed Trustee et al | $ 219.74 |
| 1070 | 22-713-02 | Jong Dae Kim et al | $ 219.74 |
| 1069 | 22-713-03 | Jeffrey S. & Susan Leigh Rosell | $ 219.74 |
| 1068 | 22-713-04 | Daryl & Claire Spitzer | $ 219.74 |
| | | | |
| 1067 | 22-713-05 | Scott M. & Lailah Mueting | $ 219.74 |
| 1066 | 22-713-06 | Elsa Marmolejo | $ 219.74 |
| 1065 | 22-713-07 | Manish N. & Alpa M. Patel | $ 219.74 |
| 1064 | 22-713-08 | Thomas F. Cramer | $ 219.74 |
| 1063 | 22-713-09 | Terrie S. Dusa Trustee | $ 219.74 |
| 1062 | 22-713-10 | Linda & Robert Flaherty Trustees | $ 219.74 |
| 1061 | 22-713-11 | Douglas Edward Fairchild Jr. | $ 219.74 |
| 1060 | 22-713-12 | Mark & Vicki C. Teixeira | $ 219.74 |
| 1059 | 22-713-13 | Mark J Crawford et al | $ 219.74 |
| 1058 | 22-713-14 | Casey G. & Betty Nicole Peterson | $ 219.74 |
| 1057 | 22-713-15 | Charles & Wilma Caldwell Trustees | $ 219.74 |
| 1056 | 22-713-16 | Lynn C. Sheredy | $ 219.74 |
| 1055 | 22-713-17 | Matthew R. Hakimi Trustee | $ 219.74 |

**TOTAL ASSESSMENTS** **$41,750.60**

annual reports/skypark open space

**Agenda No.** 3
**Date:** June 17, 2015

# City of Scotts Valley
# Staff Report

**DATE**: June 17, 2015

**TO**: Honorable Mayor and City Council

**FROM**: Scott Hamby, Public Works Director

**SUBJECT**: **PINEWOOD ESTATES LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT; RESOLUTION 1213.29; ANNUAL ENGINEER'S REPORT**

## SUMMARY OF ISSUE

On July 15, 1987, Resolution 1213 was adopted by City Council to form the referenced assessment district pursuant to the Landscape and Lighting Act of 1972. The district improvements, which generally consist of ornamental landscaping, irrigation equipment, signs, fences, and storm detention ponds, were dedicated to the City by the developer of Pinewood Estates subdivision. These improvements were planted/constructed in the right-of-way of Lockewood Lane and in landscaping easements from the subdivision. The district participants are the twenty-five Pinewood Estates homeowners, who are being assessed for the cost of maintaining the improvements.

The district special fund is annually depleted and the owners reassessed each year. Attached is the Engineer’s Report establishing the assessments this year at $240 per unit, the same as last year’s, for total revenue of $6,000.

As required, all 25 owners were notified by mail of the public hearing and the public meeting. The assessor’s role is used to obtain the current name and address of each property owner to be notified of the proceedings.

City Council will hold a public meeting on June 17, 2015 and conduct a public hearing on July 1, 2015. It is appropriate at the public meeting to take testimony from the affected property owners. No other action is necessary. It is appropriate at the public hearing to take testimony from the affected property owners; overrule protests, if Council so chooses; approve the annual Engineer’s Report; and adopt Resolution 1213.29.

## FISCAL IMPACT

None. All costs will be borne by the assessment district.

## STAFF RECOMMENDATION

1. At the public meeting on June 17, 2015; accept public testimony.

2. At the public hearing on July 1, 2015; City Council accept testimony from the property owners; overrule protests, if any; approve the Engineer's Report; and approve Resolution 1213.29 authorizing the levy and collection of assessments.

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## RESOLUTION NO. 1213.29

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ORDERING AND AUTHORIZING THE LEVY AND COLLECTION OF ASSESSMENTS THEREIN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972

## PINEWOOD ESTATES LANDSCAPE MAINTENANCE DISTRICT

**RESOLVED**, by the City Council of the City of Scotts Valley, California, that,

**WHEREAS**, pursuant to Resolution No. 1192, a Resolution of Public Interest and Convenience to Form a Landscaping Maintenance District and Ordering Preparation of an Engineer's Report adopted on the 4th day of February, 1987, by the City Council pursuant to the Landscaping and Lighting Act of 1972, as amended, the Engineer of Work of said City has filed with the City Clerk the written report called for under said Act and by said Resolution No. 1192, which report has been presented by said Engineer of Work to this Council and this Council has preliminarily approved and confirmed said report by its Resolution No. 1213, adopted July 15, 1987, and ordered that the same stand as the report for the purpose of all subsequent proceedings pursuant to said Resolution No. 1213.

**WHEREAS**, June 17, 2015 at the hour of 6:00 o'clock p.m. and July 1, 2015 at the hour of 6:30 o'clock p.m., in the regular meeting place of said Council, Council Chambers, One Civic Center Drive, Scotts Valley, California, was appointed and fixed as the time and place of public hearings to act upon the Engineer's Report and Resolution No. 1213.29.

**WHEREAS**, the City Clerk gave notice of said hearings by publication once a week for two weeks in the local newspaper published and circulated in said City, and by mailing or causing to be mailed notice of the adoption of said Resolution and of the filing of said report, postage prepaid, at least ten days before the date set for hearings of said protests, to all persons owning real property to be assessed, whose names and addresses appear on the last equalized assessment roll for County taxes prior thereto or as known to the City Clerk, which notice contained a statement of the time, place and purpose of the hearings and a statement of the total estimated cost of said proposed maintenance and improvements, the amount as shown by said report to be assessed against the particular parcel covered by the notice, together with a statement that any person interested may file a protest in writing as provided in said Act.

**WHEREAS**, all written protests and other written communications were read by the Council and are on file with the Clerk and all persons desiring to be heard were fully heard;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. That protests against said maintenance of improvements and levy of assessments were not signed by the owners of a majority or more of the area of the lands within the assessment district assessed for the costs and expenses of said work.

2. That said protests be, and each of them are, hereby overruled.

3. That the owners of one-half (1/2) or more of the area to be assessed for the cost of the project did not, at or prior to the time fixed for said hearings, file written protests against the said proposed maintenance and improvements as a whole, or against said district or the extent thereof to be assessed for the costs and expenses of said maintenance and improvements as a whole, or as to the Engineer's estimate of said costs and expenses, or against the maps and descriptions, or against the diagram or assessment to pay for the costs and expenses thereof.

4. That the district benefitted by said maintenance and improvements are to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof are more particularly described in said Resolution Nos. 1192 and 1213 and made a part hereof by reference thereto. That all public streets and highways within said assessment district in use in the performance of a public function as such shall be omitted from said district and from the levy and collection of the special taxes to be hereafter levied and collected to cover the costs and expenses of said maintenance and improvements.

5. That the Engineer's estimate of the itemized and total costs and expenses in connection therewith, contained in said Report, be, and it is hereby, finally adopted and approved as the Engineer's total and detailed estimate of the costs and expenses of said maintenance of improvements.

6. That the public interest and convenience require and said Council does hereby order the maintenance of improvements to be made as described in and in accordance with said Resolution Nos. 1192 and 1213 on file in the office of the Clerk, reference to which is hereby made for a more particular description of said maintenance of improvements, and also for further particular pursuant to the provisions of said Landscaping and Lighting Act of 1972.

7. That the diagram showing the assessment district referred to and described in said Resolution No. 1192 and 1213, and also the boundaries and dimensions of the respective subdivisions having been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed as the diagram of the properties to be assessed to pay the costs and expenses of said maintenance of improvements.

8. That the assessment of the total amount of the costs and expenses of the proposed maintenance of improvements upon the several subdivisions of land in said district in proportion to the estimated benefits to be received by said subdivisions, respectively from said maintenance of improvements, and of the expenses incidental thereto, contained in said report, be, and the same is hereby, finally approved and confirmed as the assessment to pay the costs and expenses of said maintenance of improvements.

9. That said Engineer's Report be, and the same is hereby, finally adopted and approved as a whole.

10. That the Clerk shall forthwith deliver to the Superintendent of Streets said assessment as confirmed by this Council with his/her certificate of such confirmation thereto attached and of the date thereof; and that said Superintendent of Streets shall record said diagram and assessment in his/her office in a suitable book to be kept for that purpose, and append thereto his/her certificate for the date of such recording, and such recordation shall be and constitute the assessment roll herein.

11. Proceedings shall be taken by this Council pursuant to said Act for any fiscal year during which an assessment is to be levied and collected within said district.

12. The Clerk of this City be, and is hereby, authorized and directed to file a certified copy of this resolution with the County Auditor of Santa Cruz County.

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley, California, at a regular meeting thereof held on the 1st day of July 2015, by the following vote of the members thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:___________________________________
Dene Bustichi, Mayor

ATTEST:_________________________________
Tracy A. Ferrara, City Clerk

**ANNUAL ENGINEER'S REPORT**
**Fiscal Year 2015-2016**

**PINEWOOD ESTATES**
**LANDSCAPING MAINTENANCE DISTRICT**
**Tract No. 1121**

**City of Scotts Valley**
**Santa Cruz County, California**

**Dene Bustichi**
**Mayor**

**Donna Lind**
**Vice Mayor**

**Randy Johnson**
**Council Member**

**Stephany E. Aguilar**
**Council Member**

**Jim Reed**
**Council Member**

**Stephen H. Ando**
**City Manager**

**Scott Hamby**
**Public Works Director**

**Joel F. Ricca, RCE 53588**
**Assessment District Engineer of Work**

# ASSESSMENT

Fiscal Year 2015-2016

WHEREAS, on February 4, 1987, the City Council of the City of Scotts Valley, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972, adopted its Resolution No. 1192, determining to undertake proceedings for the establishment of an assessment district to be known as the "Pinewood Estates Landscaping Maintenance District", more particularly therein described; and

WHEREAS, on July 15, 1987, the City Council of the City of Scotts Valley, California adopted Resolution No. 1213 primarily approving and confirming the written report by the Engineers of Work called for under said Act, and ordered that the same stand as the report for the purpose of all subsequent proceedings had pursuant to said Resolution No. 1213; and

WHEREAS, on August 17, 1988, the City Council of said City of Scotts Valley adopted Resolution No. 1213.1 setting a time and place of hearing protest on levy of assessments pursuant to said Act; and

WHEREAS, on September 7, 1988, the City Council of said City of Scotts Valley adopted Resolution No. 1213.2 ordering and authorizing the levy and collection of assessments therein pursuant to the said Act; and

WHEREAS, the proceedings under said Act require an annual engineers report to be prepared and filed in the same way as the report for the formation of the district for each year in which an assessment is to be levied.

NOW, THEREFORE, I, Joel F. Ricca, RCE 53588, City Engineer of said City of Scotts Valley, acting in the capacity of Engineer of Work under order of the City Council of said City of Scotts Valley, hereby make the following assessment to cover the portion of the estimated cost of the maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district.

The amount to be paid for said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, to be paid by the assessment district for the fiscal year 2015-2016 is as follows:

Engineer's Estimate:  $6,000

And I do hereby assess and apportion said portion of said total amount of the costs and expenses of said maintenance and servicing of the proposed improvements, including the costs and expenses incidental thereto, upon the several lots, pieces, or parcels or portions of lots of land liable therefor and benefitted thereby, and hereinafter numbered to correspond with the numbers upon the diagram, upon each, severally and respectively, in proportion to the benefits to be received by such lands respectively, from the maintenance hereto attached and by reference made a part hereof.

As required by said Act, a diagram is recorded in official records of the County of Santa Cruz showing the assessment district and also the boundaries and dimensions of the respective lots or parcels of land within said assessment district as the same existed at the passage of said Resolution No. 1192.

Said assessment is made upon the several lots or parcels of land within said assessment district in proportion to the estimated benefits to be received by said lots or parcels respectively, from the maintenance and servicing of the improvements. The diagram and assessment numbers appearing herein are the diagram numbers appearing on said diagram, to which reference is hereby made for a more particular description of said property.

I hereby place opposite the number of each lot or parcel of land assessed, the amount assessed thereon and the number of the assessment. Each lot or parcel of land is described in the assessment list by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Cruz for the fiscal year 2015-2016 to the right of the parcel numbers and includes all of such parcels.

Dated: ____________________

_______________________
Joel F. Ricca, RCE 53588
City Engineer

# DESCRIPTION OF WORK

1. Maintaining and servicing of landscaping and ornamental vegetation, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health and beauty thereof, including cultivation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris and other solid waste, and water for the irrigation thereof.

2. Maintaining and servicing of decorative fencing, signage and other ornamental structures and facilities, including the cost of repair, reconstruction, removal, or replacement of all or any part thereof.

3. Repair or replacement, including the installation and construction thereof, of hardscaping, including damaged curbs, gutters, walls, sidewalks, paving, water, irrigation systems, drainage, lighting, or electric facilities within the landscape maintenance easement.

4. The maintenance, repair or replacement of such other facilities as may be appurtenant to the foregoing or which are necessary or convenient for the maintenance or servicing thereof.

ESTIMATE OF COSTS

## ANNUAL MAINTENANCE COSTS

Fiscal Year 2015-2016

Engineer's Estimate (City Engineer)

| | | |
|---|---|---|
| Maintenance Expenses | | |
| Maintenance and servicing | | $ 4,000 |
| Irrigation and power | | 1,600 |
| | Subtotal | $ 5,600 |
| Incidental Expenses | | |
| City administration | | $ 200 |
| Landscape management | | 200 |
| | Subtotal | $ 400 |
| | Total Estimated Cost | $ 6,000 |
| | Net Amount to be Assessed | $ 6,000 |

# RULES OF SPREADING ASSESSMENTS

1. District is to be assessed for all costs associated with the maintenance and servicing of the landscaping, hardscaping and appurtenant improvements within the boundaries of the district.

2. Total costs shall be apportioned to all parcels within the district boundaries in accordance with the benefit derived from the landscaping improvements.

3. Because the landscaping enhances an area serving as a drainage detention system for all parcels within the boundaries of the district, the benefit derived has been determined to be equal for all parcels.

# Certificates

I, Tracy Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment, in the amount set forth, was filed with me on ____________________.

______________________
Tracy Ferrara, City Clerk

I, Joel Ricca, City Engineer for the City of Scotts Valley, do hereby certify that the amounts set forth have been re-computed in accordance with the order of the City Council of said City of Scotts Valley, as expressed by Resolution No. 1213.29, duly adopted by said City Council on July 1, 2015.

_________________________
Joel F. Ricca, RCE 53588
City Engineer

I, Tracy Ferrara, City Clerk of the City of Scotts Valley, hereby certify that the foregoing assessment, in the amount set forth was approved and confirmed by the City Council of the City of Scotts Valley on ____________________.

_________________________
Tracy Ferrara, City Clerk

The Assessment was filed in the office of the County Auditor of the County of Santa Cruz, California, on ___________________.

_________________________
Tracy Ferrara, City Clerk

I HEREBY CERTIFY that the enclosed Engineer's Report and Assessment was recorded in my office on _________________.

Superintendent of Streets
Scotts Valley, Santa Cruz County, California

By:________________________________
Scott Hamby

# City of Scotts Valley

## PINEWOOD ESTATES LANDSCAPING MAINTENANCE DISTRICT

## ASSESSMENT ROLL

## 2015-2016

| Assessment Number | Assessor's Parcel No. | Property Owner | Assessment Amount |
|---|---|---|---|
| 1. | 021-172-01 | Mary Anita Long et al | $ 240 |
| 2. | 021-172-02 | Russell J. Marino Trustee | 240 |
| 3. | 021-172-03 | Geoffrey & Susan Martin | 240 |
| 4. | 021-172-04 | Terry A. & Julie Keller Trustees | 240 |
| 5. | 021-172-05 | Andrea Edwards | 240 |
| 6. | 021-172-06 | Marshall Wolf & Kristia Burgess Trustees | 240 |
| 7. | 021-172-07 | Eugene & Jennifer Hall | 240 |
| 8. | 021-172-08 | Michael C. O’Connor & Sarah Wright | 240 |
| 9. | 021-172-09 | Carlos E. Robinson et al | 240 |
| 10. | 021-172-10 | Steven MaGee & Lisa Hall Co-Trustees | 240 |
| 11. | 021-172-11 | John & Janine Dunn | 240 |
| 12. | 021-172-12 | Qi Gong et al | 240 |
| 13. | 021-172-13 | Melvin M. & Miriam C. McConnell | 240 |
| 14. | 021-172-14 | Amy D. & Robert W. McMullen | 240 |
| 15. | 021-301-01 | Joel M. & Karina Linn | 240 |
| 16. | 021-301-02 | Vinicio & Kristy Sion Co-Trustees | 240 |
| 17. | 021-301-03 | Mark S. & Eve M. Davidson et al | 240 |
| 18. | 021-301-04 | Seth K. Keith et al | 240 |
| 19. | 021-301-05 | Cynthia M. Lemmon Trustee | 240 |
| 20. | 021-301-07 | John B. & Linda L. Suggs Trustees | 240 |
| 21. | 021-301-08 | Mark John Nordstrom Trustee et al | 240 |
| 22. | 021-301-09 | James D. Spiegel Trustee et al | 240 |
| 23. | 021-301-10 | Simon J. McElrea et al | 240 |
| 24. | 021-301-11 | Melissa Kaplan Grudin Trustee et al | 240 |
| 25. | 021-301-12 | Richard A. & Joann M. Webster Trustees | 240 |
| | | TOTAL ASSESSMENTS: | $ 6,000 |

file:annual reports/pinewood estates.wpd

# City of Scotts Valley
# INTEROFFICE MEMORANDUM

**DATE:** June 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Steve Ando, City Manager

**SUBJECT:** **Update on the Library Joint Powers Agreement and Library Financing Authority Agreement**

## SUMMARY OF ISSUE

In 1996 the County of Santa Cruz and the Cities of Capitola, Santa Cruz, and Scotts Valley entered into agreements to establish a Library Joint Powers Authority (LJPA), as well as a Library Financing Authority (LFA). The LJPA agreement expires in June 2017 while the LFA agreement has no expiration date.

Library Joint Powers Agreement:

Staff from the jurisdictions joined a subcommittee of members from the Library Board to develop a new LJPA draft agreement to succeed the current agreement. The current LJPA agreement provides for a nine-member board comprised of two City of Santa Cruz Council Members, two County of Santa Cruz Supervisors, one City of Capitola Council Member, one City of Scotts Valley Council Member, and three electors of the library service area who represent the geographic diversity of the area. The Library Director and Library staff are employees of the City of Santa Cruz. The cost of their salary and benefits are charged to the LJPA. The City of Santa Cruz also provides administrative services, including legal, human resources, and financial services for a 5.5% administrative charge.

The new draft agreement proposes the following:

> Term: The term would be 10 years, effective October 1, 2015. Any party may withdraw with one year written notice by July 1.
>
> Library Joint Powers Governing Board: The County Administrative Services Officer and the three City Managers, or their designees, will comprise the Library Joint Powers Governing Board (Governing Board). The Governing Board will be responsible for hiring and supervising the Library Director, overseeing budget and fiscal management, and adopting service levels. The agreement requires the unanimous approval of the Governing Board for adopting the budget, service levels, major financial transactions, and hiring the Library Director.
>
> Library Advisory Commission: A seven-member board comprised of registered voters with three from the County (Districts 1, 2, and 5), two from the City of Santa Cruz, one from the City of Capitola, and one from the City of Scotts Valley. The Commission will serve as the voice of the community and provide recommendations to the Governing Board and Library Director.

Staff: The Library Director will be hired by the Governing Board pursuant to the terms of an employment agreement. Once the LJPA agreement is in place, the new Library Governing Board will start the recruitment process for a new Library Director. Initially the City of Santa Cruz will provide the staffing services they currently provide, but the Governing Board will likely discuss the options of the service employees staying with the City of Santa Cruz or transition them to LJPA employees.

Service Levels: The Governing Board will determine all policies relating to library services, including hours, organization, staffing levels, and other services. The ultimate goal is to maintain a 10-branch system that strives to provide equitable service based on agreed upon metrics.

Library Financing Authority

There are two funding sources for the LJPA, a countywide quarter-cent sales tax and maintenance of effort (MOE) contributions from the Cities (including Watsonville) and County. Scotts Valley's MOE contribution comes from a percentage of the property tax revenue from the Scotts Valley Successor Redevelopment Agency and goes into a County Library Fund and then to the LJPA. The MOE contributions from the County and Capitola are also a percentage of property taxes and come through the County Library Fund as well. The sales tax is allocated to the LJPA with a portion going to the City of Watsonville which operates a stand-alone library.

When the MOE contributions were established approximately 20 years ago with the formation of the LFA, the City of Santa Cruz MOE was fixed because it was already spending more on library services than what was coming through the County Library Fund. By freezing the MOE amount from Santa Cruz, this allowed the MOE contributions from the County Library Fund to catch up, which they have.

The proposed new provisions of the LFA are as follows:

Term: The term would be 5 years, effective July 1, 2016, with a withdrawal provision the same as the LJPA agreement.

County Library Fund: The MOE contribution from the County Library Fund will be fixed at approximately $5 million. The excess funds coming into the County Library Fund will be programmed by the Board of Supervisors in close consultation with the Cities of Capitola and Scotts Valley and the Library Director for improvements at the Library system branches.

City of Santa Cruz: Starting July 1, 2016, Santa Cruz will increase their MOE by $70,000 each year during the term. The Santa Cruz City Council will also allocate an additional $30,000 each year for improvements at Santa Cruz City branches in consultation with the Library Director.

City of Watsonville: The City of Watsonville would receive a declining distribution from the LJPA. Watsonville's MOE has been a fixed amount, just as the City of Santa Cruz. Their distributions, however, for their stand-alone library have increased over time such that they are receiving a disproportionate share of the LJPA funds. Declining this distribution over time will bring them to their proportionate level.

MOE Adjustment: Under the agreement if there is a decline in Library sales tax for three consecutive quarters, this would trigger a review of the MOE contributions and a process for coming up with recommendations to minimize the impact on the Library System.

**FISCAL IMPACT**

No change in funding of the MOE from Scotts Valley.

**STAFF RECOMMENDATION**

For information purposes. Agreements will come to the Council at a later date for approval.

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# JOINT POWERS AGREEMENT BETWEEN THE CITY OF SANTA CRUZ AND THE COUNTY OF SANTA CRUZ AND THE CITIES OF CAPITOLA AND SCOTTS VALLEY, RELATING TO LIBRARY SERVICES

This Joint Powers Agreement ("Agreement") is entered into by and among the County of Santa Cruz, a political subdivision of the State of California ("County"), the City of Santa Cruz, a municipal corporation duly organized and existing under the laws of the State of California ("Santa Cruz"), the City of Capitola, a municipal corporation duly organized and existing under the laws of the State of California ("Capitola"), and the City of Scotts Valley, a municipal corporation duly organized and existing under the laws of the State of California ("Scotts Valley"). The parties may be referred to collectively as the "Parties" and individually as a "Party" in this Agreement.

## Recitals

Whereas, the Parties executed a Joint Powers Agreement relating to library services with an effective date of June 24, 1996 ("the 1996 Agreement"); and

Whereas, the Agreement was amended for the first time in or about June 1998, amended for the second time in or about November 1999, and amended for the last time in or about June 2007; and

Whereas, the Parties have determined that it would be to their mutual advantage, and in the best interest of their respective citizens, to continue to join together to provide library services under a single comprehensive Santa Cruz City/County Library System ("Library System"); and

Whereas, the Parties desire to modify the terms and conditions under which the Library System is operated and it is intended that this Agreement shall supersede and replace the 1996 Agreement, including all amendments thereto; and

Whereas, in 2008 the County Board of Supervisors and more than two-thirds of voters approved a permanent extension of the ¼ cent sales tax for public library funding purposes; and

Whereas, the County Library Fund is under the jurisdiction of the County and collects property tax funds from the unincorporated areas of the County as well as the cities of Capitola and Scotts Valley, for the provision of library services to the residents in those areas; and

Whereas, the County and the cities of Capitola and Scotts Valley have authority to provide library services within their jurisdictions; and

Whereas, all Parties agree it would be desirable to include all the cities within the County Library Fund in the governance of the Library System; and

Whereas, pursuant to the Joint Exercise of Powers Act (the "Act") set forth in Chapter 5, Division 7 of Title 1 of the Government Code of the State of California (Sections 6500 et seq.), the Parties may contract for the exercise jointly of any power common to all;

Now, therefore, in consideration of the mutual promises and covenants contained herein, the Parties to this Agreement agree as follows:

## 1. Definitions

Unless the context otherwise requires, the terms defined in this section have the meanings herein specified.

"Act" means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500 of said Code.

"Agreement" means this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Services Authority.

"Cities" means, collectively, the Cities of Santa Cruz, Capitola and Scotts Valley.

"Commissioners" means the members of the Library Advisory Commission, as set forth in Section 5 (B).

"County" means the County of Santa Cruz.

"Directors" means the members of the Governing Board, as set forth in Section 5 (A).

"Jurisdiction" or "Jurisdictions" means the County, Cities or any combination thereof.

"Library System" means the Santa Cruz City/County Library System.

"Parties" means, collectively, all the parties to the Agreement.

"Services Authority" means the joint powers authority created by this Agreement.

## 2. Purpose of Agreement and Parties

The Parties to this Agreement, with the approval of their respective legislative bodies, hereby join together for the purpose of providing extended library services within their communities and by establishing a Library Joint Powers Authority ("Services Authority") to exercise the powers described herein.

## 3. Powers and Duties

### A. Powers of Services Authority.

The Services Authority shall have all powers which a joint powers authority may exercise under the Joint Powers Act (including powers which are common to the Parties in accordance with Section 6502 of the Joint Powers Act), and all powers granted to it as a public agency under the laws of the State of California (including but not limited to the powers set forth in Chapter 12, Division 6, Title 1 of the California Government Code, commencing with Section 5920 of said Code), solely for the purpose of carrying out the purposes for which the Services Authority has been established. The Services Authority is hereby authorized, in its own name, to do all acts necessary to accomplish the following purposes:

(1) To exercise jointly the common powers of its Parties to provide public library services.
(2) With the approval of each Party, to participate in financing or refinancing library facilities or services in accordance with State law.
(3) To make and enter into contracts necessary to the full exercise of its powers.
(4) To employ agents and employees including attorneys and other professionals.
(5) To contract for the services of attorneys, administrative support, planners, financial consultants, and other persons as it deems necessary.
(6) To manage, maintain, operate, lease and use any library facilities.
(7) To acquire, hold, lease, receive by grant, gift, devise or bequest and dispose of property, equipment and supplies.
(8) To incur debts, liabilities or obligations subject to limitations herein set forth.
(9) With the approval of each Party, to levy and collect taxes or assessments and issue debt as may be statutorily authorized.
(10) With the approval of each Party, to levy and collect special capital assessments as may be statutorily authorized.
(11) To sue and be sued in its own name.
(12) To adopt, modify and collect fees and fines.

(13) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid necessary for the Services Authority's full exercise of its powers from any agency of the United States of America, the State of California, or any other public or private entity.

(14) To accept and receive gifts, contributions, donations and bequests of property, funds, services and other forms of assistance as necessary for the Services Authority's full exercise of its powers.

(15) To administer, to the fullest extent not prohibited by law, any trust declared or created for the Services Authority.

(16) To receive by grant, gift, devise or bequest and hold in trust or otherwise, property situated in this State or elsewhere and, where not otherwise provided, dispose of the property for the benefit of the Services Authority.

(17) To perform all acts necessary and properly to carry out fully the purpose of this Agreement and not inconsistent with any other provision of law.

(18) To join a Joint Powers Authority to pool library services, financing, risk and/or liabilities with other public entities.

**B. Limitation on Imposition of Taxes or Assessments.**

The provisions of Section 3.A notwithstanding, the Services Authority shall have no power to impose taxes or assessments within any Party's jurisdiction unless the Party's legislative body first passes a resolution consenting to the tax or assessment.

**C. Limitation on Issuance of Debt.**

The provisions of Section 3.A notwithstanding, the Services Authority shall have no power to issue debt unless the legislative body of each Party first passes a resolution consenting to the issuance of the debt.

**D. Additional Powers to be Exercised.**

In addition to those powers common to each of the Parties, the Services Authority shall have those powers that may be conferred upon it by subsequently enacted legislation.

**E. Restrictions on Exercise of Powers.**

The powers of the Services Authority shall be exercised in the manner provided in the Act and as needed to implement the purposes of this Agreement. Only those powers explicitly authorized pursuant to this Agreement may be exercised under this Agreement.

**F. Obligations of Services Authority.**

Any obligations of the Services Authority shall not be obligations of the Parties.

## 4. Term

**A. Effective Date.**

This Agreement shall commence on October 1, 2015. The Agreement shall continue for a term of ten (10) years until September 30, 2025.

**B. Termination/Withdrawal.**

An individual Party may withdraw from this Agreement by the giving of one year written notice no later than July 1 of any given year of its intent to withdraw from the Services Authority effective on July 1 of the next year. Upon withdrawal, such Party shall take on the obligation to provide all library services within its jurisdiction. Withdrawal by the County or the City of Santa Cruz shall terminate the Agreement.

**C. Effect of Termination/Withdrawal.**

Each Party shall, upon termination or withdrawal, remain liable for the branches within its jurisdiction and its share of any outstanding debt service based on the percentage of the proceeds from the debt which was allocated to each jurisdiction. Taxes or assessments that have been imposed within any Party's jurisdiction will continue and be paid to that Party. In addition, each Party shall remain liable for its proportionate share of legal fees and costs, including payment of open claims made after the termination of the Agreement based upon incidents which occurred when the Agreement was in effect.

## 5. Board and Commission

**A. Governing Board.**

There is hereby created the Library Joint Powers Board ("Governing Board"), which shall be responsible for administering this Agreement and overseeing the day-to-day operations of the Library System. The Governing Board shall consist of the following directors:

(1) The County Administrative Officer, or his/her designee, from the County of Santa Cruz.

(2) The City Manager, or his/her designee, from the City of Santa Cruz.

(3) The City Manager, or his/her designee, from the City of Capitola.
(4) The City Manager, or his/her designee, from the City of Scotts Valley.

Actions of the Governing Board shall be effective upon approval of a majority of the directors with the exception of the following actions which require the unanimous approval of the directors:

(1) Financial transactions as set forth in Section 3 (A) (8), Section 3 (A) (9) and Section 3 (A) (10).
(2) Appointment of the Director of Libraries as set forth in Section 6 (A).
(3) Contracts with Parties for library personnel as set forth in Section 6 (B).
(4) Contracts for support services for a period longer than one year as set forth in Section 7.
(5) Approval of the Final Budget as set forth in Section 8.
(6) Changes in Board adopted service levels as set forth in Section 10.

The Governing Board shall select a chairperson and a vice-chairperson in January of each year, and shall meet quarterly or more frequently as determined by the Governing Board.

A quorum of the Governing Board shall consist of all directors, or their designee, and shall be necessary to conduct business, except that less than a quorum may adjourn from time to time. The Governing Board may adopt, from time to time, such bylaws, meeting schedules, rules and regulations for the conduct of its meetings as are necessary. The Governing Board shall be governed by the requirements of the Ralph M. Brown Act.

A director shall cease to participate in the Governing Board if she/he ceases to be an employee in the designated capacity of the Party she/he represents, or if the entity ceases to be a Party to this Agreement.

**B. Library Advisory Commission.**

The Governing Board shall be advised by a Library Advisory Commission ("Commission"). The Commission shall consist of the following commissioners who must be registered voters:

(1) Three residents of unincorporated Santa Cruz County appointed by and serving at the pleasure of the County Board of Supervisors, with one each from Supervisorial Districts 1, 2 and 5.

(2) Two Santa Cruz city residents appointed by and serving at the pleasure of the Santa Cruz City Council.
(3) One Capitola resident appointed by and serving at the pleasure of the Capitola City Council.
(4) One Scotts Valley resident appointed by and serving at the pleasure of the Scotts Valley City Council.

Commissioners should reflect the diverse interests of the Library System including representation in the areas of technology, education and business, or other areas identified by the Governing Board. Elected members of each jurisdiction are not eligible for appointment to the Commission.

Each commissioner shall serve a four-year term, except that the terms of the initial commissioners shall be staggered to end at 36 months and 48 months, respectively, so as to ensure continuity among the commissioners. The initial commissioners shall draw lots to establish the lengths of their respective terms. Each commissioner shall be limited to two terms. Commissioners replacing a commissioner mid-term shall be limited to serving one additional term after completion of the remainder of the original term.

The Commission is advisory only and is intended to be a voice of the community to provide advice and feedback to the Governing Board and the Director of Libraries. The Commission will review programs and services and make necessary recommendations as they pertain to the provision of these programs and services.

The Commission shall select a chairperson and a vice-chairperson in January of each year, and shall meet at least quarterly to develop recommendations to the Governing Board on Library System hours, organization and services.

A quorum of the Commission shall consist of a majority of commissioners and shall be necessary to conduct business, except that less than a quorum may adjourn from time to time. The Commission may adopt, from time to time, such bylaws, meeting schedules, rules and regulations for the conduct of its meetings as are necessary. The Commission shall be governed by the requirements of the Ralph M. Brown Act.

## 6. Employees

### A. Director of Libraries.

The Director of Libraries shall be hired by the Services Authority and serve pursuant to the terms of an employment contract. The unanimous approval of the directors of the Governing Board is required to hire the Director of Libraries. The contract between the Director of Libraries and the Services Authority shall outline details of compensation and benefits. The contract may be administered by a Party under contract with the Services Authority.

The Director of Libraries shall oversee and conduct the day-to-day operations of the Library System. The Director of Libraries shall meet the qualifications of a County Librarian as provided in Chapter 6, Article 2, Section 19142 of the Education Code regarding County Free Libraries and shall also have the duties and responsibilities of a County Librarian as provided in Section 19146 of the Education Code.

The Director of Libraries shall be responsible for the efficient administration and supervision of the Library System. The Director of Libraries shall serve as staff to the Governing Board and Commission, and shall cooperate to assist the directors and commissioners in performing their responsibilities. The Director of Libraries shall cause a notice of this Agreement to be filed with the Secretary of State pursuant to the Act.

The Governing Board shall be responsible for the day to day supervision of the Director of Libraries. The performance of the Director of Libraries shall be appraised annually by the Governing Board, which shall solicit written comments from each director and commissioner.

The Director of Libraries shall upon request make presentations to the Board of Supervisors and City Councils of each jurisdiction to present matters relative to the Library System. In addition, upon request of a Party, the Director of Libraries shall make written and oral reports to the elected body of each Party on the status of public library services.

In addition to the other powers and duties specified in this Agreement, the Director of Libraries shall have the power:

(1) Under the policy direction of the Governing Board, to plan, organize and direct all Services Authority activities.
(2) To develop a proposed operating and capital budget.
(3) To authorize expenditures within the amounts authorized by the Governing Board and subject to the appropriations and limitations of the approved budget.
(4) To make recommendations to and requests of the Governing Board concerning all matters that are to be performed, done or carried out by the Governing Board.
(5) To make recommendations to and requests of the Commission concerning all matters that are to be performed, done or carried out by the Commission.
(6) To have charge of, handle or have access to any property of the Services Authority.

(7) To apply and negotiate for and administer grants and subventions from the State or federal governments or other funding sources. All applications requiring matching or contributory funds must be approved by the Governing Board.

(8) To determine what books and other library materials and equipment shall be purchased, as provided by California Education Code Section 19146, subject to budgetary limitations.

(9) To serve as the purchasing agent for the Services Authority.

(10) To hire, supervise, discipline and dismiss as necessary any employees of the Services Authority.

(11) To work cooperatively with the applicable Parties to hire, supervise, discipline and dismiss as necessary any employees of the Parties contracted to provide staff to the Library System in accordance with the rules and regulations of the contracting Parties.

**B. Other Library Staff**

The Services Authority may directly employ library personnel or contract with one or more of the Parties to meet the staffing requirements of the Library System. Any contract with a Party or Parties for library staffing shall require the unanimous approval of the directors of the Governing Board. In the event that the Services Authority begins employing library personnel upon termination of any contract with a Party or Parties previously providing library staffing, the Services Authority will be recognized as a Successor Employer to the Party or Parties in accordance with the National Labor Relations Board (NLRB) successor doctrine.

## 7. Support Services

The Services Authority may obtain support services including legal counsel, accounting, purchasing, treasury, human resources, payroll and other services from the Parties or private entities at cost via the most cost effective and service efficient method available, as determined by the Governing Board. Any such arrangement shall require a written agreement as to the terms and shall require review annually unless a longer term is agreed to by the unanimous approval of the directors of the Governing Board.

## 8. Annual Budget Process

Each year, the Services Authority shall adopt an annual budget no later than June 30 for the upcoming July 1 to June 30 fiscal year that delineates the planned revenues and expenditures of the Library System.

### A. Consideration of Library Service and Budget Priorities.

The annual budget process for the Library System shall commence no later than March 31 for each year with a Governing Board meeting for the purpose of considering the service and budget priorities for the upcoming fiscal year.

### B. Development of Proposed Library Budget.

The Director of Libraries shall prepare the proposed operating and capital budget for the upcoming fiscal year ("Proposed Budget").

### C. Public Hearing on Proposed Budget.

The Services Authority shall hold a public hearing on the Proposed Budget which shall be held no later than May 31. Copies of the Proposed Budget shall be available for public inspection at least ten days prior to the public hearing.

At the conclusion of the public hearing, the Governing Board shall request such supplemental reports as it deems appropriate and schedule final action on the Proposed Budget for a public meeting to be held no later than June 30.

### D. Approval of Final Budget.

Notwithstanding any other provision of this Agreement, the unanimous approval of the directors of the Governing Board shall be required to approve and adopt the Final Library Budget for the upcoming fiscal year. If the Governing Board has not reached agreement by July 1 of the new fiscal year, the previous year's Final Budget will remain in effect until a new budget is approved. However, if the Governing Board has not reached agreement and revenues decline, then the previous year's Final Budget will be in effect with proportionate cuts based on Board adopted service levels.

## 9. Library Policies

All policies relating to the provision of library services, including hours, organization, staffing levels and type, and other services, shall be determined by the Governing Board with a goal of maintaining a ten (10) branch system that strives to provide equitable service based upon agreed upon metrics. Current policies with respect to the library shall continue in full force and effect until changed by the Governing Board.

## 10. Finances

### A. Revenues.

The library services provided through this Agreement shall be funded through funds made available to the Services Authority by the Santa Cruz County Library Financing Authority. The Parties agree that any resident of Santa Cruz County, regardless of residence location, shall have free access to the library facilities, materials and services of the Library System.

### B. Supplemental Revenues.

Each participating City and the County may supplement revenues to provide for enhanced services at individual library facilities.

### C. Treasurer-Controller.

Pursuant to Section 6505.5 and 6505.6 of the Joint Powers Act, the Governing Board will select and contract with an individual (hereinafter "the Treasurer-Controller") to perform the functions of the treasurer and the functions of the auditor of the Services Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. Pursuant to Section 6505.1 of the Joint Powers Act, the Treasurer-Controller shall have custody of, handle and have access to all accounts, funds and money of the Services Authority from whatever source and all records of the Services Authority relating thereto.

The Treasurer-Controller of the Services Authority is hereby designated as the public officer or person who has charge of, handles, or has access to any property of the Services Authority. The Treasurer-Controller shall file an official bond in the amount of $25,000 as required by Section 6505.1 of the Joint Powers Act; provided, that such bond shall not be required if the Services Authority does not possess or own property or funds with an aggregate value of greater than $500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). So long as required by Section 6505 and Section 6505.5 of the Joint Powers Act, every year during the term of this Agreement the Treasurer-Controller of the Services Authority shall prepare or cause to be prepared an independent audit to be made by a certified public accountant, or a public accountant, as required under Sections 6505, 6505.5, and 6505.6 of the Joint Powers Act.

## 11. Mutual Indemnification and Insurance

### A. Mutual Defense and Indemnification of Parties and Employees.

Except as otherwise specified in this Section, each Party and the Services Authority, respectively, shall defend, indemnify, and hold harmless one another against any and all claims, actions, losses, liability or expense (including attorney's fees) arising out of, or based upon, the acts or omissions of the Services Authority or any Party in executing the powers of the Services Authority. Notwithstanding the foregoing, to the full extent permitted by law, the Services Authority shall defend, indemnify and hold harmless any Party, including but not limited to a party whose employees serve as staff to the Library System, and any person who is or was a director of the Governing Board, or an officer, employee or other agent of the Services Authority or a Party, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any legal proceeding related to the work of the Services Authority, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Services Authority may, but is not required to, provide for indemnification and defense of a director of the Governing Board, or an officer, employee or other agent of the Services Authority to the extent permitted by law.

**B. Liability Insurance.**

The Services Authority shall purchase a General Liability Insurance policy with coverage in the minimum amount of $2,500,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability. The named insured shall be the Services Authority and, accordingly, the Services Authority shall have responsibility for exercising all rights conferred by the insurance policy upon the insured.

**C. Casualty Insurance.**

Each Party shall insure the Library System buildings situated within their respective jurisdictions against casualty losses. The cost for insuring such buildings shall be considered direct costs, and shall be borne by the Party within whose jurisdiction the building is located, provided, however, that the cost of insurance coverage on the Downtown Branch building shall be shared as a system-wide cost.

**D. Uninsured Claims**

Any uninsured costs of providing liability defense, including payments for legal fees and costs and including payment of adjusted and settled claims and judgments must be approved by the Parties. Where it is necessary to employ special legal counsel given the nature of the claim, the Services Authority shall select said special legal counsel. Legal counsel shall report to the Services Authority with respect to said claims in recognition of the Services Authority's status as defendant and client. Legal counsel shall therefore enjoy an attorney-client privilege with the Services Authority and the Services Authority shall have the authority to make all decisions for which a client is customarily responsible in an attorney-client relationship, including final decisions with respect to the adjustment and settlement of uninsured claims and the rejection of settlement offers.

### E. Closed Sessions

All information received by the Governing Board in a closed session related to the information presented to the Governing Board shall remain confidential. In accordance with California Government Code Section 54956.96, however, a director may disclose information obtained in a closed session that has direct financial or liability implications for a Party to the following individuals:

(1) Legal counsel to that Party for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Party; and

(2) Other members of the legislative body of that Party present in a closed session of that Party.

## 12. Distribution of Assets upon Termination/Withdrawal

### A. Services Authority Assets.

The Services Authority's assets shall be distributed to the Parties upon the termination of this Agreement or withdrawal by a Party as herein provided. Within one hundred and twenty days (120) after notice of termination of this Agreement, or withdrawal from this Agreement, the Parties shall agree on a method of inventory and valuation of all assets of the Library System to be apportioned to the Parties, and shall cause the completion of such inventory and valuation within six (6) months after notice of termination or withdrawal. The costs of such inventory and valuation shall be a Library System cost under this Agreement. In determining specific assets to be distributed to the Parties, the Parties agree that every effort shall be made to first distribute to each Party those assets then located within that Party's jurisdiction, and ensure the assets are evenly divided based on the then current population ratios of the Parties. The remaining assets shall then be apportioned and distributed as deemed most convenient to the Parties. The Services Authority shall freely share its catalogue and other information regarding library materials with all Parties.

### B. Special Collections.

It is understood and agreed that the apportionment and allocation of assets pursuant to this paragraph shall not result in the separation or breaking up of the Downtown Branch reference collection, periodical backfiles, local history collection, or Californian collection. All of these collections and materials shall remain the property of the City of Santa Cruz. Further, the Parties (or, if necessary, the arbitrator referenced in Section 14) shall honor all special conditions and agreements imposed by donors of special collections to the Library System.

## 13. Construction of Library Facilities

Whenever a Party remodels, renovates or constructs a facility to be operated by the Services Authority, the Director of Libraries shall advise the Party in all matters regarding the site, design and construction of the facility. The Party and the architects retained by the Party shall consult with the Director of Libraries or his/her designee as often as the latter deems necessary to the proper exercise of his/her responsibilities. The Party shall obtain advance written approval from the Director of Libraries of all plans and specifications, including furnishings, for the inside of the facility.

The Party which selects or approves the architect and oversees the construction of a branch library shall be financially responsible for any and all construction defects and shall have an obligation to correct the defects within a reasonable period following the discovery of the defect.

## 14. Arbitration

The Parties agree to submit to arbitration in accordance with this paragraph any impasse or other inability to agree upon any of the following matters:

(A) Division and distribution of assets pursuant to Section 12 of this Agreement;

(B) Any other matters which the Parties mutually agree to submit to arbitration.

Upon request in writing by any Party that any of the above-listed matters be submitted to arbitration, the Governing Board shall meet to attempt to resolve the dispute and to agree upon an arbitrator if the dispute is not otherwise resolved. In the event the dispute is not resolved and no agreement is reached on the selection of an arbitrator within thirty days of the request for arbitration, then the Parties shall request the Presiding Judge of the Superior Court of Santa Cruz County appoint an independent arbitrator. Each of the Parties shall pay an equal share of the fees and expenses of the arbitrator.

Except as provided in this Agreement, any arbitration arising hereunder shall be conducted in accordance with the California Arbitration Act (Section 1280, et seq., of the California Code of Civil Procedure.)

## 15. Amendments

This Agreement may only be amended with the unanimous consent of the Parties. Any Party proposing to amend this Agreement shall give notice of its intent to propose an amendment at any meeting of the Governing Board at least 60 days prior to the date upon which the proposed amendment, if adopted by the Governing Board, would take effect.

**16. Authorization and Execution**

By the execution of this Agreement, the Parties herby authorize their respective counsel to execute such documents as may be necessary to carry out the terms of this Agreement.

This Agreement may be signed in counter parts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

**CITY OF SANTA CRUZ**

___________________________
City Manager

Dated:______________________

ATTESTED

______________________________
City Clerk

Approved as to Form:

______________________________
City Attorney

**COUNTY OF SANTA CRUZ**

______________________________
County Administrative Officer

Dated:________________________

ATTESTED

______________________________
Clerk of the Board of Supervisors

Approved as to Form:

______________________________
County Counsel

**CITY OF SCOTTS VALLEY**

____________________________
City Manager

Dated:______________________

ATTESTED

____________________________
City Clerk

Approved as to Form:

____________________________
City Attorney

**CITY OF CAPITOLA**

_____________________________
City Manager

Dated:________________________

ATTESTED

________________________________
City Clerk

Approved as to Form:

________________________________
City Attorney